



*Internal Audit Report  
Selected Schools*



*Most Financial Statements  
Were Fairly Stated;  
However, At Two Schools,  
Controls In Selected Areas Need  
Improvement.  
We Uncovered Fraudulent Activity And  
Inadequate Bookkeeping Practices At  
One Of These Two Schools.*

*March 2012*

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

Ms. Perla Tabares Hantman, Chair  
Dr. Lawrence S. Feldman, Vice Chair  
Dr. Dorothy Bendross-Mindingall  
Mr. Carlos L. Curbelo  
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Ms. Raquel A. Regalado

Mr. Alberto M. Carvalho  
Superintendent of Schools

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

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# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Alberto M. Carvalho

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

**Miami-Dade County School Board**  
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Dr. Marta Pérez  
Raquel A. Regalado

February 27, 2012

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 31 schools currently reporting to various regional centers and the Education Transformation Office. The audit period for the schools is the fiscal year ended June 30, 2011.

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

Our audits disclosed that the financial statements of most of the schools reported herein were fairly stated. At 29 of the 31 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for those schools reported herein were satisfactory and losses were minimal. However, at two schools, controls over the internal funds' recordkeeping function and related activities, and the oversight of the payroll function needed improvement. At one of these two schools, the Principal reported an allegation of misappropriation and our investigative work corroborated that funds were missing. The treasurer admitted her responsibility for the mishandling of funds but would not admit to a misappropriation. We referred the case to M-DCPS Police for their consideration and further investigative action. As of the publication of this report, the treasurer has been temporarily assigned to an alternate work location (to perform duties in a non-financial capacity) pending the outcome of the ongoing M-DCPS Police investigation.

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' 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 31 schools. The 31 schools include 11 North Central Regional Center schools, one South Central Regional Center schools, 18 South Regional Center schools and one school that reports to the Education Transformation Office (ETO). The audit period for all 31 schools is one fiscal year ended June 30, 2011.

The audits disclosed that records were maintained in good order and in accordance with prescribed policies and procedures at 29 of the 31 schools reported herein. The two schools with reported audit findings are:

| School Name            | Regional Center | Major Area(s) of Concern   |
|------------------------|-----------------|----------------------------|
| 1. Holmes Elementary   | ETO             | Internal Funds             |
| 2. Coral Gables Senior | South Central   | Internal Funds and Payroll |

Audit findings cited control deficiencies over the procedures for the collection and disbursement of funds, the payroll function and controls over account balances. At the elementary school, the Principal reported an allegation that the treasurer may have misappropriated funds. Our audit corroborated that funds were missing; however, the treasurer did not admit to their misappropriation; only to their mishandling. We briefly explained these matters in the summary below and in further detail on pages 19-21. Management agreed with our recommendations and provided responses for corrective action.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools in this report is presented on pages 12-13. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 19-33); and in the Appendix section in memorandum format (Pages 42-49).

*Notwithstanding the conditions and findings reported herein*, at 30 of the 31 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2010-2011 fiscal year, on the cash basis of accounting. At Holmes Elementary School, due to the conditions cited in the report, which include numerous irregularities regarding the bookkeeping function and inadequate controls over the financial activity corresponding to the 2010-2011 fiscal year, the financial statement of the internal funds of the school for the 2010-2011 fiscal year does not fairly present the results of its operations, on the cash basis of accounting.

As of June 30, 2011, for all 31 schools reported herein, total combined receipts and disbursements amounted to \$6,377,091.04 and \$6,390,312.45 respectively; while total combined cash and investments amounted to \$ 1,001,215.61 (Pages 6-8).

As of June 30, 2011, the internal control structure at 30 of the 31 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. However, at Holmes Elementary School, as reflected in this report, the internal controls structure was not functioning as designed by the school and district administration.

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

## **INTERNAL FUNDS**

Internal funds records and procedures were reviewed at all 31 schools. Of this total, 29 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following two schools we found that:

- At Holmes Elementary, the Principal reported an allegation of misappropriation of funds during the 2011-2012 fiscal year. We found that the overall bookkeeping function and controls over the receipting process were not working as designed. Approximately \$3,100 in monies collected during 2010-2011 and 2011-2012 fiscal years could not be traced to the bank. The treasurer admitted her responsibility for the mishandling of these funds; however would not admit to their misappropriation. The case was referred to M-DCPS Police<sup>1</sup>. In addition, she was not posting disbursements and other transactions related to the checking account in a timely manner. The delay in the posting of disbursements caused the understatement of the total amount reported as disbursed for the 2010-2011 fiscal year. The school did not spend grant funds as intended by the grantor, and did not report all Fund 9 expenditures by year-end. The disbursement documentation reviewed did not always comply with the requirements (Pages 19-28).
- At Coral Gables Senior, the Athletic Fund closed the year with a deficit balance; and the deficit continued up to the time of the audit in January 2012 (Pages 32-33).

## **PAYROLL**

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

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<sup>1</sup> As of the publication of this report, the treasurer has been temporarily assigned to an alternate work location (to perform duties in a non-financial capacity) pending the outcome of the ongoing M-DCPS Police investigation.

| School Name                          | Regional Center |
|--------------------------------------|-----------------|
| ▪ Coral Gables Senior                | ▪ South Central |
| ▪ Miami Park Elementary              | ▪ North Central |
| ▪ Lake Stevens Middle                | ▪ North Central |
| ▪ Norma Butler Bossard Elementary    | ▪ South         |
| ▪ Devon Aire K-8 Center              | ▪ South         |
| ▪ Kenwood K-8 Center                 | ▪ South         |
| ▪ Leewood K-8 Center                 | ▪ South         |
| ▪ Laura C. Saunders Elementary       | ▪ South         |
| ▪ Sunset Park Elementary             | ▪ South         |
| ▪ Arvida Middle School               | ▪ South         |
| ▪ Hammocks Middle                    | ▪ South         |
| ▪ School For Advanced Studies Senior | ▪ South         |
| ▪ Holmes Elementary                  | ▪ ETO           |

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

- At Coral Gables Senior, we found several instances where employees were not properly recording their time and attendance on the Daily Payroll Attendance Sheets. In addition, most leave cards were completed and signed in pencil (Pages 29-31).

## PROPERTY

This report includes the results of physical inventories of property items with an individual cost of \$1,000 or more for 27 schools. This total includes the property results of 22 of the 31 schools in this report, plus five schools whose results were pending publication since our last report in December 2011. We could not finalize the results of nine schools in time to include in this report. Consequently, our office will report those results later this year.

At the 27 schools reported herein, Property Audits staff inventoried 5,824 equipment items with a total approximate cost of \$13 million. Of the 27 schools, 26 proved satisfactory. At Hammocks Middle, two equipment items with a depreciated value of approximately \$800 and a total approximate cost of \$4,400 could not be located (refer to Property Schedules on pages 16-17).

Property inventories also include the review of property losses reported by the schools through the Plant Security Report process. These represent equipment losses due to theft, vandalism and similar school-reported incidents. Our analysis of Plant Security Reports disclosed seven items with a total depreciated value of approximately \$1,900 and a total approximate cost of \$9,200 missing at four of the 27 schools (Page 18).

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

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

| School Name             | Regional Center |
|-------------------------|-----------------|
| ▪ Coral Gables Senior   | ▪ South Central |
| ▪ Devon Aire K-8 Center | ▪ South         |
| ▪ Kenwood K-8 Center    | ▪ South         |
| ▪ Leewood K-8 Center    | ▪ South         |

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

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

The following four schools were selected for these audits:

| School Name                     | Regional Center | Survey Period        | FTE Funding         |
|---------------------------------|-----------------|----------------------|---------------------|
| Miami Park Elementary           | North Central   | 2011-12 October 2011 | \$ 804,290          |
| Norma Butler Bossard Elementary | South           | 2011-12 October 2011 | 2,464,916           |
| Campbell Drive K-8 Center       | South           | 2011-12 October 2011 | 1,243,484           |
| Miami Heights Elementary        | South           | 2011-12 October 2011 | 2,125,678           |
| <b>Total FTE Funding</b>        |                 |                      | <b>\$ 6,638,368</b> |

The total FTE funding amounted to approximately \$6.6 million for the four schools combined. FTE records reviewed corresponded to the 2011-2012 fiscal year Survey Period 2 (October 2011). Our FTE reviews disclosed that all four schools were generally compliant with District policy. Minor discrepancies identified during these audits were discussed with the respective school administration for their information and corrective action.

### **TITLE I PROGRAM EXPENDITURES AND PROCEDURES**

A review of Title I Program expenditures and procedures for the 2010-2011 fiscal year was conducted at two schools since our last report in January 2012:

| School Name                  | Regional Center | Total Expenditures |
|------------------------------|-----------------|--------------------|
| Lake Stevens Middle          | North Central   | \$ 635,442         |
| Laura C. Saunders Elementary | South           | 564,266            |
| Total Expenditures           |                 | \$ 1,199,708       |

Total expenditures incurred under various Title I programs amounted to approximately \$1.2 million. Results of our audits disclosed that both schools were generally compliant with the policies and procedures established by the *Title I Administration Handbook*. Minor discrepancies identified in this area were discussed with the school administration for their information and corrective action.

