



Miami-Dade County Public Schools

Internal Audit Report

Selected Schools/Centers

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

*At Three Of 42 Schools/Centers, The
Supervision Of The Before/After School
Care Program, Approval And Oversight Of
PTA And School-Sponsored Activities,
Controls Over Payroll Procedures And
In-County Travel Reimbursements, And
Oversight Of Certain School-Site Data
Security Applications
Need Improvement.*

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

MARCH 2018

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Miami-Dade County Public Schools

giving our students the world

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March 5, 2018

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

Ladies and Gentlemen:

This report includes the audit results of 41 schools/centers currently reporting to the North Region Office, the Central Region Office, the South Region Office, or the Office of Adult/Vocational, Alternative and Community Education within School Operations. In addition, this report includes the result of the internal audit of the Department of Hospitality Services, which currently reports to School Facilities. The audit period of 19 of the 42 schools/centers reported herein (which includes the Department of Hospitality Services as one of the centers), is two fiscal years ended June 30, 2017; while the audit period of the remaining 23 schools/centers is one fiscal year ended June 30, 2017. At nine schools/centers, there was a change of Principal/Site Administrator since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools/centers, evaluate compliance with District policies and procedures, and ensure that assets were properly safeguarded. The audits included a review of internal funds at all 42 schools/centers. On a selected basis, we reviewed Title I Program procedures and Full-Time Equivalent (FTE) reporting and student records. Generally, as part of audit follow-ups, we reviewed payroll, the Purchasing Card program, and certain aspects of school site data security. The audits also included the results of property inventories of all 42 schools/centers reported herein.

Audit results proved satisfactory at 39 of the 42 schools/centers reported herein, and property inventory results for most schools/centers were also satisfactory. Accordingly, the financial statements of most of the schools/centers reported herein were fairly stated. At three schools/centers, depending on the individual school/center audited, our audits identified control weaknesses in the management of the Before/After School Care Program and the recordkeeping of fee payments and attendance records; the oversight of PTA-sponsored and school-sponsored fundraising activities; lapses in compliance with payroll procedures and in-county travel reimbursements of staff; and inadequate oversight over certain aspects of school-site data security.

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

Sincerely,

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

JFM:mtg

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EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 41 schools/centers. These include 21 that report to the North Region Office; seven that report to the Central Region Office; ten that report to the South Region Office and three that report to the Office of Adult/Vocational, Alternative and Community Education within School Operations. In addition, this report includes the result of the internal audit of the Department of Hospitality Services¹, which currently reports to School Facilities. For 19 of the schools/centers reported herein (which includes the Department of Hospitality Services), the scope of the audit was two fiscal years ended June 30, 2017. For the remaining 23 schools/centers, the scope of the audit was one fiscal year ended June 30, 2017. At nine schools/centers, there was a change of Principal/Site Administrator since the prior audit.

The audits disclosed that, of the 42 schools/centers reported herein, 39 maintained their records in good order and in accordance with prescribed policies and procedures. The three schools/centers with audit findings and the affected areas are as follows:

Work Loc. No.	Name of School/Center <i>Principal's Tenure</i>	Region Office	Audit Scope	Change Of Principal Since Prior Audit	Prior Audit Findings At This School/Center	Current Audit-- Total Audit Findings Per School/Center	Audit Findings Per Internal Audit Category				
							Internal Funds			Payroll	Data Security
							Before/ After School Care Program	School Fund-raisers	PTA Fund-raisers	Payroll & In-County Travel Reimburse-ments	School-Site Data Security
5005	1. David Lawrence Jr. K-8 Center <i>Audit findings mostly attributed to former Principal. New Principal effective July 2017.</i>	North	2015-2016 2016-2017	Yes	No	1	1				
2801	2. Lake Stevens Elementary <i>Same Principal as in prior audit-no change.</i>	North	2015-2016 2016-2017	No	No	1			1		
3301	3. Miami Park Elementary <i>Fundraising and data security findings attributed to both Principals. Payroll finding attributed to current Principal, while in-county travel reimbursements finding attributed to former Principal. New Principal effective August 2017.</i>	Central	2016-2017	Yes	No	3		1		1	
Totals	3 Schools/Centers					5	1	1	1	1	

As depicted in the table above, depending on the individual school audited, we identified control weaknesses in the management of the Before/After School Care Program and the recordkeeping of fee payments and attendance records; the oversight of PTA-sponsored and school-sponsored fundraising activities; lapses in compliance with payroll procedures and in-county travel reimbursements of staff; and inadequate oversight over certain aspects of school-site data security. The table also illustrates the

¹ Refer to pages 83-84 for background and additional information related to the Department of Hospitality Services.

audit scope of the individual school/center, whether a change of Principal since the prior audit occurred, the tenure of the administration under which the finding was assessed, and whether findings were recurrent/consecutive.

More specific details regarding prior/current findings, names of Principals and timeframes of their administrative assignments are provided on pages 24-35 of this report.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools/centers in this report is presented on pages 24-29. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 44-73); and in the *Appendix Section* in memorandum format (Pages 86-99).

Except for 2 of the 42 schools/centers in this report, notwithstanding the exceptions below, the financial statements of the internal funds of the remaining schools/centers reported herein, present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to *the MSAF End Date (depending on the school/center audited, as noted in the Accounting System Conversion Schedule on pages 36-39), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the school/center audited, as noted in the Accounting System Conversion Schedule on pages 36-39) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual school/center audited. Regarding American Adult Education Center, Hialeah Adult Education Center and Southwest Miami Adult Education Center, the financial statements of the internal funds of these three centers present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and/or 2016-2017 fiscal years, on the full accrual basis of accounting².*

At David Lawrence Jr. K-8 Center, notwithstanding the exceptions below, the financial statement of the internal funds of the school presents fairly in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to November 24, 2015, on the cash basis of accounting; and from December 1, 2015 to June 30, 2016, on the full accrual basis of accounting. Except for the matter of the monies unaccounted for in the Community School Program during 2016-2017, as expressed in the findings noted herein, the financial statement of the internal funds of the school otherwise fairly presents the changes in fund balances from financial activity conducted during the 2016-2017 fiscal year, on the full accrual basis of accounting.

At Miami Park Elementary School, as evidenced by the fact that the financial activities of school fundraisers conducted during the 2016-2017 fiscal year were intentionally not recorded in the internal funds of the school, as disclosed in our audit, which affected the results for the 2016-2017 fiscal year, it is our opinion that the financial statement does not

² K-12 centers and the Department of Hospitality Services migrated to the new eSAS (full accrual) accounting system during 2015-2016, while adult education centers/technical colleges migrated to the new eSAS (full accrual) accounting system in April 2015 (2014-2015).

fairly represent the changes in fund balances arising from the financial transactions during the 2016-2017 fiscal year, on the full accrual basis of accounting.

As of June 30, 2016, for 19³ schools/centers reported herein, total receipts and disbursements amounted to \$8,892,713 and \$(8,613,436), respectively; while total combined Fund Balance amounted to \$4,116,002 (Pages 10-12).

As of June 30, 2017, for all 42 schools/centers reported herein, total combined receipts and disbursements amounted to \$11,099,812 and \$(11,131,379), respectively; while total combined Fund Balance amounted to \$4,627,765 (Pages 13-17).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at 41 of 42 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the *Manual of Internal Fund Accounting*, except for those instances of non-compliance identified and reported at the individual schools/centers. However, at Miami Park Elementary School, given the material non-compliance disclosed over the handling of school fundraisers, the internal control structure was not functioning as designed by the school administration. Furthermore, with respect to the items tested, the school was not in compliance with the policies and procedures in the *Manual of Internal Fund Accounting*.

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

INTERNAL FUNDS

Implementation Of New Accounting System At K-12 Centers and the Department of Hospitality Services

In March 2016, the District migrated the bookkeeping of the internal funds of all K-12 centers and the Department of Hospitality Services from a legacy bookkeeping system (referred to as the MSAF system) to a web-based full accrual accounting system. The new system is named the *Electronic Student Accounting System* by the District (otherwise referred to as the eSAS system)⁴.

The deployment to the new system was accomplished in tiers, where K-12 schools/centers were segregated into four different groups (the first being the pilot group followed by three cohorts). Each group migrated into the new bookkeeping system according to the following schedule under the direction and guidance of various district departments (i.e., Accounting, Treasury Management, Information Technology Services (ITS)), and with technical assistance from the software vendor. Regarding the Department of Hospitality Services and 15 K-12 centers in this report **with two-year**

³ This report includes 15 K-12 centers, 3 adult education centers and the Department of Hospitality Services with a two-year audit (2015-2016 and 2016-2017); and 23 K-12 centers with a one-year audit (2016-2017).

⁴ Please, refer to *Background Section* on pages 77-78 for additional details.

audits⁵, the summarized group configuration and overall deployment schedule was as follows:

Group Designation	MSAF (Legacy) System End Date	eSAS System Available For Conversion	No. Of Centers In This Report Phasing Into eSAS During 2015-2016
Pilot	9/29/2015	10/1/2015	1
Cohort 1	11/24/2015	12/1/2015	1
Cohort 2	1/27/2016	2/1/2016	10
Cohort 3	2/24/2016	3/1/2016	4
Total K-12 Centers plus Hospitality Services			16

Consequently, the schools in this report converted from the cash basis system of accounting to the new full accrual system on different dates, and these dates are reflected in the Opinion to the financial statements during the year of conversion (2015-2016). Please, refer to Accounting System Conversion Schedule on pages 36-39 for dates specific to each center reported herein.

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

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

Internal Funds-Summary Of Audit Results And Financial Statements’ Opinion

Internal funds records and procedures were reviewed at all 41 schools/centers and the Department of Hospitality Services. At 39 of the 42 schools/centers, we determined there was general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following three schools/centers we found that:

- *At David Lawrence Jr. K-8 Center*, there was a change of Principal in July 2017; therefore, most findings below happened under the tenure of the former school administration. Our review of the financial activities for the 2015-2016, 2016-2017 and 2017-2018 fiscal years up to December 2017 disclosed that Before/After School

⁵ The 19 two-year audits reported herein involve 15 K-12 centers, 3 adult education centers and the Department of Hospitality Services. The system migration of the three adult education centers happened following a different timeline, which is explained in the next section of this Executive Summary.

Care and Story Hour Program fees totaling approximately \$10,300 collected during 2016-2017 could not be accounted for. Based on the available evidence, the Community School Specialist should be accountable for their whereabouts. Aside from the monetary shortage, we discovered that program records were disorganized; student registration cards were missing; the payment information on many of the student registration cards was not properly/consistently maintained; and the payment information contained many errors and omissions. During our interview with the employee, she admitted to bookkeeping errors and delays in the posting of transactions to the cards; however, she would not admit to a misappropriation of funds. The case was referred to the Miami-Dade Schools Police Department for further investigation and is pending at this time. The employee resigned from her employment with Miami-Dade County Public Schools effective January 23, 2018 (Pages 44-54).

- *At Lake Stevens Elementary School*, in July 2017, the Principal reported an incident involving an individual who was the school's former PTA President, and who was also employed at Miami Park Elementary as the Community Involvement Specialist (CIS) for several years. This incident resulted in a M-DCPS Police investigation. According to the allegation, in May 2017, the former PTA President conducted T-Shirt sale fundraisers at both schools. At this school, *the Principal had not approved and had no knowledge of this PTA fundraiser*. Following the fundraisers, the related T-Shirt vendor contacted the Principal informing her that two checks from the former PTA President's personal checking account had been returned due to non-sufficient funds. One check corresponded to payment for the PTA fundraiser at Lake Stevens Elementary, while the other check was payment for the school fundraiser at Miami Park Elementary School.

Our audit substantiated the allegation that the former PTA President had paid for the merchandise with two personal checks, which were returned due to non-sufficient funds. The vendor confirmed that the outstanding debt was subsequently paid in full by a family member of the former PTA President. In reference to the fundraisers conducted by the PTA, the lack of PTA financial records documenting these activities and our inability to contact the former PTA President made it impossible to determine the total amount of money collected and how the monies were spent; however, we did identify a monetary discrepancy that remained unexplained. The former PTA President resigned from the school system effective December 16, 2017. For the 2017-2018 fiscal year up to the time of our audit, the school has not had a PTA/PTSA (Pages 55-59).

- *At Miami Park Elementary School*, the audit, which happened in conjunction with the audit of Lake Stevens Elementary, not only substantiated the allegation that the CIS had paid for the school's fundraising merchandise with personal checks, but confirmed the school's failure to observe the procedures for maintaining proper recordkeeping and full accountability of school-sponsored fundraisers. Specifically, fundraising cash proceeds were used to directly pay vendors for the fundraising merchandise, and none of this activity was recorded in the internal funds of the school with apparent knowledge of both Principals (former and current).

Consequently, the lack of financial records documenting these activities and conflicting information from school staff regarding the party ultimately responsible for these fundraisers, made it impossible to determine the total amount of money collected and how all the monies were spent. The findings were identified during the 2016-2017 and 2017-2018 fiscal years up to November 2017. At this school, there was a change of Principal in August 2017. Most discrepancies happened under the tenure of the former Principal, however, some also happened during the tenure of the current Principal (Pages 60-66).

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 42 locations reported herein. At these schools/centers, Property Audits staff inventoried approximately 10,300 equipment items with a total approximate cost of \$24.9 million. Of the 42 inventories, 40 proved satisfactory. At two schools, a total of four items with a cost of approximately \$8,500 and fully depreciated value could not be accounted for (refer to Property Schedule on Pages 40-42).

Property inventories also include the review of property losses reported by the schools/centers through the Plant Security Report process. Our analysis of Plant Security Report losses disclosed that three items (fully depreciated) with a total acquisition cost of approximately \$3,500 were reported missing at three of the 42 locations. Items consisted of computer equipment and a pressure washer (Page 43).

PAYROLL

We reviewed payroll records and procedures at the following five schools/centers. Reviews were mostly the result of audit follow-ups to payroll conditions cited in prior audits of the individual schools/centers or corollary to our review of the school's payroll expenditures charged to the Title I Program:

Work Location No.	Schools/Centers	Audit Period	Region
5005	David Lawrence Jr. K-8 Center	2016-2017 and 2017-2018	North
6351	Lake Stevens Middle	2017-2018	North
3301	Miami Park Elementary	2016-2017 and 2017-2018	Central
6771	Jorge Mas Canosa Middle	2017-2018	South
9026	Department of Hospitality Services	2017-2018	District

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

- *At Miami Park Elementary School*, our review of current payrolls disclosed several discrepancies with the reporting of time and attendance. We also found that during 2016-2017, the Treasurer was improperly reimbursed mileage for in-county travel on days when she was absent from work. There was a change of Principal in August 2017. The payroll reporting finding corresponded to pay periods in 2017-2018 under the tenure of the current Principal. The matter of the in-county travel reimbursement was identified during the tenure of the former Principal (Pages 69-73).

PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program’s procedures and records at the following four schools/centers. Two of these reviews were corollary to our review of Title I Program disbursements made with the P-Card at the individual schools/centers during the 2016-2017 fiscal year, while the rest consisted of audit follow-ups:

Work Location No.	Schools/Centers	Region	Audit Period
5005	David Lawrence Jr. K-8 Center	North	2016-2017
3301	Miami Park Elementary	Central	2016-2017
6771	Jorge Mas Canosa Middle	South	2017-2018
7431	Miami Palmetto Senior	South	2016-2017

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

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures corresponding to the 2016-2017 fiscal year was conducted at two schools/centers. The following table summarizes the schools/centers reviewed:

Work Location No.	Schools/Centers	Region	Audit Period	Total Expenditures
5005	David Lawrence Jr. K-8 Center	North	2016-2017	\$ 426,622
3301	Miami Park Elementary	Central	2016-2017	267,848
Total Title I Program Expenditures				\$ 694,470

At these two schools/centers, aggregate expenditures incurred under various Title I programs amounted to approximately \$695 thousand. Both schools/centers reviewed were generally compliant with Title I Program documentation and procedures.

FULL-TIME-EQUIVALENT (FTE) FUNDING

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

Work Location No.	Schools/Centers	Region	Survey Period (SP)	FTE Funding
6351	Lake Stevens Middle	North	2016-2017 SP3	\$ 1,485,264
7141	Dr. Michael M. Krop Senior	North	2016-2017 SP 3	7,171,705
7121	John A. Ferguson Senior	South	2016-2017 SP 3	11,037,715
7431	Miami Palmetto Senior	South	2016-2017 SP 3	6,739,079
Total FTE Funding:				\$ 26,433,763

The total FTE funding amounted to approximately \$26.4 million for the four schools/centers combined. FTE records reviewed corresponded to the 2016-2017 Survey Period 3 (February 2017), as noted in the table above. Our FTE reviews disclosed that all four schools/centers were generally compliant with District policy.

DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following five schools/centers. Our reviews were mostly the result of an audit follow-up to conditions cited in the school’s prior audit or corollary to the Title I Program audit conducted this year:

Work Location No.	Schools/Centers	Audit Period	Region
5005	David Lawrence Jr. K-8 Center	2016-2017 and 2017-2018	North
3301	Miami Park Elementary	2016-2017 and 2017-2018	Central
6771	Jorge Mas Canosa Middle	2017-2018	South
7121	John A. Ferguson Senior	2017-2018	South
7431	Miami Palmetto Senior	2017-2018	South

Our review disclosed that four of the five schools/centers generally complied with the review of the report and with the requirements for granting staff’s access to system applications.

- *At Miami Park Elementary School*, our review of the most current “Authorized Application for Employees by Location” report on file disclosed the Secretary/Treasurer, in addition to the Principal, with access to the Quad A security application for the school site location. However, this security application is reserved for the site administrator. Access was revoked at our request. According to Information Technology Services (ITS), the former Principal had granted access to this employee since April 2015. There was a change of Principal in August 2017; therefore, the tenure of both Principals is involved in this finding (Pages 67-68).

AUDIT OPINION

The following tables summarize total receipts, disbursements and Fund Balance as of June 30, 2016 and/or June 30, 2017, for the 42 schools/centers included herein, depending on the year(s) audited for each individual school/center⁶. It also provides the audit opinion regarding the schools/centers’ financial statements:

⁶ This report includes a total of 42 schools/centers, of which 19 underwent a two-year audit ended June 30, 2017, and 23 underwent a one-year audit ended June 30, 2017.

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

The Condensed Annual Financial Report and Total Cash and Investments as of June 30, 2016 for 19 of the 42 schools/centers are as follows:

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>North Region Office Schools/Centers</u>											
0481	James H. Bright/J. W. Johnson Elementary	\$ 81,877.98	\$ 69,436.24	\$ (73,845.30)	\$ 77,468.92	\$ 26,359.79	\$ 51,109.13	\$ -	\$ -	\$ -	\$ 77,468.92
2801	Lake Stevens Elementary	5,851.26	8,070.13	(8,554.71)	5,366.68	2,734.07	2,632.61	-	-	-	5,366.68
3741	North Beach Elementary	36,433.30	665,885.14	(661,214.85)	41,103.59	26,500.07	14,603.52	-	-	-	41,103.59
0761	Fienberg/Fisher K-8 Center	222,329.54	208,337.36	(185,581.61)	245,085.29	68,962.36	176,122.93	-	-	-	245,085.29
5005	David Lawrence Jr. K-8 Center	30,021.63	315,637.15	(316,373.92)	29,284.86	18,892.56	10,392.30	-	-	-	29,284.86
6351	Lake Stevens Middle	24,642.56	59,362.46	(64,533.12)	19,471.90	9,295.43	10,176.47	-	-	-	19,471.90
7141	Dr. Michael M. Krop Senior	206,564.76	810,954.99	(806,356.16)	211,163.59	17,263.36	193,900.23	-	-	-	211,163.59
7031	MAST @ FIU Biscayne Bay Campus	8,993.26	39,333.19	(36,223.97)	12,102.48	2,078.85	10,023.63	-	-	-	12,102.48

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>Central Region Office Schools/Centers</u>											
7071	Coral Gables Senior	270,523.51	1,005,843.00	(1,011,050.59)	265,315.92	33,672.73	231,643.19	-	-	-	265,315.92
7461	Miami Senior	149,857.70	552,988.36	(554,030.08)	148,815.98	20,268.85	128,547.13	-	-	-	148,815.98
<u>South Region Office Schools/Centers</u>											
0125	Norma Butler Bossard Elementary	27,684.15	537,105.27	(518,705.48)	46,083.94	30,094.83	15,989.11	-	-	-	46,083.94
4381	Dr. Henry E. Perrine Academy Of The Arts	18,181.24	275,193.51	(274,373.83)	19,000.92	12,370.82	6,630.10	-	-	-	19,000.92
6771	Jorge Mas Canosa Middle	46,962.94	380,754.63	(380,018.91)	47,698.66	37,450.62	10,248.04	-	-	-	47,698.66
7121	John A. Ferguson Senior	411,478.85	1,643,909.95	(1,552,510.63)	502,878.17	3,947.69	498,930.48	-	-	-	502,878.17
7431	Miami Palmetto Senior	347,170.43	742,304.61	(729,581.49)	359,893.55	28,710.42	331,233.13	-	(50.00)	-	359,893.55

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>Adult Education Centers</u>											
7012	American Adult Education Center	389,433.48	384,082.43	(347,729.14)	425,786.77	101,858.11	300,263.16	-	23,665.50	-	425,786.77
7112	Hialeah Adult Education Center	299,386.67	384,453.65	(355,411.22)	328,429.10	122,596.75	132,297.63	-	73,534.72	-	328,429.10
7742	Southwest Miami Adult Education Center	159,042.88	287,354.56	(234,372.82)	212,024.62	68,829.53	114,876.85	-	28,318.24	-	212,024.62
<u>Other Center (District)</u>											
9026	Department of Hospitality Services	1,100,288.45	521,706.06	(502,967.93)	1,119,026.58	36,119.64	1,082,906.94	-	-	-	1,119,026.58
TOTALS		\$3,836,724.59	\$ 8,892,712.69	\$ (8,613,435.76)	\$4,116,001.52	\$668,006.48	\$3,322,526.58	\$ -	\$125,468.46	\$ -	\$4,116,001.52

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

The Condensed Annual Financial Reports and Fund Balance as of June 30, 2017 for the 42 schools/centers reported herein are as follows:

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>North Region Office Schools/Centers</u>											
0481	James H. Bright/J. W. Johnson Elementary	\$ 77,468.92	\$ 33,378.12	\$ (45,540.89)	\$ 65,306.15	\$ 13,693.24	\$ 51,612.91	\$ -	\$ -	\$ -	\$ 65,306.15
0681	Carol City Elementary	21,592.93	8,147.28	(9,637.03)	20,103.18	11,363.66	8,739.52	-	-	-	20,103.18
1481	John G. Dupuis Elementary	26,632.59	158,809.40	(169,495.23)	15,946.76	6,353.48	9,593.28	-	-	-	15,946.76
1921	Flamingo Elementary	21,566.80	26,598.60	(26,572.37)	21,593.03	7,650.93	13,942.10	-	-	-	21,593.03
2161	Golden Glades Elementary	8,408.67	10,061.72	(9,321.75)	9,148.64	8,436.60	712.04	-	-	-	9,148.64
2241	Gratigny Elementary	13,045.64	11,820.26	(11,786.91)	13,078.99	7,323.01	5,755.98	-	-	-	13,078.99
2801	Lake Stevens Elementary	5,366.68	10,812.82	(10,841.78)	5,337.72	3,679.79	1,657.93	-	-	-	5,337.72
3141	Meadowlane Elementary	20,384.15	45,105.24	(42,784.84)	22,704.55	14,813.59	7,890.96	-	-	-	22,704.55
3241	Miami Gardens Elementary	5,018.42	6,606.17	(7,283.09)	4,341.50	3,146.05	1,195.45	-	-	-	4,341.50

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

Work Loc. No.	Schools/Centers	Annual Financial Report					Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance	
3741	North Beach Elementary	41,103.59	758,453.66	(735,476.95)	64,080.30	32,483.59	31,596.71	-	-	-	64,080.30	
3941	North Miami Elementary	19,535.52	31,623.84	(33,543.12)	17,616.24	908.06	16,708.18	-	-	-	17,616.24	
4001	Norwood Elementary	20,526.17	19,540.11	(20,980.04)	19,086.24	6,417.62	12,668.62	-	-	-	19,086.24	
4061	Ojus Elementary	20,556.43	119,093.05	(108,818.74)	30,830.74	18,404.04	12,426.70	-	-	-	30,830.74	
4241	Palm Lakes Elementary	12,117.85	41,607.19	(40,402.04)	13,323.00	7,940.01	5,382.99	-	-	-	13,323.00	
5711	Mae M. Walters Elementary	17,459.61	22,662.12	(20,491.85)	19,629.88	7,916.33	11,713.55	-	-	-	19,629.88	
0761	Fienberg/Fisher K-8 Center	245,085.29	290,772.15	(260,834.91)	275,022.53	97,163.56	177,858.97	-	-	-	275,022.53	
5005	David Lawrence Jr. K-8 Center	29,284.86	301,214.48	(304,565.45)	25,933.89	15,439.15	10,494.74	-	-	-	25,933.89	
6351	Lake Stevens Middle	19,471.90	71,793.25	(74,659.17)	16,605.98	6,329.19	10,276.79	-	-	-	16,605.98	
6681	Palm Springs Middle	34,086.09	63,785.28	(70,097.48)	27,773.89	3,461.97	24,311.92	-	-	-	27,773.89	
7141	Dr. Michael M. Krop Senior	211,163.59	740,955.15	(720,667.76)	231,450.98	86,058.49	145,337.10	-	-	55.39	231,450.98	

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

Work Loc. No.	Schools/Centers	Annual Financial Report					Fund Balance				
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7031	MAST @ FIU Biscayne Bay Campus	12,102.48	89,722.39	(85,876.73)	15,948.14	10,825.69	5,122.45	-	-	-	15,948.14
<u>Central Region Office Schools/Centers</u>											
1801	Fairlawn Elementary	20,793.82	181,853.58	(184,404.17)	18,243.23	595.54	17,647.69	-	-	-	18,243.23
3301	Miami Park Elementary	10,980.14	21,353.79	(20,763.44)	11,570.49	3,722.95	7,847.54	-	-	-	11,570.49
0961	Coral Gables Preparatory Academy	24,171.41	78,229.50	(71,838.00)	30,562.91	3,398.99	27,163.92	-	-	-	30,562.91
1681	Lillie C. Evans K-8 Center	10,012.89	18,119.25	(17,626.68)	10,505.46	4,075.79	6,523.35	-	-	(93.68)	10,505.46
7071	Coral Gables Senior	265,315.92	867,642.76	(872,810.74)	260,147.94	25,767.48	234,380.46	-	-	-	260,147.94
7033	Law Enforcement Officers' Memorial High School	33,681.53	83,228.61	(79,751.22)	37,158.92	6,805.91	30,353.01	-	-	-	37,158.92
7461	Miami Senior	148,815.98	494,117.16	(488,096.50)	154,836.64	14,769.66	140,066.98	-	-	-	154,836.64
<u>South Region Office Schools/Centers</u>											
0125	Norma Butler Bossard Elementary	46,083.94	468,732.88	(463,054.55)	51,762.27	35,615.55	16,146.72	-	-	-	51,762.27

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

Work Loc. No.	Schools/Centers	Annual Financial Report					Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance	
2641	Kendale Elementary	24,166.57	304,934.36	(309,162.18)	19,938.75	6,549.87	13,388.88	-	-	-	19,938.75	
4381	Dr. Henry E. Perrine Academy Of The Arts	19,000.92	270,043.14	(274,815.56)	14,228.50	29,143.05	6,695.45	-	-	(21,610.00)	14,228.50	
2941	Laura C. Saunders Elementary	5,994.65	5,839.34	(5,079.84)	6,754.15	3,377.31	3,376.84	-	-	-	6,754.15	
6771	Jorge Mas Canosa Middle	47,698.66	395,985.12	(386,008.13)	57,675.65	47,326.59	10,349.06	-	-	-	57,675.65	
6901	W. R. Thomas Middle	44,072.02	277,657.05	(278,678.71)	43,050.36	22,429.04	20,621.32	-	-	-	43,050.36	
7051	G. Holmes Braddock Senior	102,399.13	745,061.71	(721,468.48)	125,992.36	45,798.63	83,189.73	-	-	(2,996.00)	125,992.36	
6081	Cutler Bay Senior	26,127.86	187,461.24	(181,920.87)	31,668.23	16,338.55	15,329.68	-	-	-	31,668.23	
7121	John A. Ferguson Senior	502,878.17	1,511,916.51	(1,554,675.77)	460,118.91	36,590.32	423,528.59	-	-	-	460,118.91	
7431	Miami Palmetto Senior	359,893.55	734,939.67	(788,958.89)	305,874.33	25,865.87	280,008.46	-	-	-	305,874.33	
Adult Education Centers												
7012	American Adult Education Center	425,786.77	405,221.17	(430,849.77)	400,158.17	96,506.15	303,222.88	-	429.14	-	400,158.17	

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

Work Loc. No.	Schools/Centers	Annual Financial Report					Fund Balance				
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7112	Hialeah Adult Education Center	328,429.10	340,202.09	(397,932.55)	270,698.64	129,504.26	133,601.70	-	7,592.68	-	270,698.64
7742	Southwest Miami Adult Education Center	212,024.62	306,076.33	(260,621.05)	257,479.90	92,907.11	116,009.20	-	48,563.59	-	257,479.90
<u>Other Center (District)</u>											
9026	Department of Hospitality Services	1,119,026.58	538,634.30	(533,184.10)	1,124,476.78	80,897.14	1,043,579.64	-	-	-	\$1,124,476.78
TOTALS		\$4,659,332.41	\$11,099,811.84	\$(11,131,379.33)	\$4,627,764.92	\$1,097,793.81	\$3,498,029.99	\$	\$56,585.41	\$(24,644.29)	\$4,627,764.92

AUDIT OPINION

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

Except for 2 of the 42 schools/centers in this report, notwithstanding the exceptions below, the financial statements of the internal funds of the remaining schools/centers reported herein, present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to the MSFAF End Date (depending on the school/center audited, as noted in the Accounting System Conversion Schedule on pages 36-39), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the school/center audited, as noted in the Accounting System Conversion Schedule on pages 36-39) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual school/center audited. Regarding American Adult Education Center, Hialeah Adult Education Center and Southwest Miami Adult Education Center, the financial statements of the internal funds of these three centers present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and/or 2016-2017 fiscal years, on the full accrual basis of accounting⁷.

At David Lawrence Jr. K-8 Center, notwithstanding the exceptions below, the financial statement of the internal funds of the school presents fairly in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to November 24, 2015, on the cash basis of accounting; and from December 1, 2015 to June 30, 2016, on the full accrual basis of accounting. Except for the matter of the monies unaccounted for in the Community School Program during 2016-2017, as expressed in the findings noted herein, the financial statement of the internal funds of the school otherwise fairly presents the changes in fund balances from financial activity conducted during the 2016-2017 fiscal year, on the full accrual basis of accounting.

At Miami Park Elementary School, as evidenced by the fact that the financial activities of school fundraisers conducted during the 2016-2017 fiscal year were intentionally not recorded in the internal funds of the school, as disclosed in our audit, which affected the results for the 2016-2017 fiscal year, it is our opinion that the financial statement does not fairly represent the changes in fund balances arising from the financial transactions during the 2016-2017 fiscal year, on the full accrual basis of accounting.

⁷ K-12 centers and the Department of Hospitality Services migrated to the new eSAS (full accrual) accounting system during 2015-2016, while adult education centers/technical colleges migrated to the new eSAS (full accrual) accounting system in April 2015 (2014-2015).

AUDIT OPINION

As of June 30, 2016, for 19⁸ schools/centers reported herein, total receipts and disbursements amounted to \$8,892,713 and \$(8,613,436), respectively; while total combined Fund Balance amounted to \$4,116,002 (Pages 10-12).

As of June 30, 2017, for all 42 schools/centers reported herein, total combined receipts and disbursements amounted to \$11,099,812 and \$(11,131,379), respectively; while total combined Fund Balance amounted to \$4,627,765 (Pages 13-17).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at 41 of 42 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers. However, at Miami Park Elementary School, given the material non-compliance disclosed over the handling of school fundraisers, the internal control structure was not functioning as designed by the school administration. Furthermore, with respect to the items tested, the school was not in compliance with the policies and procedures in the Manual of Internal Fund Accounting.

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

Maria T. Gonzalez

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

⁸ This report includes 15 K-12 centers, 3 adult education centers and the Department of Hospitality Services with a two-year audit (2015-2016 and 2016-2017); and 23 K-12 centers with a one-year audit (2016-2017).

INTERNAL CONTROLS RATING

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

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
David Lawrence Jr. K-8 Center		✓			✓		Likely to impact.
Lake Stevens Elementary		✓			✓		Likely to impact.
<u>Central Region Office School/Center</u>							
Miami Park Elementary			✓			✓	Impacted Operations.