## DATA SECURITY

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

| School Name                 | Regional Center |
|-----------------------------|-----------------|
| ▪ Joella C. Good Elementary | ▪ North Central |
| ▪ Miami Park Elementary     | ▪ North Central |
| ▪ Coral Gables Senior       | ▪ South Central |
| ▪ Kenwood K-8 Center        | ▪ South         |
| ▪ Herbert A. Ammons Middle  | ▪ South         |
| ▪ Centennial Middle         | ▪ South         |
| ▪ Hammocks Middle           | ▪ South         |

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

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

## AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments *as of June 30, 2011* for the schools included herein. It also provides the audit opinion regarding the schools' financial statements:

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

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2011 for the following 31 schools are:

| Work<br>Loc<br>No.                                  | Schools                   | Beginning<br>Balance | Receipts     | Disbursements | End Balance | Cash        | Investments               |           | Total Cash and<br>Investments |
|---|---------------------------|----------------------|--------------|---------------|-------------|-------------|---------------------------|-----------|-------------------------------|
|   |                           |                      |              |               |             |             | Money Market<br>Pool Fund | Other     |                               |
| <u>Education Transformation Office (ETO) School</u> |                           |                      |              |               |             |             |                           |           |                               |
| 2501  | Holmes Elementary         | \$ 11,691.72         | \$ 20,369.10 | \$ 23,254.01  | \$ 8,806.81 | \$ 5,475.41 | \$ 3,331.40               | \$ -      | \$ 8,806.81                   |
| <u>South Central Regional Center School</u>         |                           |                      |              |               |             |             |                           |           |                               |
| 7071  | Coral Gables Senior       | 220,918.56           | 1,169,786.79 | 1,172,260.42  | 218,444.93  | 16,696.50   | 183,240.14                | 18,508.29 | 218,444.93                    |
| <u>North Central Regional Center Schools</u>        |                           |                      |              |               |             |             |                           |           |                               |
| 0681  | Carol City Elementary     | 36,659.77            | 11,501.48    | 12,783.00     | 35,378.25   | 26,966.70   | 8,411.55                  | -         | 35,378.25                     |
| 0881  | Comstock Elementary       | 22,982.00            | 12,704.42    | 15,834.21     | 19,852.21   | 8,450.12    | 11,402.09                 | -         | 19,852.21                     |
| 1161  | Crestview Elementary      | 18,323.35            | 68,145.55    | 73,718.25     | 12,750.65   | 3,309.27    | 9,441.38                  | -         | 12,750.65                     |
| 2181  | Joella C. Good Elementary | 15,969.12            | 279,495.73   | 281,155.59    | 14,309.26   | 3,237.71    | 11,071.55                 | -         | 14,309.26                     |
| 2361  | Hialeah Elementary        | 18,451.49            | 41,720.49    | 45,162.75     | 15,009.23   | 1,374.30    | 13,634.93                 | -         | 15,009.23                     |
| 3301  | Miami Park Elementary     | 14,267.62            | 32,754.62    | 32,397.87     | 14,624.37   | 7,987.03    | 6,637.34                  | -         | 14,624.37                     |

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

| Work<br>Loc<br>No.                   | Schools                            | Beginning<br>Balance | Receipts   | Disbursements | End Balance | Cash      | Investments               |       | Total Cash and<br>Investments |
|--------------------------------------|------------------------------------|----------------------|------------|---------------|-------------|-----------|---------------------------|-------|-------------------------------|
|                                      |                                    |                      |            |               |             |           | Money Market<br>Pool Fund | Other |                               |
| 4001                                 | Norwood Elementary                 | 23,736.70            | 14,833.16  | 17,118.99     | 21,450.87   | 7,323.11  | 14,127.76                 | -     | 21,450.87                     |
| 4341                                 | Parkway Elementary                 | 6,619.64             | 32,660.68  | 33,493.40     | 5,786.92    | 3,687.42  | 2,099.50                  | -     | 5,786.92                      |
| 5361                                 | Springview Elementary              | 16,105.41            | 200,198.01 | 203,567.32    | 12,736.10   | 7,710.48  | 5,025.62                  | -     | 12,736.10                     |
| 6023                                 | Andover Middle                     | 20,432.23            | 71,770.53  | 66,925.61     | 25,277.15   | 25,277.15 | -                         | -     | 25,277.15                     |
| 6351                                 | Lake Stevens Middle                | 40,217.98            | 66,190.91  | 74,734.18     | 31,674.71   | 7,920.92  | 23,753.79                 | -     | 31,674.71                     |
| <u>South Regional Center Schools</u> |                                    |                      |            |               |             |           |                           |       |                               |
| 0125                                 | Norma Butler Bossard<br>Elementary | 24,529.41            | 477,819.07 | 474,766.39    | 27,582.09   | 12,041.33 | 15,540.76                 | -     | 27,582.09                     |
| 0671                                 | Calusa Elementary                  | 30,092.71            | 442,981.00 | 443,829.94    | 29,243.77   | 18,098.58 | 11,145.19                 | -     | 29,243.77                     |
| 0651                                 | Campbell Drive K-8 Center          | 7,414.43             | 39,383.77  | 37,435.67     | 9,362.53    | 4,055.47  | 5,307.06                  | -     | 9,362.53                      |
| 0861                                 | Colonial Drive Elementary          | 1,912.94             | 52,826.88  | 33,455.56     | 21,284.26   | 6,000.00  | 15,284.26                 | -     | 21,284.26                     |
| 1331                                 | Devon Aire K-8 Center              | 23,849.84            | 533,369.61 | 528,608.07    | 28,611.38   | 7,519.13  | 21,092.25                 | -     | 28,611.38                     |
| 2001                                 | Florida City Elementary            | 14,678.72            | 26,298.55  | 25,455.97     | 15,521.30   | 7,195.60  | 8,325.70                  | -     | 15,521.30                     |

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

| Work Loc No.            | Schools                            | Beginning Balance | Receipts        | Disbursements   | End Balance     | Cash          | Investments            |             | Total Cash and Investments |
|-------------------------|------------------------------------|-------------------|-----------------|-----------------|-----------------|---------------|------------------------|-------------|----------------------------|
|                         |                                    |                   |                 |                 |                 |               | Money Market Pool Fund | Other       |                            |
| 2521                    | Oliver Hoover Elementary           | 25,114.60         | 246,064.32      | 249,295.76      | 21,883.16       | 1,906.11      | 19,977.05              | -           | 21,883.16                  |
| 2701                    | Kenwood K-8 Center                 | 24,254.38         | 324,377.35      | 333,215.51      | 15,416.22       | 86.11         | 15,330.11              | -           | 15,416.22                  |
| 2881                    | Leewood K - 8 Center               | 30,330.27         | 351,347.67      | 353,675.22      | 28,002.72       | 9,178.49      | 18,824.23              | -           | 28,002.72                  |
| 3261                    | Miami Heights Elementary           | 38,964.51         | 138,299.53      | 131,655.58      | 45,608.46       | 7,125.91      | 38,482.55              | -           | 45,608.46                  |
| 4511                    | Dr. Gilbert L. Porter Elementary   | 11,069.46         | 290,224.80      | 285,149.19      | 16,145.07       | 5,667.29      | 10,477.78              | -           | 16,145.07                  |
| 2941                    | Laura C. Saunders Elementary       | 6,383.51          | 16,679.49       | 16,119.07       | 6,943.93        | 3,693.77      | 3,250.16               | -           | 6,943.93                   |
| 5421                    | Sunset Park Elementary             | 11,918.05         | 272,450.18      | 276,357.24      | 8,010.99        | 1,795.89      | 6,215.10               | -           | 8,010.99                   |
| 6001                    | Herbert A. Ammons Middle           | 46,015.61         | 363,960.22      | 360,588.99      | 49,386.84       | 18,719.74     | 30,667.10              | -           | 49,386.84                  |
| 6021                    | Arvida Middle                      | 93,049.07         | 282,081.84      | 284,109.79      | 91,021.12       | 29,789.90     | 61,231.22              | -           | 91,021.12                  |
| 6081                    | Centennial Middle                  | 45,545.57         | 84,167.93       | 86,146.33       | 43,567.17       | 8,053.97      | 35,513.20              | -           | 43,567.17                  |
| 6221                    | Hammocks Middle                    | 80,948.42         | 235,001.72      | 242,872.97      | 73,077.17       | 19,161.77     | 53,915.40              | -           | 73,077.17                  |
| 7041/7061/<br>7091/7551 | School For Advanced Studies Senior | 31,989.93         | 177,625.64      | 175,169.60      | 34,445.97       | 3,280.15      | 31,165.82              | -           | 34,445.97                  |
| <b>TOTALS</b>           |                                    | \$1,014,437.02    | \$ 6,377,091.04 | \$ 6,390,312.45 | \$ 1,001,215.61 | \$ 288,785.33 | \$ 693,921.99          | \$18,508.29 | \$ 1,001,215.61            |

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

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

*Notwithstanding the conditions and findings reported herein, at 30 of the 31 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2010-2011 fiscal year, on the cash basis of accounting. At Holmes Elementary School, due to the conditions cited in the report, which include numerous irregularities regarding the bookkeeping function and inadequate controls over the financial activity corresponding to the 2010-2011 fiscal year, the financial statement of the internal funds of the school for the 2010-2011 fiscal year does not fairly present the results of its operations on the cash basis of accounting (Pages 19-28).*

*As of June 30, 2011, for all 31 schools reported herein, total combined receipts and disbursements amounted to \$6,377,091.04 and \$6,390,312.45 respectively; while total combined cash and investments amounted to \$ 1,001,215.61 (Pages 6-8).*

*As of June 30, 2011, the internal control structure at 30 of the 31 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. However, at Holmes Elementary School, as reflected in this report, the internal controls structure was not functioning as designed by the school and district administration.*

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



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

## INTERNAL CONTROLS RATING

The internal controls rating of the 31 schools reported herein are depicted as follows:

| SCHOOLS   | PROCESS & IT CONTROLS |                   |            | POLICY & PROCEDURES COMPLIANCE |                   |            | EFFECT               |
|---|-----------------------|-------------------|------------|--------------------------------|-------------------|------------|----------------------|
|   | SATISFACTORY          | NEEDS IMPROVEMENT | INADEQUATE | SATISFACTORY                   | NEEDS IMPROVEMENT | INADEQUATE |                      |
| <u>Education Transformation Office (ETO) School</u> |                       |                   |            |                                |                   |            |                      |
| Holmes Elementary                                   |                       |                   | ✓          |                                |                   | ✓          | Impacted Operations  |
| <u>South Central Regional Center School</u>         |                       |                   |            |                                |                   |            |                      |
| Coral Gables Senior                                 |                       | ✓                 |            |                                | ✓                 |            | Likely to impact     |
| <u>North Central Regional Center Schools</u>        |                       |                   |            |                                |                   |            |                      |
| Carol City Elementary                               | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Comstock Elementary                                 | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Crestview Elementary                                | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Joella C. Good Elementary                           | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Hialeah Elementary                                  | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Miami Park Elementary                               | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Norwood Elementary                                  | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Parkway Elementary                                  | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Springview Elementary                               | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Andover Middle                                      | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Lake Stevens Middle                                 | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |

## INTERNAL CONTROLS RATING

| SCHOOLS                              | PROCESS & IT CONTROLS |                   |            | POLICY & PROCEDURES COMPLIANCE |                   |            | EFFECT               |
|--------------------------------------|-----------------------|-------------------|------------|--------------------------------|-------------------|------------|----------------------|
|                                      | SATISFACTORY          | NEEDS IMPROVEMENT | INADEQUATE | SATISFACTORY                   | NEEDS IMPROVEMENT | INADEQUATE |                      |
| <u>South Regional Center Schools</u> |                       |                   |            |                                |                   |            |                      |
| Norma Butler Bossard Elementary      | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Calusa Elementary                    | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Campbell Drive K-8 Center            | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Colonial Drive Elementary            | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Devon Aire K-8 Center                | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Florida City Elementary              | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Oliver Hoover Elementary             | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Kenwood K-8 Center                   | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Leewood K - 8 Center                 | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Miami Heights Elementary             | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Dr. Gilbert L. Porter Elementary     | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Laura C. Saunders Elementary         | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Sunset Park Elementary               | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Herbert A. Ammons Middle             | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Arvida Middle                        | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Centennial Middle                    | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| Hammocks Middle                      | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |
| School For Advanced Studies Senior   | ✓                     |                   |            | ✓                              |                   |            | Not Likely to impact |

## SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at the 31 schools reported herein are as follows:

| Work Loc. No.                                       | Schools                   | CURRENT YEAR FINDINGS |   | PRIOR YEAR FINDINGS |   |
|---|---------------------------|-----------------------|---|---------------------|---|
|   |                           | Total per School      | Area Of Findings  | Total per School    | Area Of Findings  |
| <u>Education Transformation Office (ETO) School</u> |                           |                       |   |                     |   |
| 2501  | Holmes Elementary         | 2                     | <ul style="list-style-type: none"> <li>▪ Misappropriation</li> <li>▪ Disbursements</li> </ul> | 1                   | <ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>   |
| <u>South Central Regional Center School</u>         |                           |                       |   |                     |   |
| 7071  | Coral Gables Senior       | 2                     | <ul style="list-style-type: none"> <li>▪ Athletic Fund</li> <li>▪ Payroll</li> </ul>          | 1                   | <ul style="list-style-type: none"> <li>▪ Fund 9</li> </ul>  |
| <u>North Central Regional Center Schools</u>        |                           |                       |   |                     |   |
| 0681  | Carol City Elementary     | None                  |   | None                |   |
| 0881  | Comstock Elementary       | None                  |   | None                |   |
| 1161  | Crestview Elementary      | None                  |   | None                |   |
| 2181  | Joella C. Good Elementary | None                  |   | None                |   |
| 2361  | Hialeah Elementary        | None                  |   | None                |   |
| 3301  | Miami Park Elementary     | None                  |   | 3                   | <ul style="list-style-type: none"> <li>▪ Field Trips</li> <li>▪ EESAC Expenditures</li> <li>▪ PTA Activity</li> </ul> |
| 4001  | Norwood Elementary        | None                  |   | None                |   |
| 4341  | Parkway Elementary        | None                  |   | None                |   |
| 5361  | Springview Elementary     | None                  |   | None                |   |
| 6023  | Andover Middle            | None                  |   | None                |   |
| 6351  | Lake Stevens Middle       | None                  |   | 1                   | <ul style="list-style-type: none"> <li>▪ Financial Management</li> </ul>  |

## SUMMARY SCHEDULE OF AUDIT FINDINGS

| Work Loc. No.                        | Schools                            | CURRENT YEAR FINDINGS |                  | PRIOR YEAR FINDINGS |                  |
|--------------------------------------|------------------------------------|-----------------------|------------------|---------------------|------------------|
|                                      |                                    | Total per School      | Area Of Findings | Total per School    | Area Of Findings |
| <u>South Regional Center Schools</u> |                                    |                       |                  |                     |                  |
| 0125                                 | Norma Butler Bossard Elementary    | None                  |                  | None                |                  |
| 0671                                 | Calusa Elementary                  | None                  |                  | None                |                  |
| 0651                                 | Campbell Drive K-8 Center          | None                  |                  | None                |                  |
| 0861                                 | Colonial Drive Elementary          | None                  |                  | None                |                  |
| 1331                                 | Devon Aire K-8 Center              | None                  |                  | None                |                  |
| 2001                                 | Florida City Elementary            | None                  |                  | None                |                  |
| 2521                                 | Oliver Hoover Elementary           | None                  |                  | None                |                  |
| 2701                                 | Kenwood K-8 Center                 | None                  |                  | None                |                  |
| 2881                                 | Leewood K - 8 Center               | None                  |                  | None                |                  |
| 3261                                 | Miami Heights Elementary           | None                  |                  | None                |                  |
| 4511                                 | Dr. Gilbert L. Porter Elementary   | None                  |                  | None                |                  |
| 2941                                 | Laura C. Saunders Elementary       | None                  |                  | None                |                  |
| 5421                                 | Sunset Park Elementary             | None                  |                  | None                |                  |
| 6001                                 | Herbert A. Ammons Middle           | None                  |                  | None                |                  |
| 6021                                 | Arvida Middle                      | None                  |                  | None                |                  |
| 6081                                 | Centennial Middle                  | None                  |                  | None                |                  |
| 6221                                 | Hammocks Middle                    | None                  |                  | None                |                  |
| 7041/<br>7061/<br>7091/<br>7551      | School For Advanced Studies Senior | None                  |                  | None                |                  |
| <b>TOTAL</b>                         |                                    | <b>4</b>              |                  | <b>6</b>            |                  |

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

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

| Work Loc. No.                                       | Schools                   | Current Principal          | Former Principal                               |
|---|---------------------------|----------------------------|--|
| <u>Education Transformation Office (ETO) School</u> |                           |                            |  |
| 2501  | Holmes Elementary         | Ms. Atunya R. Walker       | N/A = No Change of Principal Since Prior Audit |
| <u>South Central Regional Center School</u>         |                           |                            |  |
| 7071  | Coral Gables Senior       | Mr. Adolfo L. Costa        | N/A = No Change of Principal Since Prior Audit |
| <u>North Central Regional Center Schools</u>        |                           |                            |  |
| 0681  | Carol City Elementary     | Ms. Patricia L. Bloodworth | N/A = No Change of Principal Since Prior Audit |
| 0881  | Comstock Elementary       | Ms. Deborah A. Wilson      | N/A = No Change of Principal Since Prior Audit |
| 1161  | Crestview Elementary      | Ms. Sabrina J. Montilla    | N/A = No Change of Principal Since Prior Audit |
| 2181  | Joella C. Good Elementary | Ms. Lizette G. O'Halloran  | N/A = No Change of Principal Since Prior Audit |
| 2361  | Hialeah Elementary        | Ms. Carolina F. Naveiras   | N/A = No Change of Principal Since Prior Audit |
| 3301  | Miami Park Elementary     | Ms. Sandra V. Banky        | 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 |
| 4341  | Parkway Elementary        | Ms. Tracie N. Lewis        | N/A = No Change of Principal Since Prior Audit |
| 5361  | Springview Elementary     | Ms. Mayte M. Dovale        | N/A = No Change of Principal Since Prior Audit |
| 6023  | Andover Middle            | Mr. Arnold R. Montgomery   | N/A = No Change of Principal Since Prior Audit |
| 6351  | Lake Stevens Middle       | Dr. Mark Soffian           | N/A = No Change of Principal Since Prior Audit |

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

| Work Loc.<br>No.                     | Schools                            | Current Principal         | Former Principal                               |
|--------------------------------------|------------------------------------|---------------------------|--|
| <u>South Regional Center Schools</u> |                                    |                           |  |
| 0125                                 | Norma Butler Bossard Elementary    | Ms. Eileen W. Medina      | N/A = No Change of Principal Since Prior Audit |
| 0671                                 | Calusa Elementary                  | Ms. Carmen B. Fuentes     | N/A = No Change of Principal Since Prior Audit |
| 0651                                 | Campbell Drive K-8 Center          | Ms. Thelma Fornell        | N/A = No Change of Principal Since Prior Audit |
| 0861                                 | Colonial Drive Elementary          | Ms. Maria D. Chappotin    | N/A = No Change of Principal Since Prior Audit |
| 1331                                 | Devon Aire K-8 Center              | Mr. Irwin N. Adler        | N/A = No Change of Principal Since Prior Audit |
| 2001                                 | Florida City Elementary            | Ms. Catherine T. Krtausch | N/A = No Change of Principal Since Prior Audit |
| 2521                                 | Oliver Hoover Elementary           | Ms. Mercy Aguilar         | N/A = No Change of Principal Since Prior Audit |
| 2701                                 | Kenwood K-8 Center                 | Ms. Moraima Almeida-Perez | N/A = No Change of Principal Since Prior Audit |
| 2881                                 | Leewood K - 8 Center               | Mr. Bart D. Christie      | N/A = No Change of Principal Since Prior Audit |
| 3261                                 | Miami Heights Elementary           | Mr. Jorge A. Rivas        | N/A = No Change of Principal Since Prior Audit |
| 4511                                 | Dr. Gilbert L. Porter Elementary   | Mr. Raul J. Gutierrez     | N/A = No Change of Principal Since Prior Audit |
| 2941                                 | Laura C. Saunders Elementary       | Ms. Margaret D. Ferrarone | N/A = No Change of Principal Since Prior Audit |
| 5421                                 | Sunset Park Elementary             | Ms. Sara N. Martin        | N/A = No Change of Principal Since Prior Audit |
| 6001                                 | Herbert A. Ammons Middle           | Ms. Maria Costa           | N/A = No Change of Principal Since Prior Audit |
| 6021                                 | Arvida Middle                      | Ms. Nancy S. Aragon       | N/A = No Change of Principal Since Prior Audit |
| 6081                                 | Centennial Middle                  | Ms. Yamila M. Carballo    | N/A = No Change of Principal Since Prior Audit |
| 6221                                 | Hammocks Middle                    | Mr. Peter H. Cabrera      | N/A = No Change of Principal Since Prior Audit |
| 7041/7061/<br>7091/7551              | School For Advanced Studies Senior | Dr. Omar Monteagudo       | N/A = No Change of Principal Since Prior Audit |

## PROPERTY SCHEDULES

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

| Work Location No.                                   | Schools                                | CURRENT INVENTORY |              |                 |         |                  | PRIOR INVENTORY     |              |
|---|--|-------------------|--------------|-----------------|---------|------------------|---------------------|--------------|
|   |  | Total Items       | Dollar Value | Unlocated Items |         |                  | No. Of Unloc. Items | Dollar Value |
|   |  |                   |              | No. Of Items    | At Cost | At Deprec. Value |                     |              |
| <u>Education Transformation Office (ETO) School</u> |  |                   |              |                 |         |                  |                     |              |
| 2501  | Holmes Elementary                      | 143               | \$ 340,165   | None            |         |                  | 1                   | \$ 1,024     |
| <u>South Central Regional Center School</u>         |  |                   |              |                 |         |                  |                     |              |
| 7071  | Coral Gables Senior                    | 542               | 1,538,306    | None            |         |                  | None                |              |
| <u>North Central Regional Center Schools</u>        |  |                   |              |                 |         |                  |                     |              |
| 0681  | Carol City Elementary                  | 120               | 253,587      | None            |         |                  | None                |              |
| 0881  | Comstock Elementary <sup>1</sup>       |                   |              |                 |         |                  |                     |              |
| 1161  | Crestview Elementary <sup>1</sup>      |                   |              |                 |         |                  |                     |              |
| 2181  | Joella C. Good Elementary <sup>1</sup> |                   |              |                 |         |                  |                     |              |
| 2361  | Hialeah Elementary <sup>1</sup>        |                   |              |                 |         |                  |                     |              |
| 3301  | Miami Park Elementary                  | 119               | 287,130      | None            |         |                  | None                |              |
| 4001  | Norwood Elementary                     | 132               | 277,851      | None            |         |                  | None                |              |
| 4341  | Parkway Elementary                     | 70                | 193,458      | None            |         |                  | None                |              |
| 5361  | Springview Elementary <sup>1</sup>     |                   |              |                 |         |                  |                     |              |
| 6023  | Andover Middle <sup>1</sup>            |                   |              |                 |         |                  |                     |              |
| 6351  | Lake Stevens Middle                    | 268               | 577,297      | None            |         |                  | None                |              |
| <u>South Regional Center Schools</u>                |  |                   |              |                 |         |                  |                     |              |
| 0125  | Norma Butler Bossard Elementary        | 574               | 802,185      | None            |         |                  | None                |              |
| 0671  | Calusa Elementary                      | 66                | 209,212      | None            |         |                  | None                |              |
| 0651  | Campbell Drive K-8 Center <sup>1</sup> |                   |              |                 |         |                  |                     |              |
| 3621  | Coconut Palm K-8 Adademy <sup>2</sup>  | 159               | 550,204      | None            |         |                  | None                |              |

**Notes:**

1 Property audit is in progress; its results to be reported at a later date (9 schools).

2 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (5 schools).

## PROPERTY SCHEDULES

| Work Location No.       | Schools   | CURRENT INVENTORY |                      |                 |                 |                  | PRIOR INVENTORY     |                 |
|-------------------------|---|-------------------|----------------------|-----------------|-----------------|------------------|---------------------|-----------------|
|                         |   | Total Items       | Dollar Value         | Unlocated Items |                 |                  | No. Of Unloc. Items | Dollar Value    |
|                         |   |                   |                      | No. Of Items    | At Cost         | At Deprec. Value |                     |                 |
| 0861                    | Colonial Drive Elementary                       | 106               | 262,281              | None            |                 |                  | None                |                 |
| 1331                    | Devon Aire K-8 Center                           | 344               | 671,888              | None            |                 |                  | None                |                 |
| 2001                    | Florida City Elementary                         | 212               | 404,475              | None            |                 |                  | None                |                 |
| 2021                    | Gloria Floyd Elementary <sup>2</sup>            | 115               | 258,959              | None            |                 |                  | None                |                 |
| 2151                    | Jack D. Gordon Elementary <sup>2</sup>          | 126               | 359,132              | None            |                 |                  | None                |                 |
| 2521                    | Oliver Hoover Elementary                        | 145               | 344,587              | None            |                 |                  | None                |                 |
| 2701                    | Kenwood K-8 Center                              | 241               | 586,839              | None            |                 |                  | None                |                 |
| 2881                    | Leewood K - 8 Center                            | 197               | 456,512              | None            |                 |                  | None                |                 |
| 3261                    | Miami Heights Elementary                        | 116               | 329,974              | None            |                 |                  | None                |                 |
| 4511                    | Dr. Gilbert L. Porter Elementary                | 105               | 265,782              | None            |                 |                  | None                |                 |
| 2941                    | Laura C. Saunders Elementary <sup>1</sup>       |                   |                      |                 |                 |                  |                     |                 |
| 5121                    | Snapper Creek Elementary <sup>2</sup>           | 68                | 189,792              | None            |                 |                  | None                |                 |
| 5421                    | Sunset Park Elementary                          | 83                | 254,436              | None            |                 |                  | None                |                 |
| 6001                    | Herbert A. Ammons Middle                        | 312               | 633,098              | None            |                 |                  | None                |                 |
| 6021                    | Arvida Middle                                   | 203               | 534,201              | None            |                 |                  | None                |                 |
| 6061                    | Campbell Drive Middle <sup>2</sup>              | 604               | 1,090,996            | None            |                 |                  | None                |                 |
| 6081                    | Centennial Middle                               | 286               | 574,894              | None            |                 |                  | None                |                 |
| 6221                    | Hammocks Middle                                 | 368               | 766,042              | 2               | \$ 4,363        | \$ 767           | 3                   | 3,983           |
| 7041/7061/<br>7091/7551 | School For Advanced Studies Senior <sup>1</sup> |                   |                      |                 |                 |                  |                     |                 |
| <b>TOTAL</b>            |   | <b>5,824</b>      | <b>\$ 13,013,283</b> | <b>2</b>        | <b>\$ 4,363</b> | <b>\$ 767</b>    | <b>4</b>            | <b>\$ 5,007</b> |

Notes:

1 Property audit is in progress; its results to be reported at a later date (9 schools).

2 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (5 schools).

## PROPERTY SCHEDULES

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

| Work Location No.                           | Schools               | No. of Plant Security Reports | Total Items | Total Amount at Cost | CATEGORY (AT COST) |                 | Total Depreciated Value |
|---|-----------------------|-------------------------------|-------------|----------------------|--------------------|-----------------|-------------------------|
|   |                       |                               |             |                      | Computers          | Other*          |                         |
| <u>North Central Regional Center School</u> |                       |                               |             |                      |                    |                 |                         |
| 3301  | Miami Park Elementary | 1                             | 1           | \$ 1,250             | -                  | \$ 1,250        | \$ 943                  |
| <u>South Regional Center Schools</u>        |                       |                               |             |                      |                    |                 |                         |
| 1331  | Devon Aire K-8 Center | 1                             | 1           | 1,245                | \$ 1,245           | -               | 233                     |
| 6061  | Campbell Drive Middle | 1                             | 3           | 4,304                | 4,304              | -               | -                       |
| 6221  | Hammocks Middle       | 1                             | 2           | 2,385                | -                  | 2,385           | 709                     |
| <b>Total</b>                                |                       | <b>4</b>                      | <b>7</b>    | <b>\$ 9,184</b>      | <b>\$ 5,549</b>    | <b>\$ 3,635</b> | <b>\$ 1,885</b>         |

Note: *Other Equipment* includes three pressure washers.

## **FINDINGS AND RECOMMENDATIONS**

### **1. Inadequate Controls And Procedures Over The Receipting, Posting And Depositing Of Funds *Holmes Elementary***

Section II, Chapter 3 of the *Manual of Internal Fund Accounting* provides the guidelines over the receipting and depositing of collections associated with internal funds activities. Furthermore, procedures in Section IV, Chapter II of the *Manual* require written approval to conduct a fundraising activity via an Application for Fundraising Activity form [FM-1018], maintenance of an Activities Log [FM-6672] listing all fundraising activities, and the preparation of a Student Activity Operating Report [FM-0996] to summarize the financial results of the activity. Procedures also require that these documents be filed with the internal fund records of the school.

Regarding the general procedures over the collection and deposit of funds, the Office of the Controller published an updated *Policies and Procedures for Safeguarding Funds at the Schools* via *Weekly Briefing No. 5164*, dated November 6, 2008, to address the safeguarding and timelines for the deposit of funds. Pursuant to the procedures, deposits awaiting delivery to the bank are to be logged in the Collections/Deposits Log [FM-7249] at the time the deposit is placed in the secure area and once removed from this area to take to the bank. In cases where the school does not engage the armored car service, (as in the case of this school), *monies collected must be deposited in the bank once they exceed \$300. It is also required that at a minimum, a deposit must be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected.*

At the request of the Principal and the ETO administration, we extended the scope of our audit because of an allegation that the school treasurer had failed to post and deposit monies collected by several teachers during October and December 2011. Due to this allegation and discrepancies identified in our audit of 2010-2011 fiscal year records, we extended our review of financial records to encompass 100 percent of all deposits made during the 2010-2011 fiscal year and the 2011-2012 fiscal year up to January 26, 2012.

Our final review of the school's financial records disclosed that collections totaling \$3,103 could not be traced to any deposit package or to the bank. This total consisted of \$2,330 collected during the 2010-2011 fiscal year and \$773 collected between October 2011 and January 2012. In a written statement, the treasurer admitted her

responsibility for mishandling the collections; however, she would not admit to their misappropriation<sup>2</sup>.

We conducted a thorough review of the processes and controls over the safeguarding, depositing and receipting of the funds, and the overall bookkeeping function. Our review disclosed that the system was not working as designed, as we found that collections under the care of the treasurer remained undeposited for periods of time and stored in an area that was unrestricted during the day and improperly safeguarded. In addition, she did not maintain a proper accounting of those collections that remained in her custody pending recording and deposit.

Regarding the receipting process, we confirmed that teachers collected monies from the students and the treasurer prepared receipts after-the-fact. Consequently, the sponsors as well as the students would not receive a receipt immediately upon tendering collections. Finally, we found that significant lapses of time and errors in the posting of transactions to the automated accounting system precluded the school from presenting an accurate picture of the internal funds' financial activity and account balances for the period under audit. Details are as follows:

- 1.1. *Collections were not timely processed or safeguarded; and there was no proper accountability regarding collections pending deposit.* According to the treasurer and several teachers, and as corroborated during the audit visit, teachers would submit monies and a Recap of Collections (documenting the activity and/or students' names and amounts) to the treasurer in the main office. The treasurer would place the monies and Recaps in a desk drawer located in the main office. However, she would not perform counts to verify monies tendered and would leave the drawer unlocked until the end of the day's work, when she would lock it. Collections would remain in this drawer until ready to process for deposit; however, this could take several days, and she would not keep a tally of the collection packages she would keep stored in this drawer at any given time.

This school has very limited staff and the school administration had not assigned additional personnel to verify and take custody of collections pending deposit. Consequently, the school was not properly utilizing the Collection/Deposits Log form to record those deposits kept at the school site awaiting deposit. This happened during the audit period up to the current fiscal year.

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<sup>2</sup> As of the publication of this report, this individual has been temporarily assigned to an alternate work location (to perform duties in a non-financial capacity) pending the outcome of the ongoing M-DCPS Police investigation.