INTERNAL CONTROLS RATING

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

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
James H. Bright/J. W. Johnson Elementary	✓			✓			Not Likely to impact.
Carol City Elementary	✓			✓			Not Likely to impact.
John G. Dupuis Elementary	✓			✓			Not Likely to impact.
Flamingo Elementary	✓			✓			Not Likely to impact.
Golden Glades Elementary	✓			✓			Not Likely to impact.
Gratigny Elementary	✓			✓			Not Likely to impact.
Meadowlane Elementary	✓			✓			Not Likely to impact.
Miami Gardens Elementary	✓			✓			Not Likely to impact.
North Beach Elementary	✓			✓			Not Likely to impact.
North Miami Elementary	✓			✓			Not Likely to impact.
Norwood Elementary	✓			✓			Not Likely to impact.
Ojus Elementary	✓			✓			Not Likely to impact.
Palm Lakes Elementary	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Mae M. Walters Elementary	✓			✓			Not Likely to impact.
Fienberg/Fisher K-8 Center	✓			✓			Not Likely to impact.
Lake Stevens Middle	✓			✓			Not Likely to impact.
Palm Springs Middle	✓			✓			Not Likely to impact.
Dr. Michael M. Krop Senior	✓			✓			Not Likely to impact.
MAST @ FIU Biscayne Bay Campus	✓			✓			Not Likely to impact.
<u>Central Region Office Schools/Centers</u>							
Fairlawn Elementary	✓			✓			Not Likely to impact.
Coral Gables Preparatory Academy	✓			✓			Not Likely to impact.
Lillie C. Evans K-8 Center	✓			✓			Not Likely to impact.
Coral Gables Senior	✓			✓			Not Likely to impact.
Law Enforcement Officers' Memorial High School	✓			✓			Not Likely to impact.
Miami Senior	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Norma Butler Bossard Elementary	✓			✓			Not Likely to impact.
Kendale Elementary	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Dr. Henry E. Perrine Academy Of The Arts	✓			✓			Not Likely to impact.
Laura C. Saunders Elementary	✓			✓			Not Likely to impact.
Jorge Mas Canosa Middle	✓			✓			Not Likely to impact.
W. R. Thomas Middle	✓			✓			Not Likely to impact.
G. Holmes Braddock Senior	✓			✓			Not Likely to impact.
Cutler Bay Senior	✓			✓			Not Likely to impact.
John A. Ferguson Senior	✓			✓			Not Likely to impact.
Miami Palmetto Senior	✓			✓			Not Likely to impact.
<u>Adult Education Centers</u>							
American Adult Education Center	✓			✓			Not Likely to impact.
Hialeah Adult Education Center	✓			✓			Not Likely to impact.
Southwest Miami Adult Education Center	✓			✓			Not Likely to impact.
<u>Other Center (District)</u>							
Department of Hospitality Services	✓			✓			Not Likely to impact.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
5005	David Lawrence Jr. K-8 Center ^{(a)(b)}	Int. Funds: 2015-2016 2016-2017 Title I & P-Card: 2016-2017 Payroll & Data Security: 2016-2017 2017-2018	1	• Before/After School Care Program	None	
2801	Lake Stevens Elementary ^(c)	Int. Funds: 2015-2016 2016-2017	1	PTA-sponsored Fundraising Activity	None	
<u>Central Region Office School/Center</u>						
3301	Miami Park Elementary ^{(a)(d)}	Int. Funds, Title I & P-Card: 2016-2017 Payroll & Data Security: 2016-2017 2017-2018	3	• School-sponsored Fundraising Activities • Payroll Sign-In/Reporting and In-County Travel Reimbursements • Data Security	None	
TOTAL			5		None	

Notes:

- (a) Change of Principal/Site Administrator since prior audit (9 schools/centers).
- (b) Findings mostly happened under the tenure of the former Principal.
- (c) No change of Principal since prior audit.
- (d) Findings related to fundraising and data security happened under the tenure of both current and former Principals. Findings related to payroll took place under the current Principal; while finding related to in-county travel reimbursement happened under the tenure of the former Principal.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the 39 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
0481	James H. Bright/J. W. Johnson Elementary	Int. Funds: 2015-2016 2016-2017	None		None	
0681	Carol City Elementary	Int. Funds: 2016-2017	None		None	
1481	John G. Dupuis Elementary	Int. Funds: 2016-2017	None		None	
1921	Flamingo Elementary	Int. Funds: 2016-2017	None		None	
2161	Golden Glades Elementary	Int. Funds: 2016-2017	None		None	
2241	Gratigny Elementary	Int. Funds: 2016-2017	None		None	
3141	Meadowlane Elementary	Int. Funds: 2016-2017	None		None	
3241	Miami Gardens Elementary	Int. Funds: 2016-2017	None		None	

Note:

(a) Change of Principal/Site Administrator since prior audit (9 schools/centers).

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
3741	North Beach Elementary	Int. Funds: 2015-2016 2016-2017	None		None	
3941	North Miami Elementary	Int. Funds: 2016-2017	None		None	
4001	Norwood Elementary	Int. Funds: 2016-2017	None		None	
4061	Ojus Elementary	Int. Funds: 2016-2017	None		None	
4241	Palm Lakes Elementary	Int. Funds: 2016-2017	None		None	
5711	Mae M. Walters Elementary	Int. Funds: 2016-2017	None		None	
0761	Fienberg/Fisher K-8 Center	Int. Funds: 2015-2016 2016-2017	None		None	
6351	Lake Stevens Middle	Int. Funds: 2015-2016 2016-2017 Payroll: 2017-2018 <i>FTE: 2016-17 SP3</i>	None		1	• Payroll
6681	Palm Springs Middle	Int. Funds: 2016-2017	None		None	

Note:

(a) Change of Principal/Site Administrator since prior audit (9 schools/centers).

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
7141	Dr. Michael M. Krop Senior	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
7031	MAST @ FIU Biscayne Bay Campus	Int. Funds: 2015-2016 2016-2017	None		None	
<u>Central Region Office Schools/Centers</u>						
1801	Fairlawn Elementary	Int. Funds: 2016-2017	None		1	• FTE-ELL
0961	Coral Gables Preparatory Academy ^(a)	Int. Funds: 2016-2017	None		None	
1681	Lillie C. Evans K-8 Center ^(a)	Int. Funds: 2016-2017	None		None	
7071	Coral Gables Senior	Int. Funds: 2015-2016 2016-2017	None		None	
7033	Law Enforcement Officers' Memorial High School ^(a)	Int. Funds: 2016-2017	None		None	
7461	Miami Senior	Int. Funds: 2015-2016 2016-2017	None		1	• FTE-ELL

Note:

(a) Change of Principal/Site Administrator since prior audit (9 schools/centers).

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>South Region Office Schools/Centers</u>						
0125	Norma Butler Bossard Elementary	Int. Funds: 2015-2016 2016-2017	None		None	
2641	Kendale Elementary ^(a)	Int. Funds: 2016-2017	None		None	
4381	Dr. Henry E. Perrine Academy Of The Arts	Int. Funds: 2015-2016 2016-2017	None		None	
2941	Laura C. Saunders Elementary	Int. Funds: 2016-2017	None		1	<ul style="list-style-type: none"> • FTE-ELL
6771	Jorge Mas Canosa Middle	Int. Funds: 2015-2016 2016-2017 P-Card, Payroll & Data Security: 2017-2018	None		4	<ul style="list-style-type: none"> • Disbursements • Fundraising • Payroll • FTE-ELL
6901	W. R. Thomas Middle ^(a)	Int. Funds: 2016-2017	None		None	
7051	G. Holmes Braddock Senior ^(a)	Int. Funds: 2016-2017	None		None	
6081	Cutler Bay Senior	Int. Funds: 2016-2017	None		1	<ul style="list-style-type: none"> • Misappropriation of Athletic Collections

Note:

(a) Change of Principal/Site Administrator since prior audit (9 schools/centers).

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
7121	John A. Ferguson Senior	Int. Funds: 2015-2016 2016-2017 Data Security: 2017-2018 <i>FTE: 2016-17 SP3</i>	None		None	
7431	Miami Palmetto Senior	Int. Funds: 2015-2016 2016-2017 P-Card 2016-2017 Data Security: 2017-2018 <i>FTE: 2016-17 SP3</i>	None		3	<ul style="list-style-type: none"> • Misappropriation of Student Collections • Bookkeeping • Receipts
<u>Adult Education Centers</u>						
7012	American Adult Education Center	Int. Funds: 2015-2016 2016-2017	None		None	
7112	Hialeah Adult Education Center	Int. Funds: 2015-2016 2016-2017	None		None	
7742	Southwest Miami Adult Education Center	Int. Funds: 2015-2016 2016-2017	None		None	
<u>Other Center (District)</u>						
9026	Department of Hospitality Services ^(a)	Int. Funds: 2015-2016 2016-2017 Payroll: 2017-2018	None		None	
TOTAL			None		12	

Note:

(a) Change of Principal/Site Administrator since prior audit (9 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

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

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
5005	David Lawrence Jr. K-8 Center ^(a)	Mrs. Mary Kate Parton	Mr. Bernard L. Osborn (Through July 2017; presently Principal at John F. Kennedy Middle School).
2801	Lake Stevens Elementary	Ms. Vanady A. Daniels	N/A = No Change of Principal Since Prior Audit.
<u>Central Region Office School/Center</u>			
3301	Miami Park Elementary ^{(a)(b)}	Dr. Philippe J. Napoleon	Ms. Atunya R. Walker (Through August 2017; presently Principal at Lorah Park Elementary School).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (9 schools/centers).

(b) Findings related to fundraising and data security happened under the tenure of both current and former Principals. Findings related to payroll took place under the current Principal; while finding related to in-county travel reimbursement happened under the tenure of the former Principal.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the 39 schools/centers **without audit exceptions**. **The highlighted table cell represents the principal(s)/administrator(s) in charge of the school/center during the audit period:**

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
0481	James H. Bright/J. W. Johnson Elementary	Ms. Claudine Winsor	N/A = No Change of Principal Since Prior Audit.
0681	Carol City Elementary	Dr. Thalya Watkins	N/A = No Change of Principal Since Prior Audit.
1481	John G. Dupuis Elementary	Ms. Lourdes M. Nuñez	N/A = No Change of Principal Since Prior Audit.
1921	Flamingo Elementary	Ms. Ileana R. Sotolongo	N/A = No Change of Principal Since Prior Audit.
2161	Golden Glades Elementary	Mr. Jason H. Allen	N/A = No Change of Principal Since Prior Audit.
2241	Gratigny Elementary	Ms. Bisleixis Tejeiro	N/A = No Change of Principal Since Prior Audit.
3141	Meadowlane Elementary	Ms. Maritza M. Garcia	N/A = No Change of Principal Since Prior Audit.
3241	Miami Gardens Elementary	Ms. Kathleen John-Louissaint	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (9 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
3741	North Beach Elementary	Dr. Alice F. Quarles	N/A = No Change of Principal Since Prior Audit.
3941	North Miami Elementary	Ms. Debra L. Dubin	N/A = No Change of Principal Since Prior Audit.
4001	Norwood Elementary	Dr. Kevin N. Williams	N/A = No Change of Principal Since Prior Audit.
4061	Ojus Elementary	Dr. Marta M. Mejia	N/A = No Change of Principal Since Prior Audit.
4241	Palm Lakes Elementary	Ms. Alina Q. Iglesias	N/A = No Change of Principal Since Prior Audit.
5711	Mae M. Walters Elementary	Mr. Milko O. Brito	N/A = No Change of Principal Since Prior Audit.
0761	Fienberg/Fisher K-8 Center	Ms. Maria P. Costa	N/A = No Change of Principal Since Prior Audit.
6351	Lake Stevens Middle	Mr. Jorge M. Bulnes	N/A = No Change of Principal Since Prior Audit.
6681	Palm Springs Middle	Mr. Leonard T. Torres	N/A = No Change of Principal Since Prior Audit.
7141	Dr. Michael M. Krop Senior	Dr. Allison Harley	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (9 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
7031	MAST @ FIU Biscayne Bay Campus	Dr. Matthew J. Welker	N/A = No Change of Principal Since Prior Audit.
<u>Central Region Office Schools/Centers</u>			
1801	Fairlawn Elementary	Ms. Heather D. Tyler	N/A = No Change of Principal Since Prior Audit.
0961	Coral Gables Preparatory Academy ^(a)	Ms. Jeanette Sierra-Funcia	Ms. Graciela P. Cerra (Through January 2018; retired).
1681	Lillie C. Evans K-8 Center ^(a)	Dr. Bridgette A. Tate-Wyche	Dr. Isolyn T. Hillhouse (Through July 2017; presently Assistant Principal at Miami Beach Senior High School).
7071	Coral Gables Senior	Mr. Adolfo L. Costa	N/A = No Change of Principal Since Prior Audit.
7033	Law Enforcement Officers' Memorial High School ^(a)	Ms. Layda M. Nasr	Mr. David T. Ladd (Through July 2017; presently Principal at Madison Middle School).
7461	Miami Senior	Mr. Benny Valdes	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office Schools/Centers</u>			
0125	Norma Butler Bossard Elementary	Ms. Concepcion C. Santana	N/A = No Change of Principal Since Prior Audit.
2641	Kendale Elementary ^(a)	Ms. Aryam A. Alvarez-Garcia	Ms. Mary A. Gil-Alonso (Through September 2017; deceased).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (9 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
4381	Dr. Henry E. Perrine Academy Of The Arts	Ms. Carla D. Rivas	N/A = No Change of Principal Since Prior Audit.
2941	Laura C. Saunders Elementary	Ms. Barbara J. Leveille-Brown	N/A = No Change of Principal Since Prior Audit.
6771	Jorge Mas Canosa Middle	Mr. Elio Falcon Jr.	N/A = No Change of Principal Since Prior Audit.
6901	W. R. Thomas Middle ^(a)	Ms. Wendy A. Barnett	Mr. Allen N. Breeding III (Through July 2017; presently Principal at G. Holmes Braddock Senior High School).
7051	G. Holmes Braddock Senior ^(a)	Mr. Allen N. Breeding III	Manuel S. Garcia (Through July 2017; presently Region Administrative Director, South Region Office).
6081	Cutler Bay Senior	Mr. Lucas J. De La Torre	N/A = No Change of Principal Since Prior Audit.
7121	John A. Ferguson Senior	Mr. Rafael A. Villalobos	N/A = No Change of Principal Since Prior Audit.
7431	Miami Palmetto Senior	Ms. Victoria G. Dobbs	N/A = No Change of Principal Since Prior Audit.
<u>Adult Education Centers</u>			
7012	American Adult Education Center	Mr. Alexis Cazañas	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (9 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
7112	Hialeah Adult Education Center	Mr. Manuel Gonzalez	N/A = No Change of Principal Since Prior Audit.
7742	Southwest Miami Adult Education Center	Mr. Robert D. Novak	N/A = No Change of Principal Since Prior Audit.
<u>Other Center (District)</u>			
9026	Department of Hospitality Services ^(a)	Mr. Pedro Acosta, Director of Hospitality Services	Mr. Charles McMillon, Director of Hospitality Services (Through April 2017; retired).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (9 schools/centers).

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Not all the schools/centers within the same group migrated to the new system on the same date. Although the system was available on the dates noted below for each of the pilot group/cohort groups, schools/centers were directed not to input any information until they attended the “Go Live” meeting scheduled at ITS, where Treasurers were given guidance on how to migrate to the new system and initialize the financial information in the new system. The table below summarizes the information for the 42 schools/centers reported herein:

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	“Go Live” Session Scheduled Date
<u>North Region Office Schools/Centers</u>					
0481	James H. Bright/J. W. Johnson Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
0681	Carol City Elementary ^(a)				
1481	John G. Dupuis Elementary ^(a)				
1921	Flamingo Elementary ^(a)				
2161	Golden Glades Elementary ^(a)				
2241	Gratigny Elementary ^(a)				
2801	Lake Stevens Elementary	Cohort 2	01/27/16	02/01/16	02/04/16
3141	Meadowlane Elementary ^(a)				
3241	Miami Gardens Elementary ^(a)				
3741	North Beach Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
3941	North Miami Elementary ^(a)				

Note:

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

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
4001	Norwood Elementary ^(a)				
4061	Ojus Elementary ^(a)				
4241	Palm Lakes Elementary ^(a)				
5711	Mae M. Walters Elementary ^(a)				
0761	Fienberg/Fisher K-8 Center	Cohort 2	01/27/16	02/01/16	02/03/16
5005	David Lawrence Jr. K-8 Center	Cohort 1	11/24/15	12/01/15	12/03/15
6351	Lake Stevens Middle	Cohort 2	01/27/16	02/01/16	02/05/16
6681	Palm Springs Middle ^(a)				
7141	Dr. Michael M. Krop Senior	Cohort 2	01/27/16	02/01/16	02/05/16
7031	MAST @ FIU Biscayne Bay Campus	Cohort 3	02/24/16	03/01/16	03/03/16
<u>Central Region Office Schools/Centers</u>					
1801	Fairlawn Elementary ^(a)				
3301	Miami Park Elementary ^(a)				
0961	Coral Gables Preparatory Academy ^(a)				
1681	Lillie C. Evans K-8 Center ^(a)				

Note:

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

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
7071	Coral Gables Senior	Pilot	09/29/15	10/01/15	10/05/15
7033	Law Enforcement Officers' Memorial High School ^(a)				
7461	Miami Senior	Cohort 2	01/27/16	02/01/16	02/05/16
<u>South Region Office Schools/Centers</u>					
0125	Norma Butler Bossard Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
2641	Kendale Elementary ^(a)				
4381	Dr. Henry E. Perrine Academy Of The Arts	Cohort 3	02/24/16	03/01/16	03/02/16
2941	Laura C. Saunders Elementary ^(a)				
6771	Jorge Mas Canosa Middle	Cohort 2	01/27/16	02/01/16	02/05/16
6901	W. R. Thomas Middle ^(a)				
7051	G. Holmes Braddock Senior ^(a)				
6081	Cutler Bay Senior ^(a)				
7121	John A. Ferguson Senior	Cohort 2	01/27/16	02/01/16	02/05/16
7431	Miami Palmetto Senior	Cohort 2	01/27/16	02/01/16	02/05/16

Note:

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

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
<u>Adult Education Centers</u>					
7012	American Adult Education Center ^(b)				
7112	Hialeah Adult Education Center ^(b)				
7742	Southwest Adult Education Center ^(b)				
<u>Other Center (District)</u>					
9026	Department of Hospitality Services	Cohort 3	02/24/16	03/01/16	03/03/16
TOTAL		42 schools/centers			

Notes:

- (a) At this K-12 Center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit period reported herein (2016-2017) was fully accounted for under the eSAS system.
- (b) At this adult education center, the migration to the new system happened in 2014-2015. This was reported in the center's prior audit report. The audit period reported herein was fully accounted for under the eSAS system.

PROPERTY SCHEDULE

The results of the property inventories of the 42 schools/centers reported herein are as follows:

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>North Region Office Schools/Centers</u>								
0481	James H. Bright/J. W. Johnson Elementary	174	\$ 396,073	\$ -	\$ -	\$ -	\$ -	\$ -
0681	Carol City Elementary	189	362,285	-	-	-	-	-
1481	John G. Dupuis Elementary	142	410,154	-	-	-	-	-
1921	Flamingo Elementary	203	420,953	-	-	-	-	-
2161	Golden Glades Elementary	119	263,209	-	-	-	-	-
2241	Gratigny Elementary	156	380,196	-	-	-	-	-
2801	Lake Stevens Elementary	62	149,613	-	-	-	-	-
3141	Meadowlane Elementary	144	296,665	-	-	-	-	-
3241	Miami Gardens Elementary	79	182,126	-	-	-	-	-
3741	North Beach Elementary	91	229,555	-	-	-	-	-
3941	North Miami Elementary	177	364,059	-	-	-	-	-
4001	Norwood Elementary	151	290,450	-	-	-	-	-
4061	Ojus Elementary	162	307,560	-	-	-	1	1,024
4241	Palm Lakes Elementary	156	326,116	-	-	-	-	-
5711	Mae M. Walters Elementary	184	332,598	2	5,670	-	-	-
0761	Fienberg/Fisher K-8 Center	212	358,428	-	-	-	-	-

PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
5005	David Lawrence Jr. K-8 Center	519	973,962	-	-	-	-	-
6351	Lake Stevens Middle	299	649,593	2	2,807	-	-	-
6681	Palm Springs Middle	373	796,341	-	-	-	-	-
7141	Dr. Michael M. Krop Senior	733	1,947,554	-	-	-	-	-
7031	MAST @ FIU Biscayne Bay Campus	3	10,748	-	-	-	-	-
<u>Central Region Office Schools/Centers</u>								
1801	Fairlawn Elementary	105	270,907	-	-	-	-	-
3301	Miami Park Elementary	170	375,031	-	-	-	-	-
0961	Coral Gables Preparatory Academy	170	451,336	-	-	-	-	-
1681	Lillie C. Evans K-8 Center	154	450,066	-	-	-	-	-
7071	Coral Gables Senior	552	1,527,870	-	-	-	-	-
7033	Law Enforcement Officers' Memorial High School	114	277,777	-	-	-	-	-
7461	Miami Senior	675	2,440,685	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
0125	Norma Butler Bossard Elementary	529	732,674	-	-	-	-	-
2641	Kendale Elementary	109	214,584	-	-	-	-	-
4381	Dr. Henry E. Perrine Academy Of The Arts	179	377,396	-	-	-	-	-
2941	Laura C. Saunders Elementary	160	391,476	-	-	-	-	-

PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6771	Jorge Mas Canosa Middle	336	743,823	-	-	-	-	-
6901	W. R. Thomas Middle	247	655,934	-	-	-	-	-
7051	G. Holmes Braddock Senior	673	1,974,831	-	-	-	-	-
6081	Cutler Bay Senior	312	612,267	-	-	-	-	-
7121	John A. Ferguson Senior	911	2,356,996	-	-	-	-	-
7431	Miami Palmetto Senior	506	1,262,160	-	-	-	-	-
Adult Education Centers								
7012	American Adult Education Center	28	56,927	-	-	-	-	-
7112	Hialeah Adult Education Center	30	94,938	-	-	-	-	-
7742	Southwest Miami Adult Education Center	8	22,690	-	-	-	-	-
Other Center (District)								
9026	Department of Hospitality Services	37	120,234	-	-	-	-	-
TOTALS		10,333	\$24,858,840	4	\$8,477	-	1	\$1,024

PROPERTY SCHEDULE

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

Work Location No.	Schools/Centers	No. Of Plant Security Reports	Total Items	Total Amount At Cost	Categories		Total Depreciated Value
					Computers	Other ^(a)	
<u>North Region Office School/Center</u>							
3941	North Miami Elementary	1	1	\$ 1,185	\$ -	\$ 1,185	\$ -
<u>Central Region Office Schools/Centers</u>							
1801	Fairlawn Elementary	1	1	1,271	1,271	-	-
1681	Lillie C. Evans K-8 Center	1	1	1,005	1,005	-	-
TOTAL		3	3	\$ 3,461	\$ 2,276	\$ 1,185	\$ -

Note:

(a) "Other" equipment consisted of a pressure washer at North Miami Elementary.

FINDINGS AND RECOMMENDATIONS

1. Inadequate Controls Over Before/After School Program Collections Resulted In Monetary Discrepancies *David Lawrence Jr. K-8 Center*

At this school, there was a change of Principal in July 2017; therefore, most findings below happened under the tenure of the former school administration.

Our review of the financial activities for the 2015-2016, 2016-2017 and 2017-2018 fiscal years through December 2017 disclosed that Before/After School Care and Story Hour Program fees totaling \$10,352 (of which \$8,670 were recorded as cash and \$1,682 appeared to be money orders) collected during 2016-2017 could not be accounted for. The official receipts documenting these collections were issued by the Community School Specialist, who was the individual responsible for collecting, receipting, recording the payments on the student registration cards and remitting the collections to the school Treasurer for deposit. None of these official receipts could be traced to a bank deposit or to an account posting (and its corresponding computer-generated receipt) that would substantiate that the funds in question had been remitted to the Treasurer for deposit and the collections recorded in the accounting system. *Therefore, according to these records, the Community School Specialist was the last individual who handled and had custody of the missing funds; and who based on the available evidence, should be accountable for their whereabouts.*

Aside from the monetary shortage, we discovered that program records for the 2016-2017 fiscal year were disorganized; student registration cards were missing; the payment information on many of the student registration cards was not properly/consistently maintained; and the payment information contained many errors and omissions. In addition, attendance rosters and ancillary records were incomplete or not on file. We conducted a limited review of program records for the 2015-2016 fiscal year and 2017-2018 fiscal year up to December 2017 and similar conditions regarding the disorganization of records and recordkeeping discrepancies were noted.

During our interview with the employee, she admitted to bookkeeping errors and delays in the posting of transactions to the cards; however, she would not admit to a misappropriation of funds. The case was referred to the Miami-Dade Schools Police Department for further investigation. Soon after the employee was directed by Region administration to an alternate assignment pending completion of the investigation, she resigned from her employment with Miami-Dade County Public Schools effective January 23, 2018.

We determined that the overall management controls over these collections, the receipting procedures when monies exchanged hands, and the controls over the custody of pending deposits as implemented by the school were not fully compliant with established procedures. We discussed these matters with the current school administration for follow-up and corrective action going forward. Details of our findings follow:

Program Background

This school manages a Principal-Operated Fee-Based Before/After School Care/Story Hour Program⁹. The program is offered at two locations, which consist of the Main Campus (for students enrolled in Grades 1-8) and the Primary Learning Center (PLC) (for students enrolled in Grades Pre-Kindergarten and Kindergarten). During the two-year audit period that ended June 30, 2017, it serviced close to 250 students (yearly) and revenues generated from this program amounted to approximately \$171,600 (in 2015-2016) and \$163,800 (in 2016-2017), mostly from After School Care (ASC) Program services. According to reports from the school's Free/Reduced Meals Program administered by the Department of Food and Nutrition and our review, many of the ASC Program participants were eligible for free/reduced lunch. Those students eligible to participate in the meals program received a \$1.00 discount from the regular ASC Program fee of \$8.00 per day. In addition, three students were eligible to receive financial assistance from the subsidizing child care agency¹⁰.

Program Guidelines

The *Community School Procedures Manual* outlines the procedures for operating an After School Care/Community School Program at a school. The program operates based on a monthly fee schedule approved by the District. All fees collected for services rendered must be properly receipted in an Official Teacher's receipt; and the receipt number and date, service period, total amount due and paid, agency payment (if subsidized child care), and any applicable comments must be recorded in the student registration card. The student's daily attendance must be recorded in the student attendance rosters. These documents must be maintained and filed. Additionally, program staff in charge of managing the program is responsible for periodically

⁹ The school offered 5-day Story Hour Program which operated from 1:50 pm to 3:05 pm at \$4.00 per day. It also operated a 5-day Before School Care Program from 7:00 am to 8:30 am, mostly at the PLC. The 5-day After School Care Program operated from 1:30 pm to 6:00 pm at \$8.00/day (regular rate) or \$7.00 per day (at the free/reduced lunch rate) and the program under which most students were enrolled and participated.

¹⁰ In such cases, the agency is responsible for paying a portion of the fee and the parent/guardian is responsible for paying the remainder. This depends on the agency's assessment of financial need of the student.

reviewing the payments and student registration cards to ensure that fees are paid according to schedule and postings are up-to-date in the student registration cards. Mid-year and End-Of-Year administrative review of the student registration cards are required as part of the procedures. Regarding subsidized child care, the school must submit monthly reports of student attendance to the child care agency responsible for subsidizing a portion of the participants' after school care program expenses in order to be fully reimbursed for the services rendered.

Regarding the collection of funds, pursuant to guidelines in Section II, Chapter 2 of the *Manual of Internal Accounting*, individual collections of \$15 or more require the issuance of an Official Teacher's Receipt [FM-0976] *at the point of collection*. In addition, collections submitted to the Treasurer for deposit must be supported by a *Recap of Collections* form [FM-1004], along with the corresponding prenumbered Official Teacher's receipts¹¹.

The *Recap of Collections* form must include date, account name/structure, source of collections, sequence number summary of the supporting official receipts, totals collected (including cash/check breakdown) and signatures.

The Treasurer *must verify the documentation supporting the collections* (which should include usage of the Official Teacher's Receipt book), along with the monies tendered by the employee-depositor. Upon completion of the entry in the accounting system, the Treasurer must print and sign two copies of the Bank Transaction Posting Journal (the computer-generated receipt). One copy is to be included as part of the documentation for the deposit package; and the second copy must be stapled into the employee-depositor's Official Teacher's Receipt book to the green copy of the last pre-numbered receipt issued that corresponds to the collection submitted. This is to denote/identify those pre-numbered Official Teacher's receipts in the receipt book that correspond to the entry posted in the system.

Money collected pending deposit must be logged on the *Collections/Deposits Log* (FM-7249), verified **by at least two designated persons authorized by the Principal**, placed in a bolted safe in the school, and shall be deposited by the Treasurer pending the armored car service pick-up schedule.

¹¹ The Official Teacher's receipts are issued in triplicate. One (white) copy is for the payee, one (yellow) copy is to be filed with the deposit package; and the third (green) copy remains attached to the receipt book for audit purposes. Each book contains 100 receipts.

Conditions/Findings Noted During Our Review

1.1. *Receipting Procedures When Monies Exchanged Hands And Process For Verification Of Pending Deposits Not Followed With Fidelity.* The breakdown of the monetary shortage discovered, including dates, is as follows:

No. Of Receipts	Receipt Dates	Breakdown Of Collections		Total
		Cash	Money Orders/ Checks	
41	9/6/16-9/12/16	\$4,389.00	\$1,196.00	\$5,585.00
5	9/16/16	429.00	70.00	499.00
24	1/24/17-2/7/17	3,852.00	416.00	4,268.00
70	--	\$8,670.00	\$1,682.00	\$10,352.00

The process over the collection and remittance of fees consisted of the Community School Specialist preparing the *Recap of Collections* and official prenumbered receipts supporting the collections; and placing this supporting documentation and the monies in the safe for the Treasurer to retrieve the following day. We noted instances where the Program Manager would place her initials on the Recap of Collections, next to the Specialist’s signature. Upon our inquiries, *the Manager stated that she placed her initials to denote that she had counted the monies and compared them with the information on the Recap of Collections; however, the Program Manager admitted that she did not compare them with the official receipts/Official Teacher’s receipt book to ensure that all receipts issued/monies received by the Specialist were included in the package.*

The Treasurer would verify the amount tendered against the Recap and the supporting prenumbered receipts (however, receipt book *not* included), would post the transaction in the system *and would provide a computer-generated receipt to the Community School Specialist after-the-fact. The Community School Specialist (not the Treasurer) would staple this computer-generated receipt to the copy of the last receipt in the official receipt book that corresponded to the collection submitted. However, the book was never reviewed by the Treasurer or the Program Manager to ensure that all receipts issued and monies collected had been tendered.*

Regarding the books that corresponded to the missing collections previously disclosed, *a computer-generated receipt was not attached to the green copy of the corresponding prenumbered official receipts. The Community School Specialist claimed the computer-generated receipts in question were somewhere in her office and she was given an opportunity to search for these documents; however, could not find them.*

Regarding the deposit procedures, *although the Collection/Deposit Log was used to document the collections left in the safe overnight, the process to oversee the placement/removal of collections in the safe area was not performed with two*

individuals as required. At the time that collections were stored or retrieved, either the Community School Specialist (responsible for storing the collections) or the Treasurer (responsible for retrieving the collections) were involved individually; however, an administrative designee was not involved as required to oversee the monies placed in/removed from the safe.

Ultimately, regarding the deposit of funds, the Treasurer was solely responsible for preparing the deposit package and making the deposit in the bank.

- 1.2. *Fees were not collected according to the payment schedule and fees were not always collected for services rendered. The monthly payment schedule was not enforced/observed. Specifically, there were numerous instances where parents paid late for one or more periods; as well as instances where parents failed to pay for services rendered. Specifically, during the audit visit, three parents paid for services in arrears totaling approximately \$1,970.*
- 1.3. *Payment information recorded on the student registration cards disclosed errors and omissions; and several student registration cards were not on file. We selected a sample of student registration cards to verify recordkeeping/payment information and the majority of the cards disclosed some type of discrepancy. Aside from the cards sampled, from our review of all receipts we noted additional instances where parents had paid but the payment information was not reflected in the cards. The school had implemented Before Care/After Care/Story Hour online payments effective January 2017, and several of these instances included online payments that were not reflected in the cards. Regarding non-payments, the school presented a list of Outstanding Liabilities for Community School Programs for the 2016-2017 school year totaling approximately \$30,200; however, based on posting errors/omissions as noted herein, we determined that the list was highly inaccurate.*
- 1.4. *The attendance rosters disclosed errors and the attendance recorded in the rosters was not verified by the management of the program. Most instances corresponded to the attendance rosters of the Primary Learning Center.*
- 1.5. *Student attendance was not reported to the subsidizing child care agency for services rendered. A few students were eligible for this reimbursement and received a discounted rate. However, the school could not provide documentation supporting how the rates were established. We contacted the agency and verified that the school had not submitted attendance for reimbursement purposes for two months.*
- 1.6. *Procedures regarding the use of receipt books were not properly followed. Specifically, separate Official Teacher's Receipt Books were not identified for the*

Before Care/After Care/Story Hour Programs, *since some of the receipts from these books were issued for collections associated with school activities not related to the program.*

Other Matter--Location of the School Safe

- 1.7. *The combination safe was located in a room that was also used to store student records accessed by other school staff members. Consequently, access to the room was not restricted during the school day.*

RECOMMENDATIONS

- 1.1. **The new school administration should identify a level of staff capable of handling program records in a timely and effective fashion to ensure that the recordkeeping will be performed following program guidelines.**
- 1.2. **The new school administration should implement proper procedures for the handling of collections and should direct the Treasurer to issue a receipt immediately upon receipt of collections.**
- 1.3. **Implementation of the Collection/Deposit Log and procedures for safeguarding pending deposits should be implemented with fidelity. This includes having two individuals involved when monies are stored in the safe/retrieved from the safe for deposit.**
- 1.4. **The new school administration should discuss student attendance and payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.**
- 1.5. **The new school administration should discuss the payment schedule with staff to ensure that this is observed.**
- 1.6. **The new school administration should direct the Program Manager to conduct periodic reviews of the student registration cards and the receipt books to ensure that payments are accurately collected and reflected in the payment records.**
- 1.7. **The new school administration should discuss a plan of action with the program manager regarding outstanding/delinquent payments and documentation efforts for collecting this debt.**

- 1.8. The school administration should direct the program manager to ensure that all registration cards are on file, reviewed and signed off to document the review at mid-year and the end of school year.
- 1.9. The school administration should ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 1.10. Regarding subsidized child care, the new school administration should ensure that the parents are paying their designated, approved subsidized child care rate.
- 1.11. The school administration should strengthen oversight of the program and periodically meet with the program manager to review the activity of the program and supporting documentation.
- 1.12. The current school administration should give consideration to locating the safe to a restricted area.