- 1.2. *The school did not follow proper receipting procedures when monies exchanged hands.* 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 receipt *at the point of collection*. Furthermore, when an official receipt book is used, staff must staple the computer-generated receipt produced by the system to the copy of the last receipt in the book that corresponds to the collection submitted.

Regarding the Classes and Clubs' Fifth Grade Fundraising and End of the Year activities during the 2010-2011 and 2011-2012 fiscal years, the treasurer was responsible for completing the individual receipts; however, these were prepared after-the-fact, and as previously stated, based on the student information noted on the Recaps turned in by the teachers. Furthermore, the official receipt book used by the treasurer for these individual collections did not have attached any computer-generated receipts to provide a trail of their recording in the automated accounting system.

For the 2010-2011 fiscal year, based on official receipts issued by the treasurer and Recaps of Collections on file, we determined that the school had collected \$8,821 for the Fifth Grade Activities. Collections were mostly cash. Total collections posted to the account amounted to only \$6,491 for a shortfall of \$2,330. This shortfall consisted of several individual receipts issued by the treasurer between May 2 and May 5, 2011 that we could not trace to any deposit.

More recently during the 2011-2012 fiscal year, based on several Recaps of Collections that several teachers brought to the attention of the Principal and that were found in the treasurer's office, we determined that \$773 cash collected between October 26, 2011 and January 12, 2012 had not been posted or deposited. According to the teachers, they turned in the collections to the treasurer but the treasurer did not provide any receipts in exchange. These funds consisted of \$250 raised from sale of baked goods donated by parents, \$263 from the sale of holiday pictures, and \$260 from installment payments made by students for their participation in the End of the Year's Fifth Grade Activities.

In none of these instances, the treasurer could provide an explanation as to why the monies did not make it to the checking account.

- 1.3. *Fundraising activities were not properly documented or approved.* For both the 2010-2011 and 2011-2012 fiscal years, the Application for Fundraising Activity for Fifth Grade fundraisers were not on file, the associated activity was not listed on the Activities Log and Student Activity Operating Reports were not prepared. In addition, in 2010-2011, for the End of the Year's Fifth Grade Activities, students were charged different amounts and these differences were not properly documented.

## RECOMMENDATIONS

- 1.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
- 1.2. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited, properly recorded and safeguarded.
- 1.3. Ensure that the Collections/Deposits Log [FM-7249] is consistently utilized to document those deposit packages awaiting the armored car pickup service or delivery to the bank.
- 1.4. Assign an employee to verify the collections in addition to the treasurer.
- 1.5. Discuss with staff the proper procedures and documentation associated with fundraising activities.

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

### **Management Response:**

The Principal, Region Business Manager and Treasurer met to discuss audit findings, specifically Section II, Chapter 3 of the Manual of Internal Fund Accounting and the Office of the Controller's Policies and Procedures for Safeguarding Funds at the Schools published via Weekly Briefing #5164, in order to ensure full compliance with receipting collections and documenting deposits associated with internal funds activities. The Principal designated the Assistant Principal, in her absence, to review documents and corresponding funds collected for accuracy. The Principal instructed the school's Treasurer to hand deliver the monthly Bank Statement (checking account) directly to the Principal for initial review. The Principal will review Bank Statement activities with the Treasurer prior to completion of the Internal Funds Monthly Reconciliation document.

The Principal developed and reviewed Fundraising procedures that included required documents associated with this process and the collection of money, with the entire staff during the February faculty meeting and a subsequent meeting will be conducted at the opening of the 2012-2013 school year. The Principal reviewed collection procedures with particular focus on the requirement of the issuance of a receipt when monies exchange hands.

As a result of the extended audit scope findings, the Principal halted all collection of monies. However, when the process resumes, the Principal has already instructed the Treasurer to print and review on a daily basis, the Daily Activity Report from the MSAF

system to ensure that collections are posted to the system and deposited in a timely manner. The Principal will randomly request and review documents printed. A daily time for processing the collections has been established and the identification of safe location, with restricted access, was reviewed with the Treasurer. A process to ensure the transportation of monies has been established. In addition, in the event funds are collected and the Treasurer is unable to make a deposit within the required timeframe, the Collections/Deposit Log Form (FM-7249) will be utilized and the Principal will be notified. The Region Administrative Director and Region Business Manager will conduct bi-monthly reviews of Internal Funds documents. The Region Administrative Director has identified and assigned a Mentor Treasurer to meet with and be available to provide guidance and assistance to the Treasurer.

**Person(s) Responsible:**

**ETO Administration**

**Management Response:**

The Education Transformation Office Administrative Director and the Region Business Manager met with the Principal and Treasurer to thoroughly review Section II, Chapter 3 of the Manual of Internal Fund Accounting and the Office of the Controller's Policies and Procedures for Safeguarding Funds at the Schools published via Weekly Briefing #5164 to ensure that procedures are followed as related to proper receipting of funds.

The Education Transformation Office Administrative Director with the Region Business Manager will conduct site reviews to ensure compliance with all guidelines and to ensure that procedures for posting and depositing of money collections are adhered to and proper documentation is maintained. A Mentor Treasurer will meet with the school-site Treasurer on a bi-monthly basis and be available for on-going assistance and guidance.

**2. Inadequate Controls Over Disbursements**  
***Holmes Elementary***

Pursuant to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, disbursements may only be processed when sufficient, uncommitted funds are available in the internal fund account where the expenditure is going to be charged, as well as in the school's checking account. Overdrawing of the checking account is prohibited.

The school reported \$23,254 in total disbursements for the 2010-2011 fiscal year; however, our review disclosed that this total was understated by approximately \$5,920. The understatement consisted of nine disbursements made during 2010-2011 but not posted to the system until after the end of the fiscal year. This delay was due to the overspending of school funds, which ultimately resulted in the overdrawing of the checking account during May and June. In addition, we identified other discrepancies with the disbursement function related to the documentation and delays in the posting of transactions for the 2011-2012 fiscal year through January 26, 2012. Details follow:

- 2.1. During the 2010-2011 fiscal year, the school issued 98 checks. Of this total, 26 checks amounting to \$12,280 were not posted in a timely manner throughout the year. Posting delays ranged between three weeks to over four months. Furthermore, nine checks totaling approximately \$5,920 were not posted until the 2011-2012 fiscal year. This occurred because sufficient funds to cover the expenditures were not available in the respective internal fund accounts. Of these nine checks, the June bank statement listed four as returned by the bank for insufficient funds.
- 2.2. On May 31, 2011, the checking account's bank statement listed a \$(112) deficit balance, and the deficit persisted for most of the month of June. The deficit, which ranged between \$(147) and \$(1,649), was corrected on June 29, when the bank received a \$1,500 transfer of funds from the school's Money Market Pool account. However, the bank charged the account penalty fees totaling \$350 for nine non-sufficient funds checks<sup>3</sup> and the extended overdrawn balance in June.

Our review of current year disbursements disclosed a similar pattern of late postings and delayed payments. As of the last audit visit in January 26, 2012, two checks totaling \$553 issued in November and December 2011 had not been posted to the automated accounting system. In addition, as of January 26, 2012, nine invoices totaling \$355 were outstanding past 30 days.

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<sup>3</sup> The nine non-sufficient fund checks included the four checks previously noted.

Section II, Chapters 1 and 7, and Section V, Chapter 1 of the *Manual of Internal Fund Accounting* establish the guidelines for the posting of transactions related to the checking account and any savings or investment account of the school. These include transactions involving the recording of interest, funds transfers, bank charges/credits or similar transactions required to properly reconcile the checking account.

- 2.3. The monthly bank reconciliations disclosed that bank fees and similar transactions were not timely posted. Conversely, the July 2011 bank reconciliation disclosed an adjustment for a \$2,000 transfer of funds from the school's Money Market Pool account to the Internal Funds checking account that was prematurely posted to the automated accounting system. The transfer did not take place until 36 days later in August 2011. The posting of this anticipated transaction in the automated system overstated the checking account and understated the Money Market account balances in July 2011 by \$2,000.

Disbursement guidelines require that documentation supporting the disbursements consist of an original invoice or equivalent documentation provided by the vendor. The invoice must include the signature of the employee responsible for receiving the goods/services to certify receipt. In addition, any arrangements with the vendor to make payment past 30 days of receipt of good/services must be included in the records as support. In those instances where an individual purchase exceeds \$1,000, but is less than \$5,000, a minimum of three documented telephone quotes must be included as part of the ancillary documentation to show that the lowest bid was selected<sup>4</sup>.

- 2.4. Our sample of disbursements disclosed instances where the corresponding invoice was missing the signature required to acknowledge the receipt of goods; the invoice was paid late, or was a copy instead of an original invoice. We also noted one instance in the sample where telephone quotes were not part of the required documentation for a disbursement of over \$1,000.

Other discrepancies related to the disbursements made by the school included grant monies that were not used as intended and Instructional Materials and Supplies (Fund account) that were not timely replenished. They are as follows:

According to Section III, Chapter 4 of the *Manual*, Trust funds (such as designated grants and donations) shall be expended only for the purpose for which they are collected and received, unless the donor/grantor designates an alternative purpose *in writing*.

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<sup>4</sup> Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written bids from the solicited vendors are required, one of which must be a certified minority enterprise according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*.

- 2.5. During the 2009-2010 fiscal year, the school received a \$1,500 mini-grant to implement a healthy and wellness school program for students and employees. The grant was not spent and the entire amount was carried over to the 2010-2011 fiscal year. In 2010-2011, the school used these funds to purchase T-shirts as incentives for students. The school did not contact the grantor to receive approval for the alternative use of the funds.

The Instructional Materials and Supplies (Fund 9) account was established to provide principals additional flexibility to purchase instructional materials and custodial supplies using allocated tax dollars. To accomplish this, the district advances schools up to \$20,000 of their budgeted tax dollar funds. The amount of the advance, which varies depending on whether the school is elementary, secondary, or an adult/vocational education center, is placed in an account within the internal funds of the school to be disbursed through the internal funds disbursement process. The amount advanced is the threshold amount for reconciliation purposes; and the account must be reconciled monthly.

The procedures associated with this account are established in Section III, Chapter 9 of the *Manual of Internal Fund Accounting*. According to the procedures, schools are required to report expenditures for replenishment once 25% of the threshold limit has been expended. At this school, the advance was \$6,000; therefore, expenditures must be reported once \$1,500 has been spent. Regardless of the amount, all expenditures must be replenished before June 30, every year.

- 2.6. As of June 30, 2011, the school was unable to report for replenishment \$4,475 Fund 9 expenditures because of unavailable funds. The school processed the replenishment on January 2012, subsequent to our inquiries.