Person(s) Responsible:

**Principal, Assistant Principal,
ASC Program Manager,
ASC Program Specialist,
School Treasurer**

Management Response:

The new Principal has hired a new hourly interim Community School Specialist and a new Program Manager. The new Principal is currently seeking a full-time Community School Specialist. The New Principal has met with the Assistant Principal, the hourly Community School Specialist, Program Manager and Treasurer to thoroughly review the Community School Procedures Manual to ensure their understanding and responsibilities pertaining to collections to ensure compliance.

The Principal met with school site staff and directed that in accordance with the Manual of Internal Fund Accounting, an Official MDCPS Teacher's BPI Receipt will be issued immediately when any Community School funds are collected. The Treasurer has been instructed to verify that bank transaction receipts match BPI receipts issued. The new Principal has discontinued cash collections for service period program payments and discontinued the collection of all service period program payments at the school's satellite location (Primary Learning Center).

The Principal directed that two of five eligible staff members be required to the open Community School room and safe. These staff members include the Principal, Assistant Principal Community School/Designee, After-School Care Program Manager,

Treasurer and Community School Specialist. Also, they were instructed to ensure that all transactions are be logged following procedures on the Collection/Deposit Log and visually verified by two of five staff members referenced above.

The Principal has instructed new staff to rebuild 2017-2018 Community School records beginning with a database derived directly from official attendance and payment receipts to accurately determine what payments are outstanding and provide written notifications to parents to ensure that payment schedule is observed. Otherwise students will be exited from before or after-care services for non-payment. Per the Office of Community Education, the new administration provided revised payment policies and payment schedules to all parents, including Hurricane Credit information for Hurricanes Matthew and Irma.

The Principal has met with the Assistant Principal, the Program Manager, the Community School Specialist and the Treasurer to discuss the payment schedule to ensure it is being observed.

The Principal contacted the Office of Community Education to schedule periodic trainings and reviews to ensure student registration cards, attendance rosters and payments are accurately corrected and reflected. With the timing of the audit completion date and the rebuilding of the current year records to follow, the mid-year review as required by the Office of Community Education has been precluded this year. However, the Principal will request from the Office of Community Education assistance with training and conducting periodic program reviews to ensure corrective measures align with established fiscal practices and the Manual of Internal Accounting.

The Principal met with the Program Manager to establish a plan of action to which immediately began to recoup outstanding program payments in July, 2017. A significant increase in collections was noted from the previous fiscal year's negative balances and accounts. Efforts to specifically sub-ledger these collections, will commence once the rebuilding of the records has been completed to ensure debt collection is based on accurate information.

The Principal has been in communication with The Early Learning Coalition of Miami-Dade and will meet with the Program Manager to discuss ELC Reimbursements on a bi-weekly basis and ensure that reports are prepared and submitted in a timely manner. The Program Manager will present the ELC Reimbursement request form for signature with subsequent back-up documentation by the first of each month.

The Principal has assigned an Assistant Principal to oversee the Community Education program and instructed her to meet with the Program Manager on a bi-weekly basis to review the activity of the program and supporting documentation to ensure compliance and to seek assistance immediately should there be any concerns.

The Principal requested maintenance to relocate the safe to an already identified area. In the meantime no monies are left at the school overnight. Should monies not be collected by the armored car service, the Principal will directly deliver it to the bank depository.

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

Management Response:

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal to implement and monitor with the Assistant Principal, part-time, interim Community School Specialist, Program Manager and Treasurer to ensure that Before/After School Program Collections are collected, receipted and recorded in an organized and timely manner. The Principal will thoroughly review the Community School Procedures Manual with the Assistant Principal, Community School Specialist Program Manager and Treasurer to ensure understanding of procedures and guidelines.

The Principal was instructed to assign an Assistant Principal to oversee the handling of collections and to meet weekly with the Community School Specialist and Program Manager to ensure they are properly organized and filed. The Principal was also instructed to schedule bi-weekly meeting with staff from the Office of Community Education to provide additional support to the interim Community School Specialist and Program Manager to ensure compliance.

The Principal was instructed to meet bi-weekly with the Assistant Principal to review Collection/Deposit Logs for organization and accuracy and to be prepared to address any discrepancies and seek further assistance in a timely manner.

The Principal was instructed to establish a plan of action with the Program Manager to recover outstanding/delinquent payments and the documentation of efforts for collecting debt. Additionally, the Principal was instructed to have the Assistant Principal meet bi-weekly with the Program Manager to ensure that all registration cards are filed according to procedure, reviewed and signed off to document for review during the Office of Community Education reviews and at the end of the school year.

The Principal was instructed to work with the Early Learning Coalition of Miami to ensure that reports to this agency are prepared in a timely manner and are submitted for reimbursement. Also, the Principal was instructed to establish a process to ensure that parents pay their designated, approved subsidized child care rate in a timely fashion.

The Principal was instructed to relocate the safe from its current location to a secure and restricted area near the Principal and Treasurer's Office.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the staff from the Office of Community Education, mentors have been assigned to work with the Principal, Community School Specialist, Program Manager and Treasurer to serve as immediate liaisons to answer questions or concerns regarding responsibilities and procedures.

Furthermore, the Principal and the former Principal have been instructed to attend the 2018-2019 School Operations' Money Does Matter Support Program sessions.

Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

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

Management Response:

School Operations has reviewed the audit findings cited in the 2015-2016 and 2016-2017 fiscal year reports of the following schools reporting to the North and Central Region Office: David Lawrence K8 Center; Lake Stevens Elementary and Miami Park Elementary School. The following actions have been taken through School Operations:

- The Districts School Operations Administrative Director has met with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement to ensure that adequate controls are in place as it relates to guidelines and procedures. Monitoring will include collections, receipting and depositing for Before/After School Programs; student attendance and payment procedures; recordkeeping compliance with preparing and submitting subsidized child care reports for reimbursements; and School Allied Organization Fundraising procedures.
- Districts School Operations Administrative Director will coordinate oversight assistance from the Office of Community Education and Before/After School Programs to strengthen the maintenance of student records and payment recordkeeping and schedules monthly.
- School Operations in collaboration with the Region Center will continue to coordinate colleague to colleague support through Fiscal Review Team site visits to provide support in Fiscal and Organizational Management, as well as, securing that safes are in restricted locations.

- Districts School Operations Administrative Director will continue to coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program and during *Money Smarts* sessions during Scaled Leadership Principal's meetings.
- School Operations has created a group for all Principals through Money DOES Matter Support Program @ School Operations that provides Money Smart Tips for Principals to support administrators with relevant practices to further support sound fiscal management.

As it pertains to the findings regarding school PTA/PTSA, per the *Manual of Internal Accounting*, PTA/PTSA's are considered School-Allied Organizations and are handled independently from the school's Internal Fund. As a result of the Principal's due diligence, it was revealed that the PTA/PTSA organized, conducted and independently operated the fundraising activities and the funds for the PTA fundraiser that did not go through the school's internal account. School Operations will coordinate with the Miami - Dade County Council PTA/PTSA to coordinate training for local PTA/PTSA board members as it relates to bookkeeping procedures associated with fundraisers/activities.

2. School PTA/PTSA Non-Compliant With Approval And Bookkeeping Procedures Associated With PTA/PTSA Fundraisers/Activities *Lake Stevens Elementary School*

On July 12, 2017, the Principal reported an incident involving an individual who was the school's former PTA President, and who was also employed at Miami Park Elementary as the Community Involvement Specialist (CIS) for several years. This incident resulted in a M-DCPS Police investigation. According to the allegation, in May 2017, the former PTA President conducted T-Shirt sale fundraisers at both schools. Following the fundraisers, the related T-Shirt vendor contacted the Principal at Lake Stevens Elementary informing her that two checks from the former PTA President's personal checking account totaling \$825 and \$287, respectively, had been returned to the vendor due to non-sufficient funds. The first check corresponded to payment for the fundraiser at Lake Stevens Elementary, while the second check was payment for the fundraiser at Miami Park Elementary¹².

We performed an audit subsequent to the M-DCPS Police investigation to fully address the allegation, and examine whether the execution of PTA-related activities under this former PTA President were compliant with District policy.

Our audit substantiated the allegation that the former PTA President *had paid for the merchandise with a personal check, which was returned due to non-sufficient funds*¹³. However, as confirmed by the vendor, the outstanding debt was subsequently paid by a family member of the former PTA President and no other monies were owed to him. Regarding outstanding liabilities of the PTA, we found another instance where a vendor was owed approximately \$100 for some other fundraising merchandise purchased by the PTA. This vendor remained unpaid as of the completion of the audit.

In reference to the fundraisers conducted by the PTA, although we were able to substantiate the occurrence of these fundraisers through interviews with the school staff and related fundraising approval forms, the lack of PTA financial records documenting these activities and our inability to contact the former PTA President (who was ultimately responsible for the accounting of these fundraisers) made it impossible to determine the total amount of money collected and how the monies were spent. However, based on the available records for a portion of the fundraisers, we did identify a partial monetary shortfall of approximately \$1,100.

¹² We performed an audit at Miami Park Elementary where this employee worked. Refer to pages 60-66.

¹³ Issues related to the two personal checks for \$825 and \$287 were individually addressed in the school report of Lake Stevens Elementary and Miami Park Elementary, respectively.

Although we cannot conclude with certainty that a misappropriation of PTA funds occurred, the financial activity examined by us points, at a minimum, to a comingling of PTA collections and personal funds on the part of the former PTA President. In addition, the lack of key records raises further concern regarding the whereabouts of those fundraising proceeds that remained unaccounted for.

The former PTA President resigned from the school system for personal reasons effective December 16, 2017. For the 2017-2018 fiscal year, the school has not had a PTA/PTSA.

Details of our audit is as follows:

The scope of our internal audit encompassed the internal funds records of the school for the 2016-2017 fiscal year, with emphasis on the PTA fundraisers that took place at the school. We also reviewed records provided by the PTA. These consisted of checking account bank statements for the period of July 1, 2016 to September 2017 that were obtained from the bank and several invoices that we obtained from vendors during our inquiries.

- 2.1 *Allegation of Payment Made To PTA Vendor With Personal Funds Was Substantiated.* The incident report stemmed from a sale of T-shirts conducted by the PTA. According to the *Application for Fundraising Activity*, between May 1 and May 12, 2017, the PTA requested and obtained permission from the principal to sell Field Day Shirts at \$10 each. The vendor confirmed that the PTA ordered 165 shirts at \$5 each for a total cost of \$825. The payment that he received was the check drawn from the former PTA President's personal checking account that was returned by the bank for non-sufficient funds.
- 2.2 *Discrepancies With Fundraisers Point To Commingling Of PTA Proceeds And PTA former President's Personal Funds.* A total of eight PTA fundraisers were conducted during the school year. These included Fall and Valentine's day dances, a sale of Y-Ties (elastic shoe laces), Santa's photos, doughnut sales, Mother's Day vases, the Field Day T-shirt sale previously discussed, and another sale of T-shirts.

According to the PTA's fundraising approval records maintained by the school, the students paid anywhere from \$5 to \$10 for the merchandise and dance admission fees. Seven of the eight fundraisers were approved by the school administration. We found that the school had conducted an additional T-shirt sale

fundraiser in January-February 2017, which according to the Principal, was not approved by her¹⁴.

We obtained documentation from vendors that allowed us to perform a potential revenue analysis of four of the eight fundraisers. Based on our analysis of these four fundraisers, approximately \$3,750 should have been deposited in the PTA's checking account; however, bank records showed that only \$2,650 was deposited¹⁵, for a shortfall of approximately \$1,100. This discrepancy does not take into account revenues from other fundraisers that we could not analyze due to a lack of records. We contacted the former PTA President for clarification; however, she claimed that she was out of the state and agreed to call back upon her return. However, this never happened. Based on the number of fundraisers conducted, their potential for generating revenues and our analysis of bank statement activity, we determined that the school's PTA bank account should have experienced a larger influx of revenues.

RECOMMENDATIONS

- 2.1. Discuss fundraising procedures with the entire faculty and staff and the school's PTA/PTSA to ensure awareness and understanding of the proper procedures for handling fundraising proceeds and related expenditures. Particular importance should be given to the matter of maintaining an accounting of PTA funds separate from any personal funds, recording of fundraising proceeds and paying vendors.**
- 2.2. In the event that a new PTA is established, the school administration should contact the Miami-Dade County Council PTA/PTSA to request training for the PTA Board members involved in the accounting of PTA funds.**
- 2.3. If PTA/PTSA sponsored activities continues in the future, all activities must be approved by the school administration prior to any activity taking place.**
- 2.4. Periodically meet with the PTA Board to discuss the PTA fundraisers and the accounting of the funds.**

¹⁴ Section IV, Chapter 12 of the *Manual of Internal Fund Accounting* establishes the procedures associated with school-allied organization such as a Parent-Teacher Association/Parent-Teacher-Student Association (PTA/PTSA). Procedures require that the accounting of these activities be separate and distinct from the school both in fact and appearance. It also requires the school principal's written approval to authorize the school-allied organization to fundraise at the school.

¹⁵ The total amount deposited included a \$793 cash deposit made in September 2017, after the initial incident was reported. We could not determine the source of these collections or the identity of the individual who deposited these funds.

Person(s) Responsible:

Principal and PTA Board

Management Response:

The Principal had met with the faculty and staff as well as the PTA/PTSA at the beginning of the school year to review fundraising procedures with the entire faculty and staff. As a method of precaution, the Principal will address restrictions on fundraising as well as employee involvement to ensure awareness and understanding of the proper procedures in these activities.

The Principal contacted the Miami-Dade County Council PTA/PTSA in November 2017, to re-establish a new PTA Board. The new PTA board was established by the President of the Miami-Dade County Council PTA/PTSA, on Tuesday, January 16, 2018. The Principal has requested training for the PTA Board members involved in the accounting of PTA funds.

The Principal will ensure that all fundraising activities are pre- approved by the school administration prior to any activity taking place.

The Principal and Assistant Principal will meet with the PTA Board to discuss the PTA fundraisers status as it pertains to fundraising completions and satisfying vendor payment to protect the school's reputation.

Person(s) Responsible:

North Region Office Administration

Management Response:

The Principal proactively reported an incident that involved her school's PTA. Upon resolution of the noted findings, the North Region Office Financial Human Capital Director and the Principal established a plan to implement and monitor the PTA/PTSA fundraising activities to ensure that controls are maintained properly for handling fundraising proceeds and related expenditures.

The Principal will schedule a meeting with the school's PTA and the Miami-Dade County Council PTA/PTSA to review guidelines and procedures to ensure understanding of procedures and guidelines of maintaining an accounting of PTA funds separate from any personal funds, recording of fundraising activities and paying vendors. Additionally, the Principal will request training for the PTA Board members involved in the accounting of PTA funds.

The Principal was instructed to meet with the PTA/PTSA Board periodically to ensure that all activities being performed are in line with the approved activities by the school administration.

Furthermore, the Principal has been instructed to attend School Operations' Money Does Matter Support Program 2018-2019 sessions. Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to pages 53-54 of this report and page 99 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Lake Stevens Elementary School.

3. School Non-Compliant With Bookkeeping Procedures Related To School-Sponsored Activities Miami Park Elementary School

The findings below were identified during the 2016-2017 and 2017-2018 fiscal years (up to November 2017). Although most discrepancies identified herein happened under the tenure of the former Principal, some were also identified under the tenure of the current Principal. At this school, there was a change of Principal in August 2017.

On July 12, 2017, the Principal of Lake Stevens Elementary School reported an incident involving an individual who was the school's former PTA President, and who had also been employed at Miami Park Elementary as the Community Involvement Specialist (CIS) for several years.

According to the allegation, this employee conducted T-shirt fundraisers at both school sites during the 2016-2017 fiscal year. Following the initial fundraisers, the T-shirt vendor contacted the Principal of Lake Stevens Elementary School informing her that two checks from the employee's personal checking account, totaling \$825 and \$287, respectively, had been returned due to non-sufficient funds. The first check corresponded to payment for the fundraiser at Lake Stevens Elementary¹⁶, while the second check was payment for the fundraiser at Miami Park Elementary.

We performed an audit subsequent to and in concert with the M-DCPS Police investigation to fully address the allegation and determine whether the execution of school-sponsored fundraising activities at this school (where the employee worked) were compliant with District policy.

Our audit substantiated the allegation that the CIS *had paid for the fundraising merchandise corresponding to Miami Park Elementary with a personal check for \$287, which was returned due to non-sufficient funds*¹⁷. However, as confirmed by the vendor, the outstanding debt was subsequently paid by a family member of this individual and no other monies are owed to him.

This individual, who was the sponsor of the activity, not only comingled personal and fundraiser proceeds, which is not allowed, but also breached the procedures established in the *Manual of Internal Fund Accounting* over the fundraising, accounting,

¹⁶ We performed an audit at Lake Stevens Elementary School, where this employee was the PTA President. Refer to pages 45-51.

¹⁷ Issues related to the two personal checks for \$825 and \$287 were individually addressed in the school report of Lake Stevens Elementary and Miami Park Elementary, respectively.

receipting and disbursing of school collections¹⁸. This employee no longer works in the school system.

In regards to the school fundraisers identified during the audit, *the school failed to observe the procedures for maintaining proper recordkeeping and full accountability of school-sponsored fundraisers*. We determined that the fundraisers cited herein occurred, as well as the fact that cash collections from students were handled by certain school staff members with the apparent knowledge of both Principals. However, the lack of financial records documenting these activities and conflicting information from school staff regarding the party ultimately responsible for these fundraisers, made it impossible to determine the total amount of money collected and how all the monies were spent.

Initially, during our interviews, the Treasurer denied holding any monies from fundraisers in her office. She later admitted to this practice once the former and current Principals and staff members stated that the Treasurer was the person ultimately having custody of the collections in her office.

We also noted certain non-compliance related to a school deposit, which we are also including as part of this finding. Details follow:

Audit Scope

In order to address the allegations, the scope of our internal audit encompassed the internal funds records for the 2016-2017 and 2017-2018 fiscal years until November 2017. We placed particular emphasis on the various fundraisers discovered during our review of the school-issued calendar. For that matter, we interviewed the staff members who were involved with these activities in addition to the former and current school administrations. We also confirmed that the school did not have an active school allied organization (PTA) during the audit period.

Guidelines

In reference to money collection efforts at the schools, Section II, Chapter 3 of the *Manual of Internal Fund Accounting* provides the guidelines for the handling, receipting and depositing of collections associated with school activities. These guidelines specifically require that *any monies collected at the school by staff members be deposited in the school's internal funds checking account and the associated financial*

¹⁸ The specific sections of the *Manual of Internal Fund Accounting* not adhered to are: 1) Section II, Chapter II of the *Manual of Internal Fund Accounting*, which states that monies coming into the custody of an employee must be deposited in the internal funds of the school; 2) Section II, Chapter 5 of the *Manual of Internal Accounting*, which states that vendors must be paid with a school check and not cash collections; and 3) Section IV, Chapter II on fundraisers, which establishes the various approvals and reports that must be completed when conducting a fundraiser.

transactions be duly recorded in the internal funds of the school. In addition, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the policies and procedures for making disbursements. According to these procedures, the disbursement must be made via school check, properly supported with an invoice, and no disbursement is to be made from cash money collected from any activity before being deposited by the treasurer in the school's checking account. Ultimately, Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* provides the guidelines for the approval and accounting of fundraising activities (via completion of the required approval forms and Student Activity Operating Reports).

Allegation And Fundraisers

- 3.1. *Allegation of Payment Made To School Vendor With Personal Funds Was Substantiated. This corresponded to a 5th Grade T-Shirt Sale sponsored by the Community Involvement Specialist (CIS).* A total of 57 T-Shirts were offered to students at an individual sales price between \$7 and \$10, based upon interviews of employees. The shirts were ordered for an end-of-the-year field trip with the apparent knowledge of the former Principal. We were unable to fully analyze this activity (which may have raised between \$400 and \$570) because there were no records of sales. According to the Treasurer and one of the sponsors overseeing the fundraisers, they were not aware of this T-shirt sale until the vendor contacted the school for payment. In addition, the former Principal and some of the staff members interviewed indicated that the CIS was the individual in charge of this activity. Therefore, based on the \$287 personal check that the CIS remitted to the vendor as form of payment, it appears that the sponsor comingled personal and school funds. This comingling ultimately raises concern as to the whereabouts of any possible leftover proceeds from this sale. This individual resigned from her employment with the school system in December 2017¹⁹; and our attempts to contact this former employee were without success.
- 3.2. *2016-2017 PTA Fundraisers Were Sponsored By School Staff Since The School Did Not Have A PTA.* During the audit visit, the documentation on file and the results of our interviews indicated that although these activities were handled by school staff, they were labeled as "PTA fundraisers". The organization was never officially established and a bank account was never opened. We could not find in the school records any written approval to conduct the fundraisers listed on the school calendar. These fundraisers included sales of snacks and slushy beverages, and student dances. Regarding the monies that were collected for

¹⁹ During 2017-2018 until the time of her resignation in December 15, 2017, this individual was employed at Natural Bridge Elementary School as a full-time Paraprofessional. She requested an official leave from the District approximately two weeks into her new assignment and never returned to the school. We confirmed with the Principal of Natural Bridge Elementary that this individual was not involved in the school's collection or handling of monies.

these activities, we were unable to determine how much money was raised from these fundraisers. The \$1 slushy sales occurred on a weekly basis after school (weather permitting) and snacks were sold at scheduled school dances. In reference to the dances, it appears that all dances charged a \$3 admissions fee. This admission fee was based upon two approved dance fundraisers operated through the internal funds of the school which yielded revenues of close to \$450 individually.

- 3.3. *Vendors (Related To The Fundraisers) Were Paid For The Merchandise Directly From The Cash Proceeds.* According to staff, the cash proceeds from these sales were often used to purchase the slushy supplies and snacks for upcoming fundraising activities. Also according to staff, the net proceeds were turned either to the former Principal or the Treasurer by the teachers/sponsors who sponsored the events. The Treasurer kept custody of the monies in her office.

Staff members interviewed identified the former Principal as the approver of these fundraisers, a current school employee as the organizer, and the Treasurer as the individual who maintained custody of the funds.

- 3.4. *Fundraising Proceeds From Past Sales Concealed as "Donations".* In March 2017, collections totaling \$1,490 were deposited and posted to several internal fund accounts and labeled as "donations" with "donation letters" from outside sources. We found that school staff fabricated "donation" letters to conceal the deposit of cash proceeds generated by the fundraisers conducted throughout the year. Monies were used to cover expenditures apparently related to the end-of-the year activities and field trips.

Upon discussing these fundraising issues with the former Principal, she acknowledged that monies were stored in the Treasurer's Office, and when the Treasurer was unavailable, collections would be kept by the former Principal until the next business day. According to her, she was under the impression that monies were deposited as each activity occurred. Regarding the "donation letters", she said that she was not aware of any of the "donations letters" until the audit.

- 3.5. *2017-2018 Fiscal Year – Doughnut Sale Was Non-Compliant With Region Approvals, Fundraising Procedures And Deposit Timelines.* According to the *Application for Fundraising Activity Form* [FM-1018] dated October 18, 2017, the doughnut fundraiser was to take place from November 1, 2017 to November 9, 2017; however, we found that the doughnut orders/presales were conducted over a two-week period in October 2017 and the merchandise was distributed on October 16, 2017. This preceded the Region's approval since the corresponding *Region Office Approval for Fundraising Activity Form* [FM-5656] was approved on October 26, 2017. We also found that revenues raised from the presale

totaling \$850 were never deposited. Instead, the sponsor paid the vendor directly from the cash collections, and the profit totaling approximately \$500 was submitted to the current school Principal, who in turn gave the funds to the Treasurer for deposit. The Collections/Deposits Log [FM-7241] on file showed that the sponsor had turned in the fundraising proceeds to the current Principal since October 16, 2017, and these funds were still locked in the Treasurer's cabinet. Collections were finally deposited during the audit, on November 9, 2017.

Other Non-Compliant Internal Fund Matters--Receipts and Deposits

Section II, Chapter 2 of the *Manual of Internal Fund Accounting* establishes that *collections must be submitted for deposit in the same form as collected. However, we found that:*

- 3.6. At this school, the Treasurer takes the deposits to the bank. In one instance during November 2016, under the former Principal, the bank deposit slip *printed by the bank* for a school deposit totaling \$1,215 listed a cash breakdown consisting of *12-\$100 bills, one-\$10 bill and one-\$5 bill*. The documentation supporting this deposit consisted of *individual school picture receipts which ranged from \$10 to \$36, individually*. We questioned the number of \$100 bills listed on the deposit slip because they did not coincide with any receipts. The Treasurer claimed that the bank deposit breakdown was a bank error.

RECOMMENDATIONS

- 3.1. **The new school administration should discuss the appropriate Internal Fund guidelines with staff to ensure understanding and awareness of their roles and responsibilities. Given the significant discrepancies noted herein, we firmly recommend that the new school administration and the Treasurer receive additional training in the area of Internal Funds and Fundraising Activities.**
- 3.2. **The new school administration should direct staff to conduct fundraisers following the guidelines in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting*.**
- 3.3. ***The new school administration should direct staff not to engage in the practice of paying vendors directly with cash raised from school activities. The new school administration should direct the Treasurer to pay all fundraising and field trip vendors via school check. Any reimbursements to staff for any school purchases must be cleared with the Principal in advance to ensure that all disbursement guidelines are properly observed.***

3.4. Periodically, the new school administration should review the activities with the Treasurer to ensure that sponsors are turning in collections timely, without discrepancy; and Student Activity Operating Reports are completed, reviewed and signed for all fundraisers.

Person(s) Responsible: **Principal, Assistant Principal, Treasurer and Sponsors**

Management Response:

The new Principal and the Treasurer met to discuss the appropriate Internal Fund guidelines to ensure understanding and awareness of their role and responsibilities. In addition, the New Principal and Treasurer will participate in training in Internal Funds and Fundraising. The Principal and the Assistant Principal will meet monthly to review the internal fund records to ensure that the Treasurer is maintaining accurate recordkeeping and posting/depositing collections in a timely manner.

The Principal has reviewed Section II, Chapter 2 and Section IV, Chapter 2 of the Manual of Internal Fund Accounting.

The Principal held a meeting with the staff and directed them not to engage in the practice of paying vendors directly with cash raised from school activities.

Going forward, The Principal will have a procedural meeting with staff at the start of each school year.

The Principal instructed the Treasurer to pay all fundraising and field trip vendors via school check. In addition, prior to issuing reimbursements to staff for any school purchases must be cleared with the Principal in advance to ensure that all disbursement guidelines are properly observed.

The Principal will conduct random reviews of activities with Treasurer to ensure that sponsors are turning in collections timely, without discrepancies; and Student Activity Operating Reports are completed, reviewed and signed for all fundraisers.

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

Management Response:

The Financial/Business Director instructed the Principal to meet with staff to review the District's guidelines, specifically how it relates to maintaining the internal funds. The Principal and Assistant Principal will review the monthly reconciliation as well as

conduct periodic reviews of internal fund documents to ensure accuracy. The Region requested the assistance of the staff from the Office of the Controller's Internal Funds Accounting Division to assist the Principal and Treasurer. The Principal and Treasurer have been paired with an Elementary school to serve as colleague to colleague mentorship for the 2017-2018 school year. The Region Operational and Financial Management Review Team conducted an examination of internal funds records and any errors were corrected immediately. The Principal will participate as an observer on the Region Operational and Financial Management Review Team to ascertain Best Practices and enhance their understanding of fiscal compliance.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to pages 53-54 of this report and page 99 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Park Elementary School.

**4. Non-Compliance
With Certain School-Site
Informational Technology (IT)
Data Security Controls
Miami Park Elementary School**

The findings noted below were identified during 2016-2017 and during 2017-2018 (up to November 2017). There was a change of Principal in August 2017; therefore, the tenure of both Principals is involved.

Every month, ITS prints and electronically distributes to the schools a report titled *Authorized Applications For Employees By Locations* which provides a listing of employees and their access to certain computer applications. Guidelines also require that principals review this monthly report to ensure that access to the systems is restricted and limited to staff as required by their job duties.

The Authorizing Administrators (Quad A) security access application is part of the security system designed by ITS which allows principals/administrators to establish employee access to the applications related to their job functions. This was designed to give a work site administrator control over the authorization of employees at that work location to the M-DCPS computer system by indicating which system each employee is authorized to use. *In simple terms, this application gives a user the ability to authorize or cancel authorizations from other users, based on the computer applications that the user already has.*

To protect the system from unauthorized access, ITS' *Quad A User Guide* (dated July 2008), along with the District issued Weekly Briefing No. 15957, which restricts access to the Quad A application to the following: 1) Principals, 2) Administrators at the Director level or above at non-school site locations, or 3) the highest ranking Administrator of work sites not having a Director or above. The guide also states that *this responsibility cannot be delegated.*

4.1. Our review of the most current *"Authorized Application for Employees by Location"* report dated October 11, 2017, disclosed that reports were being printed and filed; however, they were not being closely reviewed by the Principal (current and former).

This report identified that *the Secretary/Treasurer, in addition to the Principal, was granted Quad A security access to the school site location, which is not allowed.* At our request, the current Principal revoked the Secretary/Treasurer's access to Quad A. According to Information Technology Services (ITS), the former Principal had granted the access to this employee since April 2015.

RECOMMENDATION

- 4.1. Going forward, the school administration should carefully review the monthly report titled “*Authorized Applications for Employees by Locations*” Report to ensure that access to school site computer applications is adequately restricted, commensurate with the employee’s duties and responsibilities; and any changes to staff’s access to these applications remain compliant with current District guidelines.

Person(s) Responsible: Principal and Assistant Principal

Management Response:

The Principal scheduled calendar invitations as reminders to review the “Authorized Applications for Employees by Locations” Report on the fifth of each month. The Principal and Assistant Principal will meet and carefully review the “Authorized Applications for Employees by Locations” for any staff changes and take immediate corrective action to ensure that access to school site computer applications is adequately restricted, commensurate with the employees’ duties and responsibilities; and any changes to staff’s access to these applications remain compliant with current District guidelines.

Person(s) Responsible: Central Region Administration

Management Response:

The Central Region Office Financial/Business Operations Director instructed the Principal to review the *Authorized Applications for Employees by Location* report on a monthly basis to ensure the only employee with Quad A was the Principal. The Principal will review ITS’ Quad A User Guide along with Weekly Briefing No. 15957 to ensure compliance with all Data Security Controls set by the District. In addition, the Principal was instructed to establish a calendar system that would ensure compliance with District procedures. Region has also instructed the Principal to conduct next ITS Quad A review with Mentor Principal.

Person(s) Responsible: School Operations Administration

Management Response:

Refer to pages 53-54 of this report and page 99 in the report’s Appendix Section for School Operations administration’s comprehensive response addressing the recommendations to the school findings of Miami Park Elementary School.

**5. Inadequate Recordkeeping,
Documenting And
Reporting of Payroll,
And Questionable In-County
Travel Reimbursements
*Miami Park Elementary School***

Our review of current payrolls disclosed several discrepancies with the reporting of time and attendance, particularly with the reporting of Temporary Instructors (Substitutes) payroll. We also found that during 2016-2017 an employee was improperly reimbursed mileage for in-county travel. Specifically, we found instances where this employee was reimbursed for travel during days when she was absent.

At this school, there was a change of Principal in August 2017. Consequently, the payroll reporting finding, including the matter of the temporary substitutes corresponded to pay periods in 2017-2018 under the tenure of the current Principal. The matter of the in-county travel reimbursement was identified during the tenure of the former Principal. Details follow:

Payroll Procedures Not Observed

The *Payroll Processing Procedures Manual* establishes the procedures for documenting, recording and reporting the payroll. According to payroll procedures, part-time and full-time employees must indicate their attendance in the attendance rosters by noting their initials or the time in/out, as applicable.

Regarding the reporting of time worked by temporary instructors (substitutes), the "Temporary Instructors Daily Payroll Attendance Sheet (Emergency and Paraprofessional Substitutes)" [FM-7090] must be used. Substitutes must record their employee number and name (only once for the entire pay period). Each time a substitute works in the pay period, they must "sign-in" upon arrival and "sign-out" upon departure, on the appropriate day. The payroll clerk will record the substitute's attendance by noting their presence in the proper column (F = full day and H = half day). It is imperative that the employee's attendance be recorded on a daily basis to facilitate the preparation of the Payroll Attendance Roster at the end of the pay period. Also, record the Employee Number of the absent teacher, or the Position Number (if it is an Open Position), and/or Charge Cost Center and Functional Area, for each day worked. Regarding the maximum number of days that a substitute can work at school locations during a given pay period, Weekly Briefing No. 21522 dated August 17, 2017 *Payroll Reporting Procedures for P/T-Hourly Employees and Temporary Instructors (Substitutes)* states that substitutes are restricted to eight days during any given pay period for regular schools, or seven days for extended school-day schools.