## **RECOMMENDATIONS**

- 2.1. Discuss disbursement procedures with staff for understanding and awareness of the requirements and direct the Treasurer to post transactions in a timely manner.**
- 2.2. Prior to approving any expenditures, ensure that accounts have available funds and that the disbursement is adequate and in accordance with the account guidelines.**
- 2.3. Periodically review accounts and fund balances, and adjust spending plans accordingly.**
- 2.4. Strengthen the review and oversight over the disbursement function to ensure the timely posting of charges to the appropriate accounts and the completeness of the documentation.**

**Person(s) Responsible:**

**Principal and Treasurer**

**Management Response:**

The Principal met with the Treasurer to thoroughly review and discuss Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting which establishes the procedures for documenting the disbursements, and the requiring that disbursements paid in a timely manner and within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and in writing. This written request to the vendor may only be obtained by the Principal. The Principal and Treasurer also reviewed Section III, Chapter 9 of the Manual of Internal Fund Accounting which establishes the procedures over disbursements posted to the Instructional Materials and Supplies (Fund 9) account, emphasis was placed on adhering to the requirement that all Fund 9 expenditures must be reported prior to June 30<sup>th</sup>.

The Principal has directed the Treasurer to print a copy of the MSAF checkbook balance and the internal funds account balance where the charge will be posted prior to the writing of any check for review with the principal. Upon immediate issuance of a check, the Treasurer is to balance the checkbook, maintain a running checkbook balance, and attach it to the last check stub written at the end of each month. The Principal will review at the end of every week, the checkbook to ensure compliance with the procedures. Any discrepancies will be corrected immediately.

The Principal established a procedure and timeframe to review all transactions on a weekly basis to ensure compliance and the timely posting of disbursements to the system. The Treasurer will print at the end of every week the balances in accounts. A spreadsheet will be used to monitor availability of funds and timely disbursements. The Treasurer will maintain this document up to date for weekly review and discussion with the Principal. In addition, the Principal will review the Fund 9 reconciliation periodically to ensure that the account is not overextended and all charges timely processed throughout the school year and by year-end. Any discrepancies identified will be addressed and the required corrections made immediately.

**Person(s) Responsible:**

**ETO Administration**

**Management Response:**

The Education Transformation Office Administrative Director and Region Business Manager met with the Principal and Treasurer to thoroughly review and discuss Section II, Chapters 4 and 5 and Section III, Chapter 9 of the Manual of Internal Fund Accounting to ensure school-site compliance with procedures contained within the manual. The Education Transformation Office Administrative Director and Region

Business Manager will meet with the Principal and Treasurer to conduct a mini-audit to include a review of the internal funds financial activities.

The Principal was instructed to personally review disbursements, monitor available balances in all accounts and ensure the payment of invoices in a timely manner. The Principal was instructed to monitor the timely reconciliation of Fund 9. Any discrepancies will be corrected immediately.

**3. Inadequate Recordkeeping,  
Documenting, And  
Reporting Of Payroll  
*Coral Gables Senior***

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

We reviewed three payrolls reported in December 2011 and January 2012 and noted the following discrepancies:

- 3.1. In two of the three pay periods reviewed, we found instances where the Cafeteria Manager had signed in/out on the Daily Payroll Attendance Sheets on behalf of the cafeteria staff.
- 3.2. A review of the Daily Payroll Attendance Sheets in effect during the audit visit on December 16, 2011 and January 4, 2012, disclosed nine separate instances where hourly paid employees indicated their presence ahead of their scheduled time on the day of the review or one to two days ahead of time.
- 3.3. Most leave cards were completed and signed in pencil.
- 3.4. In two of the pay periods reviewed, four employees did not indicate their presence for some of the days and were reported present. According to the school, the employees were present. In addition, three employees were paid for overtime; however, the authorization for the overtime work was not on file but was provided after our inquiries.

## RECOMMENDATIONS

- 3.1. Review payroll procedures with school staff and administration, particularly as they relate to payroll recording, reporting and the preparation of leave cards to ensure understanding and awareness of the procedures.
- 3.2. Review with cafeteria staff the recording of time and attendance on the Daily Payroll Attendance Sheets.
- 3.3. Periodically review the Daily Payroll Attendance Sheets to ensure that employees are indicating their presence according to their scheduled time but not ahead of time.
- 3.4. Direct staff to complete and sign leave cards in ink.
- 3.5. Ensure that approval for overtime is filed with the payroll records.
- 3.6. Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.

Responsible Person(s):

Principal,  
Cafeteria Manager and  
Payroll Clerk

### Management Response:

In order to ensure the adequate recordkeeping, documenting, and reporting of payroll, the Principal met with the Cafeteria Manager, Payroll Clerk and staff on February 6, 2012 to carefully review and discuss the *Payroll Processing Procedures Manual and Payroll Highlights* published by the Payroll Department.

The Principal will meet with all staff members at the scheduled faculty meeting of February 21, 2012 to review and address payroll procedures regarding daily attendance signing in/out. In addition, a memorandum will be sent to faculty and staff employees that fail to sign in/out appropriately.

The Principal met with the Cafeteria Staff on February 6, 2012 to carefully review and discuss Payroll Procedures to ensure that each employee understands how to report their time and attendance on the Daily Payroll Attendance Sheets.

The Principal met with the Payroll Clerk on February 3, 2012 and directed her to only use ink while completing leave cards and to file all overtime requests with the proper payroll records.

The Principal established a procedure of reviewing the Daily Payroll Attendance Sheets in order to ensure the accuracy, completeness and propriety of the payroll reported. All payroll sheets will be reviewed by an Assistant Principal and the Payroll Clerk fifteen minutes after the start of the regular work day each day.

**Person(s) Responsible:** **South Central Regional Center Administration**

**Management Response:**

- The South Central Regional Center Financial/Business Operations Director instructed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Payroll Attendance Sheet.
- The Financial/Business Operations Director will conduct quarterly site-reviews to ensure compliance with all the guidelines found in the Payroll Processing Procedures Manual to make sure that the daily and hourly payrolls are accurate, that leave cards are completed in ink, and that the proper overtime request forms are filed with the payroll records.

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

**Management Response:**

- District/School Operations will review results quarterly of the District/Region Business Director reviews of selected areas of Internal Funds including Bank Reconciliations, Deposits and Disbursements, Athletics, and Payroll.
- Discrepancies with the areas cited above will be investigated through the appropriate District/Regional Center office.
- District/School Operations will work collaboratively with the Region Center and facilitate appropriate training from District Offices in Internal Accounting, Athletics and Payroll, respectively.
- District/School Operations will keep on file Region results of the mini-reviews held with Principals in selected areas noted in this schools' audit responses.
- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures.

**4. Inadequate Oversight Over  
The Athletic Fund Resulted  
In Year-End Deficit  
*Coral Gables Senior***

Pursuant to Section III, Chapter 1 of the *Manual of Internal Fund Accounting*, Athletic Fund balances must be monitored throughout the year to ensure that expenditures charged to the individual sport team and general accounts do not exceed the overall positive available balance. The guidelines also dictate that the school must not end the fiscal year with a negative overall balance in the Athletic Fund.

At June 30, 2011, the Athletic Fund closed the year with a deficit balance of \$(4,213). We extended our review of Athletic Fund account activity and balances to the current year. As of January 27, 2012, the Athletic Fund balance continued to disclose a deficit balance which had increased to \$(4,623). We reviewed the expenditures posted to the Athletic Fund accounts, and nothing came to our attention to indicate that the types of expenditures charged to this fund were not related to athletic activities.

**RECOMMENDATIONS**

- 4.1. Prior to approving any expenditure or signing a check, ensure that the Athletic Fund has available funds to cover the expenditure.**
- 4.2. Periodically review Athletic Fund accounts and balances, as well as commissions received from vending machines and other funding sources that may be utilized for athletic activities, and adjust spending plans accordingly.**
- 4.3. Review other accounts in the internal funds of the school associated with Classes and Clubs' sports activity and other related internal fund accounts (as allowed by the guidelines) to determine whether available funds may assist in reducing/eliminating the current Athletic Fund deficit.**

**Responsible Person(s):**

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

**Management Response:**

The Principal met with the Athletic Director, Athletic Business Manager and the Treasurer on February 3, 2012 to carefully review and discuss Section III, Chapter 1 of the *Manual of Internal Fund Accounting*.

On February 8, 2012, the Principal met with the Athletic Business Manager to review available funds related to Classes and Clubs' sports activity and determine an appropriate source of funding to cover the current deficit. The Principal further

directed the Treasurer to transfer funds from the school's vending account to cover the current deficit. The transfer has been made and the deficit has been corrected.

The Principal met with the Athletic Director, Athletic Business Manager and the Treasurer on February 3, 2012 to establish an Athletic Fund Budget. Using the past three years' expenditure trend, the Principal, in conjunction with the Athletic Director and the Athletic Business Manager will determine the budgetary needs of the athletic program. This budget will allow the Principal, Athletic Business Manager and Athletic Director to not spend unallocated funds. In addition, the Principal will conduct monthly meetings with the Athletic Business Manager and Athletic Director to review expenditures and current balances. Prior to approving any expenditure or signing a check, the Principal will ensure that the Athletic Fund has the available funds to cover the expenditure.

The Principal will meet with the Athletic Business Manager monthly to review all expenditures and commissions received from vending and other revenue generating sources related to Classes and Clubs' sports activity accounts. At such time, the necessary and allowable transfers will be made to ensure a positive balance.

**Person(s) Responsible:** South Central Regional Center Administration

**Management Response:**

- The South Central Regional Center Financial/Business Operations Director, instructed the Principal to thoroughly review Section III, Chapters 1 of the **Manual of Internal Funds Accounting**, Athletic Fund and to develop a systematic plan to follow to ensure that expenditures charged to the individual sport team and general accounts do not exceed the overall positive available funds.
- The Financial/Business Operations Director instructed the Principal to immediately review other accounts in the internal funds of the school associated with Classes and Clubs' sports activity and other related internal fund accounts (as allowed by the guidelines) to determine whether available funds may assist in reducing/eliminating the current Athletic Fund deficit.
- The South Central Regional Center Financial/Business Operations Administrative Director, cooperatively with the Principal, will review the balance of the Athletic Fund on a quarterly basis to ensure that there is a positive balance.

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

**Management Response:**

Refer to page 31 of this report and page 49 in the report's Appendix Section for District/School Operations' comprehensive response addressing the recommendations to the school findings of Coral Gables Senior High School.

## OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2011, on the cash basis of accounting;
- evaluate compliance by the schools with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with *current payroll procedures*, as well as compliance with *current purchasing credit card program procedures*; and *certain information technology controls*;
- verify compliance by the schools with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*;
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification; and

While the scope of our audits generally covered operations during the period of July 1, 2010 through June 30, 2011, payroll, purchasing credit card transactions, and information technology controls included current periods. Title I program covered the 2010-2011 fiscal year only. FTE audits covered the 2011-2012 October 2011 survey period.

Our procedures were as follows:

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

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

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

### **Internal Control Matters**

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

## BACKGROUND

### INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2011 was 0.57%.

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

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

## PAYROLL

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

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

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

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

## PROPERTY

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

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

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

## TITLE I PROGRAM

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

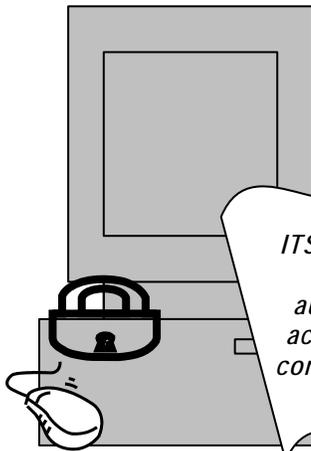


Schools follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-card Program, depending on the amount. Salary expenditures must comply with budgetary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

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

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

## DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY ASSESSMENT



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

Principals are responsible for ensuring that network security standards and related security procedures are being observed at the school sites. Part of their responsibility includes ensuring that only authorized staff has access to designated applications. Information Technology Services (ITS) produces a monthly report for each location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this report to determine the appropriateness of applications approved for each employee, as to whether they are required for his or her assigned duties; and to ensure that access to the computer application that allows for changes to students' academic grades is limited to a specific and restricted number of authorized personnel. In addition, our school audits will selectively review information technology matters related to the proper safeguarding and location of servers and switches, software licensing documentation, proper authorization of Electronic Gradebook applications, and similar controls over data security.

### FULL-TIME EQUIVALENT (FTE)

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

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

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

Schools are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process. The results of these surveys are FTE reports which allow schools to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2011-2012 fiscal year, months selected by the FDOE for these surveys are as follows:

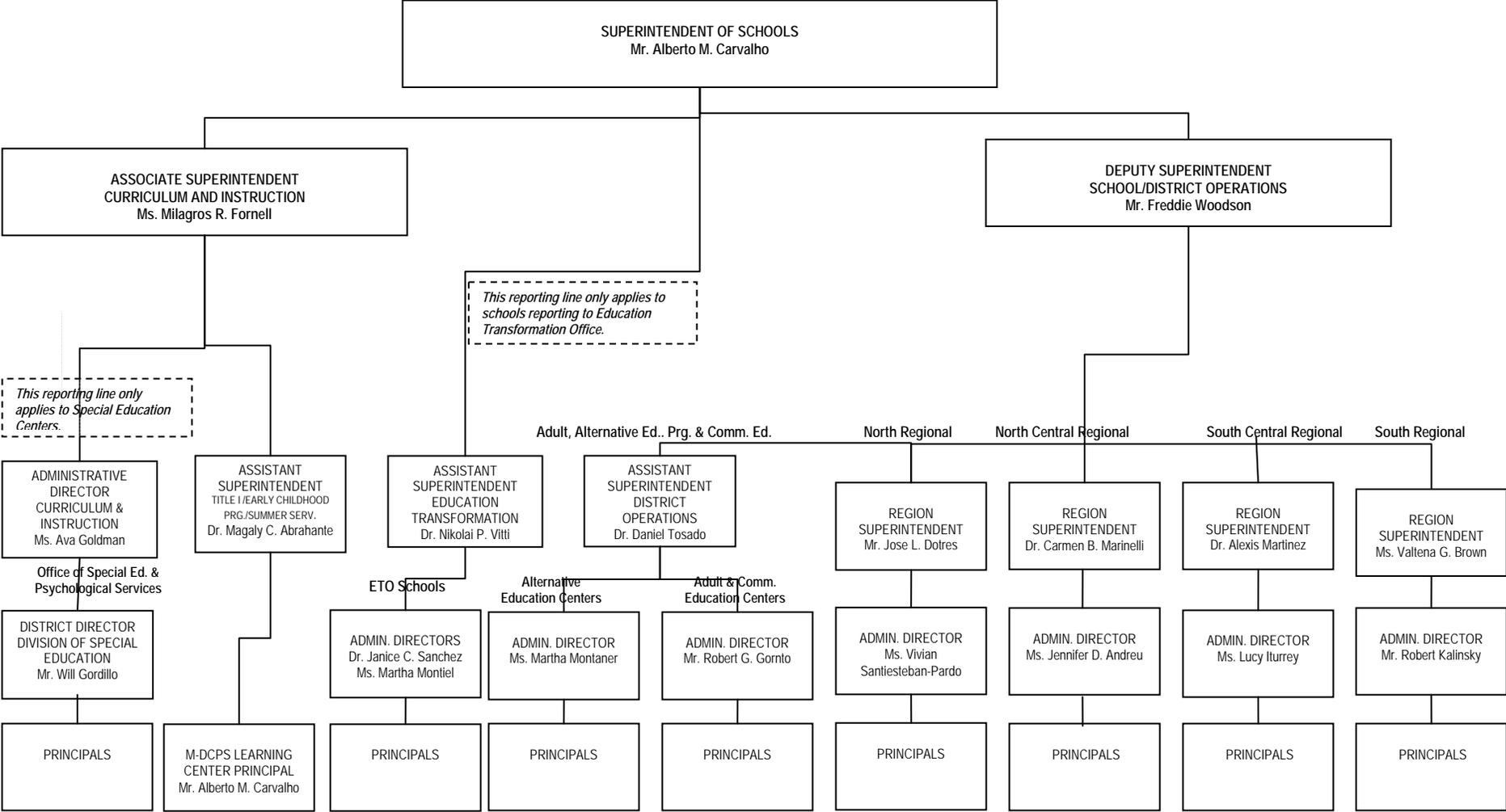
| <b>Survey Period No.</b> | <b>Time Period of Survey</b> |
|--------------------------|------------------------------|
| 1                        | July (Summer School only)    |
| 2                        | October                      |
| 3                        | February                     |
|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

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

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

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

# ORGANIZATIONAL CHART (SCHOOLS)





**APPENDIX  
MANAGEMENT'S RESPONSES**

MEMORANDUM

February 14, 2012

**TO:** Dr. Nikolai P. Vitti, Assistant Superintendent  
Education Transformation Office (ETO)

**FROM:** Atunya Walker, Principal *AW*  
Holmes Elementary School

**SUBJECT:** ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF HOLMES  
ELEMENTARY SCHOOL FOR THE 2010-2011 AND 2011-2012 FISCAL YEARS

The following is in response to the initial findings in the school audit report of Holmes Elementary School for the 2010-2011 school year. At the request of this administrator and the ETO administration, an extended scope to review the financial records for the 2011-2012 school year was conducted, and a response to the subsequent findings are also included. A management plan has been developed to address the recommendations listed below.

**FINDINGS AND RECOMMENDATIONS**

**1. Inadequate Controls Over The Receipting and Posting of Collections**

**RECOMMENDATIONS**

- 1.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
- 1.2. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited, properly recorded and safeguarded.
- 1.3. Ensure that the Collections/Deposits Log (FM-7249) is consistently utilized to document those deposit packages awaiting the armored car pickup service or delivery to the bank.
- 1.4. Assign an employee to verify the collections in addition to the Treasurer.
- 1.5. Discuss with staff the proper procedures and documentation associated with fundraising activities.

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

**Management Response:**

The Principal, Region Business Manager and Treasurer met to discuss audit findings, specifically Section II, Chapter 3 of the Manual of Internal Fund Accounting and the Office of the Controller's Policies and Procedures for Safeguarding Funds at the Schools published via Weekly Briefing #5164, in order to ensure full compliance with receipting collections and documenting deposits associated with internal funds activities. The Principal designated the Assistant Principal, in her absence, to review documents and corresponding funds collected for accuracy. The Principal instructed the school's Treasurer to hand deliver the monthly Bank Statement (checking account) directly to the Principal for initial review. The Principal will review Bank Statement activities with the Treasurer prior to completion of the Internal Funds Monthly Reconciliation document.

The Principal developed and reviewed Fundraising procedures that included required documents associated with this process and the collection of money, with the entire staff during the February faculty meeting and a subsequent meeting will be conducted at the opening of the 2012-2013 school year. The Principal reviewed collection procedures with particular focus on the requirement of the issuance of a receipt when monies exchange hands.

As a result of the extended audit scope findings, the Principal halted all collection of monies. However, when the process resumes, the Principal has already instructed the Treasurer to print and review on a daily basis, the Daily Activity Report from the MSAF system to ensure that collections are posted to the system and deposited in a timely manner. The Principal will randomly request and review documents printed. A daily

time for processing the collections has been established and the identification of safe location, with restricted access, was reviewed with the Treasurer. A process to ensure the transportation of monies has been established. In addition, in the event funds are collected and the Treasurer is unable to make a deposit within the required timeframe, the Collections/Deposit Log Form (FM-7249) will be utilized and the Principal will be notified. The Region Administrative Director and Region Business Manager will conduct bi-monthly reviews of Internal Funds documents. The Region Administrative Director has identified and assigned a Mentor Treasurer to meet with and be available to provide guidance and assistance to the Treasurer.

## **FINDINGS AND RECOMMENDATIONS**

### **2. Inadequate Controls Over Disbursements, Inaccurate Disbursement Totals, and Non-Compliance With Disbursement Procedures**

#### **RECOMMENDATIONS**

- 2.1. Discuss disbursement procedures with staff for understanding and awareness of the requirements and direct the Treasurer to post transactions in a timely manner.**
- 2.2. Prior to approving any expenditures ensure that accounts have available funds and that the disbursement is adequate and in accordance with the account guidelines.**
- 2.3. Periodically reviewing accounts and fund balances and adjusting spending plans, accordingly.**
- 2.4. Strengthen the review and oversight over the disbursement function to ensure the timely posting of charges to the appropriate accounts and the completeness of the documentation.**

**Person(s) Responsible: Principal and Treasurer**

#### **Management Response:**

The Principal met with the Treasurer to thoroughly review and discuss Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting which establishes the procedures for documenting the disbursements, and the requiring that disbursements paid in a timely manner and within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and in writing. This written request to the vendor may only be obtained by the Principal. The Principal and Treasurer also reviewed Section III, Chapter 9 of the Manual of Internal Fund Accounting which establishes the procedures over disbursements posted to the Instructional Materials and Supplies (Fund 9) account, emphasis was placed on adhering to the requirement that all Fund 9 expenditures must be reported prior to June 30<sup>th</sup>.