At this school, the Principal supervises and approves the payroll and the Secretary/Treasurer also performs the duties of the Payroll Clerk. Our review of the payroll in effect during November 2017 and two additional pay periods in September and October 2017 disclosed the following discrepancies:

- 5.1. In two of the three pay periods reviewed, two Temporary Instructors (Substitutes) worked over eight days per pay period. The days reported over the maximum allowed of eight days per pay period were not yet paid pending district level approval.
- 5.2. For all three pay periods reviewed, the Temporary Instructors (Pool & Emergency Substitutes) & Paraprofessional Substitutes Daily Payroll Attendance Sheets [FM-7090] were not properly completed. Specifically, the name of the absent teacher and employee number was not indicated in the substitute payroll documents. In addition, the funding structure from which the substitute was being paid was not indicated in the attendance rosters.
- 5.3. In six instances, both full-time and part-time employees did not indicate their presence on the Daily Payroll Attendance Sheets for one or more days and were reported present or hours on the Final Rosters. According to the current Principal, all employees were present on the days in question, but failed to indicate their presence.

Mileage Claimed When Employee Did Not Apparently Go To The Bank Or Did Not Attend Work

According to the *Travel Policies and Procedures Manual*, employees whose official duties require the use of a privately-owned automobile for travel within the county are eligible for reimbursement at the maximum mileage rate established by the Internal Revenue Service. Official duties include, among several listed in the manual, the delivery of reports or documents, and required bank and post office trips.

The *Voucher For Reimbursement Of In-County Travel* [FM-0148] shall be completed by the employee with the in-county travel information and calculation for reimbursement, and shall be approved and certified by the authorized approving administrator (in this case, the Principal). The Principal, certifies, among other things, that the travel was authorized and factual, that it was necessary and that is not being claimed on a day that the employee was reported absent or on vacation. The reimbursement form and supporting documentation is to be forwarded to the Payroll Department, where it will be reviewed and processed for payment.

At this school, one of the duties as Treasurer is to take the deposits to the bank. For that matter, she used her privately-owned automobile to travel to/from the financial institution and claimed mileage reimbursement.

- 5.4. We identified 22 instances in 2016-2017 where the date listed on the *Voucher for Reimbursement for In-County Travel* [FM-0148] as the date that the Treasurer reportedly drove miles in her privately-owned automobile from the school to the bank to deliver the internal funds deposit *did not agree* with the date of the bank deposit. In addition, in five of these 22 instances, the travel *took place on days that the Treasurer was reported on vacation leave on the Daily Payroll Attendance Sheets; and in one other instance, on a district-approved legal holiday (when banks are closed)*. This reimbursement form was completed by the Treasurer and approved by the former Principal. We calculated that the Treasurer was inappropriately reimbursed for these days approximately \$60.

RECOMMENDATIONS

- 5.1. **The new school administration should discuss with the Substitute Locator and with the substitutes the maximum number of days that is allowed for hiring substitutes in any given pay period; and should follow up on the approval that is currently pending for the two substitutes in question.**
- 5.2. **The new school administration should direct the Payroll Clerk to enter all necessary information on the Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets including: the name of the absent employee, the employee number, and the payroll's funding structure.**
- 5.3. **The new school administration should discuss the payroll procedures with staff to ensure that employees are documenting their attendance (full-time) or signing in/out (part-time) on the Daily Payroll Attendance Sheets on a daily basis.**
- 5.4. **Going forward, the new school administration should review the in-county travel reimbursement documents before approval to ensure that the report is accurate and that it does not disclose discrepancies.**

Person(s) Responsible:

**Principal, Assistant Principal
and Treasurer**

Management Response:

The Principal and Treasurer met with the Substitute Locator and all substitutes for reviewing guidelines regarding the maximum number of days substitutes are permitted to work within any given pay period. The excess pending payment for the two substitutes in question have been cleared and paid. The Treasurer will review

Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets with the Assistant Principals prior to submitting for approval by the Principal.

The Principal directed the payroll clerk to enter all necessary information on the temporary instructors and paraprofessional substitutes' daily payroll attendance sheets including: the name of the absent employee, the employee number and the payroll's funding structure.

The payroll procedures were discussed with staff to ensure that full-time employees are documenting their attendance and part-time employees are signing out on the daily payroll attendance sheets daily. Additionally, the Principal posted payroll procedures near the sign-in sheets as a daily reminder.

The Principal directed the Assistant Principal to review and verify all payroll attendance sheets prior to submitting to the Principal for approval. The Treasurer will submit the payroll to the Principal for verification and approval.

The Principal with the assistance of the Assistant Principal will review all in-county travel reimbursement documents prior to approval. Travel reimbursements will be reviewed and reimbursed to ensure compliance with procedures. All discrepancies will be corrected prior to approval by the Principal.

Person(s) Responsible:

Central Region Administration

Management Response:

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review the Payroll Processing Procedures Manual. A plan will be developed to institute a procedure where payroll records will be checked on a regular basis by both the payroll clerk and administration. The Principal was instructed to establish a system for travel reimbursement review to ensure accuracy. Any discrepancy will be addressed immediately and corrective actions will be taken by the Principal.

In addition to the support activities cited above, the following actions will be implemented at the Region level:

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Principal and Treasurer were assigned colleagues as a Mentor and two reviews/visits per school year will be conducted.

- The Region's Operational and Financial Management Review Team will conduct a visit to follow up on recommendations and review fiscal records.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

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

Management Response:

Refer to pages 53-54 of this report and page 99 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Park Elementary School.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

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

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

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

Our procedures were as follows:

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

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

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

PAYROLL

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

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

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

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

PROPERTY

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

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

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

TITLE I PROGRAM

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



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

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

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

FULL-TIME EQUIVALENT (FTE)

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

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

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

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

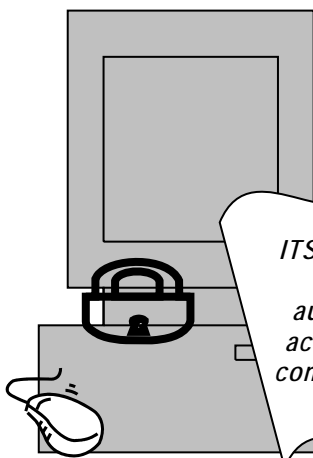
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

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

DATA SECURITY MANAGEMENT REPORT



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

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

DEPARTMENT OF HOSPITALITY SERVICES

BACKGROUND

General Operation Of Dining Facility

The Department of Hospitality Services generates revenue from the sale of food items and beverages at its dining facilities for the convenience of employees. Additionally, it provides limited catering services to District offices for special functions and events. The dining facility is located on the seventh floor of the School Board Administration Building (SBAB). It serves breakfast (from 7:30 a.m. to 10:00 a.m.) and lunch (from 11:00 a.m. to 1:45 p.m.) during the work week. It also receives vendor commissions from the six vending machines located throughout the SBAB and Annex building (district) facilities. The machines are serviced by a school-approved vendor currently on bid with the District.

Dining room collections consist of cash and credit cards. Checks are no longer accepted at the dining facilities' cash registers, but only accepted for special orders stemming from their catering services. The option of using credit cards as form of payment was implemented in December 2015.

The revenues generated from the food sales and commissions are deposited into an internal funds checking account managed at the site by the Director of Hospitality Services. These funds are primarily utilized to purchase provisions used in the preparation of meals. They are also used to purchase cafeteria supplies, equipment, and related miscellaneous expenses; and to subsidize hospitality-related expenses incurred by the District

District's Complimentary Hospitality Subsidized By Hospitality Services' Revenues

In addition to the sale of food items and beverages, the Department of Hospitality Services is responsible for subsidizing complimentary hospitality on behalf of the District during official meetings and special events. Vendor commissions from the six vending machines and revenues generated from food sales are utilized to subsidize the related expenses. During the audit period, complimentary hospitality expenditures amounted to approximately \$45,000 each fiscal year.

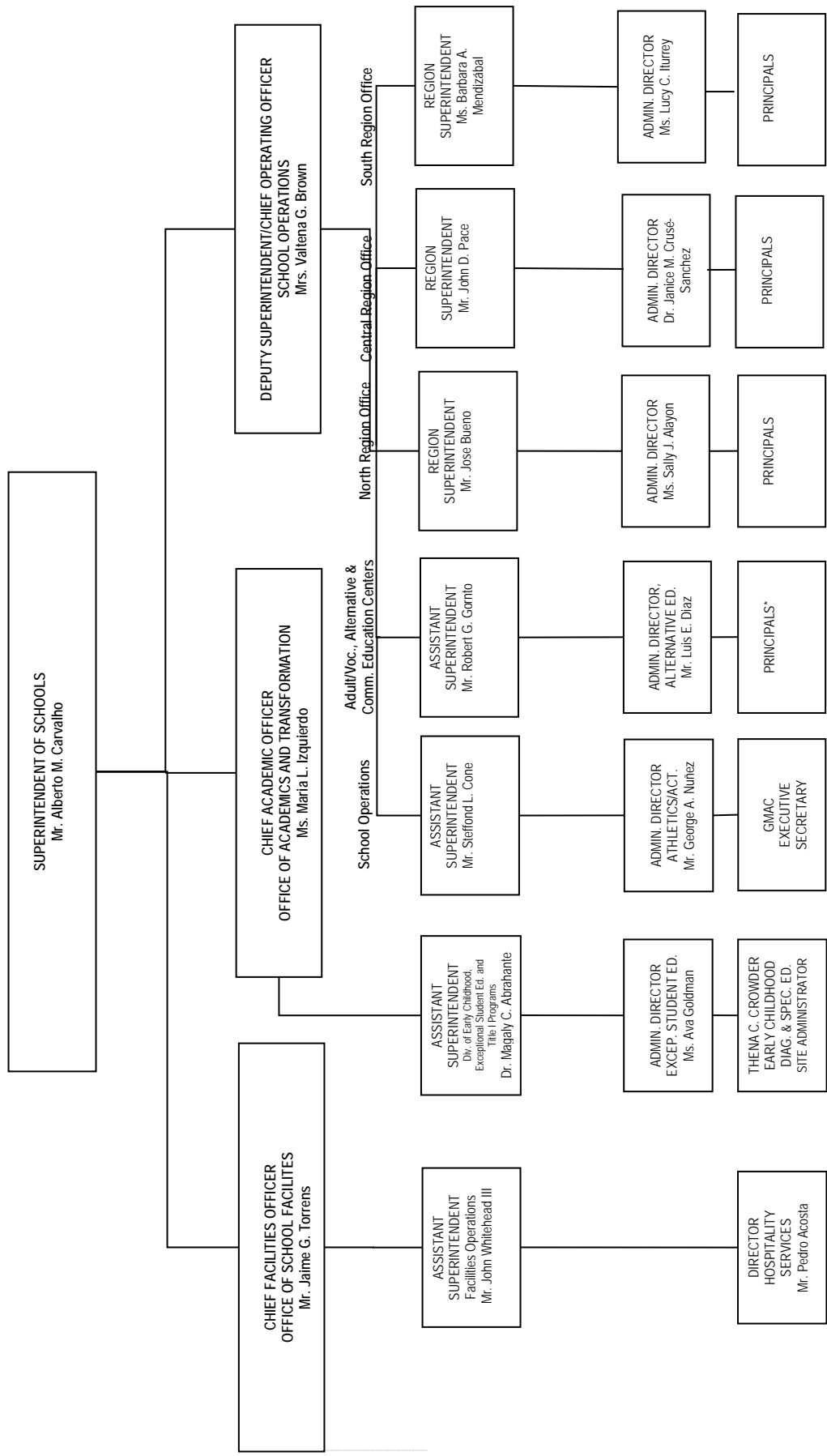
Staff and Administration and Operational Costs

During the audit period and as of June 2017, the Department of Hospitality Services employed a maximum of 19 full-time employees and two part-time employees. This includes administrative, clerical, and food handling staff members.

Operationally, the location's administrator, who is the Director of Hospitality Services, directly reports to the Assistant Superintendent, Office of School Facilities, who in turn reports to the Chief Facilities Officer, School Facilities. During the audit period, the former director retired in April 2017, and a new Director was hired in August 2017.

The location's related payroll expenditures are covered with District funds. Total payroll expenditures incurred to run this operation amounted to approximately \$958,300 and \$970,900 in 2015-2016 and 2016-2017 fiscal years, respectively.

ORGANIZATIONAL CHART



*Includes Systemwide Business and Industry Services Center.

***APPENDIX
MANAGEMENT'S RESPONSES***

MEMORANDUM

February 2, 2018

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

FROM: Mrs. Mary Kate Parton, Principal *UKP*
David Lawrence Jr. K-8 Center

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF DAVID LAWRENCE JR. K-8 CENTER FOR THE FISCAL YEARS 2015-2016 AND 2016-2017**

The following is a response to the findings of the Audit Report for David Lawrence Jr. K-8 Center School for fiscal years July 1, 2015 – June 30, 2017.

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

FINDING

- 1. Inadequate Controls Over Before/After School Program Collections Resulted in Monetary Discrepancies**

RECOMMENDATIONS

- 1.1. The new school administration should identify a level of staff capable of handling program records in a timely and effective fashion to ensure that the recordkeeping will be performed following program guidelines.**
- 1.2. The new school administration should implement proper procedures for the handling of collections and should direct the Treasurer to issue a receipt immediately upon receipt of collections.**
- 1.3. Implementation of the Collection/Deposit Log and procedures for safeguarding pending deposits should be implemented with fidelity. This includes having two individuals involved when monies are stored in the safe/retrieved from the safe for deposit.**
- 1.4. The new school administration should discuss student attendance and payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.**
- 1.5. The new school administration should discuss the payment schedule with staff to ensure that it is observed.**
- 1.6. The new school administration should direct the Program Manager to conduct periodic reviews of the student registration cards and the receipt books to**

ensure that payments are accurately corrected and reflected in the payment records.

- 1.7. The new school administration should discuss a plan of action with the program manager regarding outstanding/delinquent payments and documentation efforts for collecting this debt.
- 1.8. The new school administration should direct the program manager to ensure that all registration cards are on file, reviewed and signed off to document the review at mid-year and the end of the school year.
- 1.9. The school administration should ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 1.10. Regarding subsidized child care, the new school administration should ensure that parents are paying their designated, approved, subsidized child care ratio.
- 1.11. The new school administration should strengthen oversight of the program and periodically meet with the program manager to review the activity of the program and supporting documentation.
- 1.12. The current school administration should give consideration to locating the safe to a restricted area.

PERSON (S) RESPONSIBLE: Principal, Assistant Principal, ASC Program Manager, ASC Program Specialist, School Treasurer.

MANAGEMENT RESPONSE:

The new Principal has hired a new hourly interim Community School Specialist and a new Program Manager. The new Principal is currently seeking a full-time Community School Specialist. The New Principal has met with the Assistant Principal, the hourly Community School Specialist, Program Manager and Treasurer to thoroughly review the Community School Procedures Manual to ensure their understanding and responsibilities pertaining to collections to ensure compliance.

The Principal met with school site staff and directed that in accordance with the Manual of Internal Fund Accounting, an Official MDCPS Teacher's BPI Receipt will be issued immediately when any Community School funds are collected. The Treasurer has been instructed to verify that bank transaction receipts match BPI receipts issued. The new Principal has discontinued cash collections for service period program payments and discontinued the collection of all service period program payments at the school's satellite location (Primary Learning Center).

The Principal directed that two of five eligible staff members be required to the open Community School room and safe. These staff members include the Principal, Assistant Principal Community School/Designee, After-School Care Program Manager, Treasurer and Community School Specialist. Also, they were instructed to ensure that all

transactions are be logged following procedures on the Collection/Deposit Log and visually verified by two of five staff members referenced above.

The Principal has instructed new staff to rebuild 2017-2018 Community School records beginning with a database derived directly from official attendance and payment receipts to accurately determine what payments are outstanding and provide written notifications to parents to ensure that payment schedule is observed. Otherwise students will be exited from before or after-care services for non-payment. Per the Office of Community Education, the new administration provided revised payment policies and payment schedules to all parents, including Hurricane Credit information for Hurricanes Matthew and Irma.

The Principal has met with the Assistant Principal, the Program Manager, the Community School Specialist and the Treasurer to discuss the payment schedule to ensure it is being observed.

The Principal contacted the Office of Community Education to schedule periodic trainings and reviews to ensure student registration cards, attendance rosters and payments are accurately corrected and reflected. With the timing of the audit completion date and the rebuilding of the current year records to follow, the mid-year review as required by the Office of Community Education has been precluded this year. However, the Principal will request from the Office of Community Education assistance with training and conducting periodic program reviews to ensure corrective measures align with established fiscal practices and the Manual of Internal Accounting.

The Principal met with the Program Manager to establish a plan of action to which immediately began to recoup outstanding program payments in July, 2017. A significant increase in collections was noted from the previous fiscal year's negative balances and accounts. Efforts to specifically sub-ledger these collections, will commence once the rebuilding of the records has been completed to ensure debt collection is based on accurate information.

The Principal has been in communication with The Early Learning Coalition of Miami-Dade and will meet with the Program Manager to discuss ELC Reimbursements on a bi-weekly basis and ensure that reports are prepared and submitted in a timely manner. The Program Manager will present the ELC Reimbursement request form for signature with subsequent back-up documentation by the first of each month.

The Principal has assigned an Assistant Principal to oversee the Community Education program and instructed her to meet with the Program Manager on a bi-weekly basis to review the activity of the program and supporting documentation to ensure compliance and to seek assistance immediately should there be any concerns.

The Principal requested maintenance to relocate the safe to an already identified area. In the meantime no monies are left at the school overnight. Should monies not be collected by the armored car service, the Principal will directly deliver it to the bank depository.

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

MEMORANDUM

January 29, 2018

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

FROM: Vanady A. Daniels, Principal
Lake Stevens Elementary

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF LAKE STEVENS ELEMENTARY FOR FISCAL YEARS 2015-2016 AND 2016-2017

The following is a response to the findings of the Audit Report for Lake Stevens Elementary School for fiscal years July 1, 2015 – June 30, 2017, after an incident reported by this administration to M-DCPS Police resulting in an investigation involving an individual who was the school's former PTA President and employee at a neighboring school.

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

FINDING

1. **School PTA/PTSA Non Compliant with Bookkeeping Procedures Associated with Fundraisers/Activities**

RECOMMENDATIONS

- 1.1 **Discuss fundraising procedures with the entire faculty and staff and the school's PTA/PTSA to ensure awareness and understanding of the proper procedures for handling fundraising proceeds and related expenditures. Particular importance should be given to the matter of maintaining an accounting of PTA funds separate from any personal funds, recording of fundraising proceeds and paying vendors.**
- 1.2 **In the event that a new PTA is established, the school administration should contact the Miami-Dade County Council PTA/PTSA to request training for the PTA Board members involved in the accounting of PTA funds.**
- 1.3 **If PTA/PTSA sponsored activities continues in the future, all activities must be approved by the school administration prior to any activity taking place.**
- 1.4 **Periodically meet with the PTA Board to discuss the PTA fundraisers and the accounting of the funds.**

PERSON(S) RESPONSIBLE: Principal, PTA Board

MANAGEMENT RESPONSE:

The Principal had met with the faculty and staff as well as the PTA/PTSA at the beginning of the school year to review fundraising procedures with the entire faculty and staff. As a method of precaution, the Principal will address restrictions on fundraising as well as employee involvement to ensure awareness and understanding of the proper procedures in these activities

The Principal contacted the Miami-Dade County Council PTA/PTSA in November 2017, to re-establish a new PTA Board. The new PTA board was established by the President of the Miami-Dade County Council PTA/PTSA, on Tuesday, January 16, 2018. The Principal has requested training for the PTA Board members involved in the accounting of PTA funds.

The Principal will ensure that all fundraising activities are pre- approved by the school administration prior to any activity taking place.

The Principal and Assistant Principal will meet with the PTA Board to discuss the PTA fundraisers status as it pertains to fundraising completions and satisfying vendor payment to protect the school's reputation.

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

MEMORANDUM

February 8, 2018

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

FROM: Dr. Philippe J. Napoleon, Principal
Miami Park Elementary School *PJ*

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF MIAMI PARK
ELEMENTARY FOR 2016-2017**

This memorandum is in response to the relevant findings of the internal funds audit conducted for the 2016-2017 and 2017-2018 fiscal years. It should be noted that there was a change in Principals from the 2016-2017 and 2017-2018 school years. Although some findings were also identified under the new Principal most discrepancies occurred under the tenure of the former Principal. Below you will find the corrective action to be taken to prevent the recurrence of the exceptions.

RECOMMENDATION

- 1.1 The new school administration should discuss the appropriate Internal Fund guidelines with staff to ensure understanding and awareness of their role and responsibilities. Given the significant discrepancies noted herein, we firmly recommend that the new school administration and the Treasurer receive additional training in the area of Internal Funds and Fundraising Activities.**
- 1.2 The new school administration should direct staff to conduct fundraisers following the guidelines in Section IV, Chapter 2 of the Manual of Internal fund accounting.**
- 1.3 The new school administration should direct staff not to engage in the practice of paying vendors directly with cash raised from school activities. The new school administration should direct the Treasurer to pay all fundraising and field trip vendors via school check. Any reimbursements to staff for any school purchases must be cleared with the Principal in advance to ensure that all disbursement guidelines are properly observed.**
- 1.4 Periodically, the new school administration should review the activities with the treasurer to ensure that sponsors are turning in collections timely without discrepancy; and student activity operating reports are completed, reviewed and signed for all fundraisers.**

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

Management Response:

The new Principal and the Treasurer met to discuss the appropriate Internal Fund guidelines to ensure understanding and awareness of their role and responsibilities. In addition, the New Principal and Treasurer will participate in training in Internal Funds and Fundraising. The Principal

and the Assistant Principal will meet monthly to review the internal fund records to ensure that the Treasurer is maintaining accurate recordkeeping and posting/depositing collections in a timely manner.

The Principal has reviewed Section II, Chapter 2 and Section IV, Chapter 2 of the Manual of Internal Fund Accounting.

The Principal held a meeting with the staff and directed them not to engage in the practice of paying vendors directly with cash raised from school activities.

Going forward, The Principal will have a procedural meeting with staff at the start of each school year.

The Principal instructed the Treasurer to pay all fundraising and field trip vendors via school check. In addition, prior to issuing reimbursements to staff for any school purchases must be cleared with the Principal in advance to ensure that all disbursement guidelines are properly observed.

The Principal will conduct random reviews of activities with Treasurer to ensure that sponsors are turning in collections timely, without discrepancies; and Student Activity Operating Reports are completed, reviewed and signed for all fundraisers.

2.1 Going forward, the school administration should carefully review the monthly report titled "Authorized Applications for Employees by Locations" Report to ensure that access to school site computer applications is adequately restricted, commensurate with the employee's duties and responsibilities; and any changes to staff's access to these applications remain compliant with current District guidelines.

Responsible Person(s):

Principal and Assistant Principal

Management Response:

The Principal scheduled calendar invitations as reminders to review the "Authorized Applications for Employees by Locations" Report on the fifth of each month. The Principal and Assistant Principal will meet and carefully review the "Authorized Applications for Employees by Locations" for any staff changes and take immediate corrective action to ensure that access to school site computer applications is adequately restricted, commensurate with the employees' duties and responsibilities; and any changes to staff's access to these applications remain compliant with current District guidelines.

3.1 The new school administration should discuss with the substitute locator and the Substitutes the maximum number of days that is allowed for hiring substitutes in any given pay period; and should follow up on the approval that is currently pending for the two substitutes in question.

3.2 The new school administration should direct payroll clerk to enter all necessary

information on the temporary instructors and paraprofessional substitutes' daily payroll attendance sheets including: the name of the absent employee, the employee number, and the payroll's funding structure.

- 3.3 The new school administration should discuss the payroll procedures with staff to ensure that employees are documenting their attendance (full-time) or signing in/out (part-time) on the daily payroll attendance sheets on a daily basis.**
- 3.4 Going forward, the new school administration should review the in-county travel reimbursement documents before approval to ensure that the report is accurate and that it does not disclose discrepancies.**

Responsible Person(s):

Principal, Assistant Principal,
and Treasurer

Management Response:

The Principal and Treasurer met with the Substitute Locator and all substitutes for reviewing guidelines regarding the maximum number of days substitutes are permitted to work within any given pay period. The excess pending payment for the two substitutes in question have been cleared and paid. The Treasurer will review Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets with the Assistant Principals prior to submitting for approval by the Principal.

The Principal directed the payroll clerk to enter all necessary information on the temporary instructors and paraprofessional substitutes' daily payroll attendance sheets including: the name of the absent employee, the employee number and the payroll's funding structure.

The payroll procedures were discussed with staff to ensure that full-time employees are documenting their attendance and part-time employees are signing out on the daily payroll attendance sheets daily. Additionally, the Principal posted payroll procedures near the sign-in sheets as a daily reminder.

The Principal directed the Assistant Principal to review and verify all payroll attendance sheets prior to submitting to the Principal for approval. The Treasurer will submit the payroll to the Principal for verification and approval.


The Principal with the assistance of the Assistant Principal will review all in-county travel reimbursement documents prior to approval. Travel reimbursements will be reviewed and reimbursed to ensure compliance with procedures. All discrepancies will be corrected prior to approval by the Principal.

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

MEMORANDUM

February 2, 2018
JB#102 /2017-2018
(305) 572-2800

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

FROM:  Jose Bueno, Region Superintendent
North Region Office

SUBJECT: **RESPONSES TO AUDIT REPORT OF SELECTED NORTH REGION OFFICE
SCHOOLS**

Attached, please find the response to the audit findings for the 2015-2016 and 2016-2017 fiscal years for David Lawrence Jr. K-8 Center and Lake Stevens Elementary. The North Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

David Lawrence Jr. K-8 Center

1. Inadequate Controls Over Before/After School Program Collections Resulted in Monetary Discrepancies

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal to implement and monitor with the Assistant Principal, part-time, interim Community School Specialist, Program Manager and Treasurer to ensure that Before/After School Program Collections are are-collected, receipted and recorded in an organized and timely manner. The Principal will thoroughly review the *Community School Procedures Manual* with the Assistant Principal, Community School Specialist Program Manager and Treasurer to ensure understanding of procedures and guidelines.

The Principal was instructed to assign an Assistant Principal to oversee the handling of collections and to meet weekly with the Community School Specialist and Program Manager to ensure they are properly organized and filed. The Principal was also instructed to schedule bi-weekly meeting with staff from the Office of Community Education to provide additional support to the interim Community School Specialist and Program Manager to ensure compliance.

The Principal was instructed to meet bi-weekly with the Assistant Principal to review Collection/Deposit Logs for organization and accuracy and to be prepared to address any discrepancies and seek further assistance in a timely manner.

The Principal was instructed to establish a plan of action with the Program Manager to recover outstanding/delinquent payments and the documentation of efforts for collecting debt. Additionally, the Principal was instructed to have the Assistant Principal meet bi-weekly with the Program Manager to ensure that all registration cards are filed according to procedure, reviewed and signed off to document for

review during the Office of Community Education reviews and at the end of the school year.

The Principal was instructed to work with the Early Learning Coalition of Miami to ensure that reports to this agency are prepared in a timely manner and are submitted for reimbursement. Also, the Principal was instructed to establish a process to ensure that parents pay their designated, approved subsidized child care rate in a timely fashion.

The Principal was instructed to relocate the safe from its current location to a secure and restricted area near the Principal and Treasurer's Office.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the staff from the Office of Community Education, mentors have been assigned to work with the Principal, Community School Specialist, Program Manager and Treasurer to serve as immediate liaisons to answer questions or concerns regarding responsibilities and procedures.

Furthermore, the Principal and the former Principal have been instructed to attend the 2018-2019 School Operations' Money Does Matter Support Program sessions.

Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

Lake Stevens Elementary

1. School PTA/PTSA Non Compliant with Bookkeeping Procedures Associated with Fundraisers/Activities

The Principal proactively reported an incident that involved her school's PTA. Upon resolution of the noted findings, the North Region Office Financial Human Capital Director and the Principal established a plan to implement and monitor the PTA/PTSA fundraising activities to ensure that controls are maintained properly for handling fundraising proceeds and related expenditures.

The Principal will schedule a meeting with the school's PTA and the Miami-Dade County Council PTA/PTSA to review guidelines and procedures to ensure understanding of procedures and guidelines of maintaining an accounting of PTA funds separate from any personal funds, recording of fundraising activities and paying vendors. Additionally, the Principal will request training for the PTA Board members involved in the accounting of PTA funds.

The Principal was instructed to meet with the PTA/PTSA Board periodically to ensure that all activities being performed are in line with the approved activities by the school administration.

Furthermore, the Principal has been instructed to attend School Operations' Money Does Matter Support Program 2018-2019 sessions. Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

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


JB/SA/IM

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

MEMORANDUM

February 13, 2018
JDP/#035/2017-2018

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

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

SUBJECT: **CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORTS FOR MIAMI PARK ELEMENTARY SCHOOL**

Please find attached the responses to the audit findings for Miami Park Elementary School. The Central Region Office has reviewed the exceptions cited with the current and previous principal and the Treasurers at their respective schools. The following support activities will be implemented at the Region level.

1. School Non-Compliant with Bookkeeping Procedures Related to School Activities

The Financial/Business Director instructed the Principal to meet with staff to review the District's guidelines, specifically how it relates to maintaining the internal funds. The Principal and Assistant Principal will review the monthly reconciliation as well as conduct periodic reviews of internal fund documents to ensure accuracy. The Region requested the assistance of the staff from the Office of the Controller's Internal Funds Accounting Division to assist the Principal and Treasurer. The Principal and Treasurer have been paired with an Elementary school to serve as colleague to colleague mentorship for the 2017-2018 school year. The Region Operational and Financial Management Review Team conducted an examination of internal funds records and any errors were corrected immediately. The Principal will participate as an observer on the Region Operational and Financial Management Review Team to ascertain Best Practices and enhance their understanding of fiscal compliance.

2. Non-Compliance with Certain School Site Informational Technology (IT) Data Security Controls

The Central Region Office Financial/Business Operations Director instructed the Principal to review the *Authorized Applications for Employees by Location* report on a monthly basis to ensure the only employee with Quad A was the Principal. The Principal will review ITS' Quad A User Guide along with Weekly Briefing No. 15957 to ensure compliance with all Data Security Controls set by the District. In addition, the Principal was instructed to establish a calendar system that would ensure compliance with District procedures. Region has also instructed the Principal to conduct next ITS Quad A review with Mentor Principal.

3. Inadequate Recordkeeping, Documenting, and Reporting of Payroll, and Questionable In-County Travel Reimbursement

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review the *Payroll Processing Procedures Manual*. A plan will be developed to institute a procedure where payroll records will be checked on a regular basis by both the payroll clerk and administration. The Principal was instructed to establish a system for travel

reimbursement review to ensure accuracy. Any discrepancy will be addressed immediately and corrective actions will be taken by the Principal.

In addition to the support activities cited above, the following actions will be implemented at the Region level:

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Principal and Treasurer were assigned colleagues as a Mentor and two reviews/visits per school year will be conducted.
- The Region's Operational and Financial Management Review Team will conduct a visit to follow up on recommendations and review fiscal records.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

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

JDP/JCS

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

MEMORANDUM

February 16, 2018

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

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

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

School Operations has reviewed the audit findings cited in the 2015-2016 and 2016-2017 fiscal year reports of the following schools reporting to the North and Central Region Office: David Lawrence K8 Center; Lake Stevens Elementary and Miami Park Elementary School. The following actions have been taken through School Operations:

- The Districts School Operations Administrative Director has met with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement to ensure that adequate controls are in place as it relates to guidelines and procedures Monitoring will include collections, receipting and depositing for Before/After School Programs; student attendance and payment procedures; recordkeeping compliance with preparing and submitting subsidized child care reports for reimbursements; and School Allied Organization Fundraising procedures.
- Districts School Operations Administrative Director will coordinate oversight assistance from the Office of Community Education and Before/After School Programs to strengthen the maintenance of student records and payment recordkeeping and schedules monthly.
- School Operations in collaboration with the Region Center will continue to coordinate colleague to colleague support through Fiscal Review Team site visits to provide support in Fiscal and Organizational Management, as well as, securing that safes are in restricted locations.
- Districts School Operations Administrative Director will continue to coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program and during *Money Smarts* sessions during Scaled Leadership Principal's meetings.
- School Operations has created a group for all Principals through Money DOES Matter Support Program @ School Operations that provides Money Smart Tips for Principals to support administrators with relevant practices to further support sound fiscal management.

As it pertains to the findings regarding school PTA/PTSA, per the *Manual of Internal Accounting*, PTA/PTSA's are considered School-Allied Organizations and are handled independently from the school's Internal Fund. As a result of the Principal's due diligence, it was revealed that the PTA/PTSA organized, conducted and independently operated the fundraising activities and the funds for the PTA fundraiser that did not go through the school's internal account. School Operations will coordinate with the Miami - Dade County Council PTA/PTSA to coordinate training for local PTA/PTSA board members as it relates to bookkeeping procedures associated with fundraisers/activities.

If you have any questions, please contact me at 305 995-2938.

VGB:cg
M075

cc Region Superintendent
Ms. Cynthia Gracia
Region Director

Anti-Discrimination Policy

Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In Addition:

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

For additional information contact:

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



Miami-Dade County Public Schools

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

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