The Principal has directed the Treasurer to print a copy of the MSAF checkbook balance and the internal funds account balance where the charge will be posted prior to the writing of any check for review with the principal. Upon immediate issuance of a check, the Treasurer is to balance the checkbook, maintain a running checkbook balance, and attach it to the last check stub written at the end of each month. The Principal will review at the end of every week, the checkbook to ensure compliance with the procedures. Any discrepancies will be corrected immediately.

The Principal established a procedure and timeframe to review all transactions on a weekly basis to ensure compliance and the timely posting of disbursements to the system. The Treasurer will print at the end of every week the balances in accounts. A spreadsheet will be used to monitor availability of funds and timely disbursements. The Treasurer will maintain this document up to date for weekly review and discussion with the Principal. In addition, the Principal will review the Fund 9 reconciliation periodically to ensure that the account is not overextended and all charges timely processed throughout the school year and by year-end. Any discrepancies identified will be addressed and the required corrections made immediately.

For further information regarding this response, please contact me at 305-836-3421.

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

MEMORANDUM

February 14, 2012

**TO:** Dr. Alexis Martinez, Region Superintendent  
South Central Regional Center

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

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

The following is a response to the relevant findings in the school audit report for Coral Gables Senior High School for the 2010-2011 Fiscal Year.

**RECOMMENDATIONS**

- 1.1 Review payroll procedures with school staff and administration, particularly as they relate to payroll recording, reporting and the preparation of leave cards to ensure understanding and awareness of the procedures.
- 1.2 Review with cafeteria staff the recording of time and attendance on the Daily Payroll Attendance Sheets.
- 1.3 Periodically review the Daily Payroll Attendance Sheets to ensure that employees are indicating their presence according to their scheduled time but not ahead of time.
- 1.4 Direct staff to complete and sign leave cards in ink.
- 1.5 Ensure that approval for overtime is filed with the payroll records.
- 1.6 Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.

**Person(s) responsible:** Principal, Cafeteria Manager and Payroll Clerk

**MANAGEMENT RESPONSE**

In order to ensure the adequate recordkeeping, documenting, and reporting of payroll, the Principal met with the Cafeteria Manager, Payroll Clerk and staff on February 6, 2012 to carefully review and discuss the *Payroll Processing Procedures Manual and Payroll Highlights* published by the Payroll Department.

The Principal will meet with all staff members at the scheduled faculty meeting of February 21, 2012 to review and address payroll procedures regarding daily attendance signing in/out. In addition, a memorandum will be sent to faculty and staff employees that fail to sign in/out appropriately.

The Principal met with the Cafeteria Staff on February 6, 2012 to carefully review and discuss Payroll Procedures to ensure that each employee understands how to report their time and attendance on the Daily Payroll Attendance Sheets.

The Principal met with the Payroll Clerk on February 3, 2012 and directed her to only use ink while completing leave cards and to file all overtime requests with the proper payroll records. The Principal established a procedure of reviewing the Daily Payroll Attendance Sheets in order to ensure the accuracy, completeness and propriety of the payroll reported. All payroll sheets will be reviewed by an Assistant Principal and the Payroll Clerk fifteen minutes after the start of the regular work day each day.

#### **RECOMMENDATIONS**

- 2.1 Prior to approving any expenditure or signing a check, ensure that the Athletic Fund has available funds to cover the expenditure.
- 2.2 Periodically review Athletic Fund accounts and balances, as well commissions received from vending machines and other funding sources that may be utilized for athletic activities, and adjust spending plans accordingly.
- 2.3 Review other accounts in the internal funds of the school associated with Classes and Clubs' sports activity and other related internal fund accounts (as allowed by the guidelines) to determine whether available funds may assist in reducing/eliminating the current Athletic Fund deficit.

**Person(s) responsible:** Principal, Athletic Director, Athletic Business Manager and Treasurer.

#### **MANAGEMENT RESPONSE**

The Principal met with the Athletic Director, Athletic Business Manager and the Treasurer on February 3, 2012 to carefully review and discuss Section III, Chapter 1 of the *Manual of Internal Fund Accounting*.

On February 8, 2012, the Principal met with the Athletic Business Manager to review available funds related to Classes and Clubs' sports activity and determine an appropriate source of funding to cover the current deficit. The Principal further directed the Treasurer to transfer funds from the school's vending account to cover the current deficit. The transfer has been made and the deficit has been corrected.

The Principal met with the Athletic Director, Athletic Business Manager and the Treasurer on February 3, 2012 to establish an Athletic Fund Budget. Using the past three years' expenditure trend, the Principal, in conjunction with the Athletic Director and the Athletic Business Manager will determine the budgetary needs of the athletic program. This budget will allow the Principal, Athletic Business Manager and Athletic Director to not spend unallocated funds. In addition, the Principal will conduct monthly meetings with the Athletic Business Manager and Athletic Director to review expenditures and current balances. Prior to approving any expenditure or signing a check, the Principal will ensure that the Athletic Fund has the available funds to cover the expenditure.

The Principal will meet with the Athletic Business Manager monthly to review all expenditures and commissions received from vending and other revenue generating sources related to Classes and Clubs' sports activity accounts. At such time, the necessary and allowable transfers will be made to ensure a positive balance.

ALC:ds

cc: Dr. Daniel Tosado  
Ms. Cynthia Gracia  
Ms. Lucy Iturrey

MEMORANDUM

February 17, 2012

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

**FROM:** Dr. Alexis Martinez, Regional Superintendent  
South Central Regional Center 

**SUBJECT: RESPONSES TO AUDIT REPORT OF SOUTH CENTRAL  
REGIONAL CENTER**

Please find attached the responses to the audit finding for the 2010-2011 fiscal year for Coral Gables Senior High School. South Central Regional Center has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Coral Gables Senior High School**

**1. Inadequate Recordkeeping, Documenting, and Reporting of Payroll**

- The South Central Regional Center Financial/Business Operations Director instructed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Payroll Attendance Sheet.
- The Financial/Business Operations Director will conduct quarterly site-reviews to ensure compliance with all the guidelines found in the Payroll Processing Procedures Manual to make sure that the daily and hourly payrolls are accurate, that leave cards are completed in ink, and that the proper overtime request forms are filed with the payroll records.

**2. Inadequate Oversight Over the Athletic Fund Resulted in Year-End Deficit**

- The South Central Regional Center Financial/Business Operations Director, instructed the Principal to thoroughly review Section III, Chapters 1 of the Manual of Internal Funds Accounting, Athletic Fund and to develop a systematic plan to follow to ensure that expenditures charged to the individual sport team and general accounts do not exceed the overall positive available funds.
- The Financial/Business Operations Director instructed the Principal to immediately review other accounts in the internal funds of the school associated with Classes and Clubs' sports activity and other related internal fund accounts (as allowed by the guidelines) to determine whether available funds may assist in reducing/eliminating the current Athletic Fund deficit.
- The South Central Regional Center Financial/Business Operations Administrative Director, cooperatively with the Principal, will review the balance of the Athletic Fund on a quarterly basis to ensure that there is a positive balance.

Should you need additional information, please contact me at (305) 595-7022.

AM/li  
M53

cc: Dr. Daniel Tosado  
Ms. Cynthia Gracia  
Ms. Lucy Iturrey

MEMORANDUM

February 16, 2012  
NPV:JCS/M232

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

**FROM:** Dr. Nikolai P. Vitti, Assistant Superintendent  
Education Transformation Office (ETO)

**SUBJECT:** ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT - HOLMES  
ELEMENTARY SCHOOL FOR THE 2010-2011 AND 2011-2012 FISCAL  
YEARS

Please find attached the response to the internal funds audit for the 2010-2011 fiscal year for Holmes Elementary School. At the request of the Principal and the ETO administration, an extended scope to review the financial records for the 2011-2012 school year was conducted, and a response to the findings is included. The Education Transformation Office (ETO) has reviewed the audit exceptions cited. The following support activities will be implemented.

**Improper Controls Over The Receipting And Posting of Collections**

- 1.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
- 1.2. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely received, deposited and properly recorded.
- 1.3. Ensure that the Collections/Deposits Log (FM-7249) is consistently utilized to document those deposit packages awaiting the armored car pickup service.
- 1.4. Assign an employee to verify the collections in addition to the treasurer.
- 1.5. Discuss with staff the proper procedures and documentation associated with fundraising activities.

The Education Transformation Office Administrative Director and the Region Business Manager met with the Principal and Treasurer to thoroughly review Section II, Chapters 3 of the Manual of Internal Fund Accounting and the Office of the Controller's Policies and Procedures for Safeguarding Funds at the Schools published via Weekly Briefing #5164 to ensure that procedures are followed as related to proper receipting of funds.

The Education Transformation Office Administrative Director with the Region Business Manager will conduct site reviews to ensure compliance with all guidelines and to ensure that procedures for posting and depositing of money collections are adhered to and proper documentation is maintained. A Mentor Treasurer will meet with the school-site Treasurer on a bi-monthly basis and be available for on-going assistance and guidance.

**Inadequate Controls Over Disbursements, Inaccurate Disbursement Totals, and Non-Compliance With Disbursement Procedures**

- 2.1. Discuss disbursement procedures with staff for understanding and awareness of the requirements and direct the Treasurer to post transactions in a timely manner.
- 2.2. Strengthen the review and oversight over the disbursement function to ensure the timely posting of charges to the appropriate accounts and the completeness of the documentation.

- 2.3. Periodically reviewing accounts and fund balances and adjusting spending plans, accordingly.**
- 2.4. Prior to approving any expenditures ensure that accounts have available funds and that the disbursement is adequate and in accordance with the account guidelines.**

The Education Transformation Office Administrative Director and Region Business Manager met with the Principal and Treasurer to thoroughly review and discuss Section II, Chapters 4 and 5 and Section III, Chapter 9 of the Manual of Internal Fund Accounting to ensure school-site compliance with procedures contained within the manual. The Education Transformation Office Administrative Director and Region Business Manager will meet with the Principal and Treasurer to conduct a mini-audit to include a review of the internal funds financial activities.

The Principal was instructed to personally review disbursements, monitor available balances in all accounts and ensure the payment of invoices in a timely manner. The Principal was instructed to monitor the timely reconciliation of Fund 9. Any discrepancies will be corrected immediately.

If you need additional information, please contact me at (305) 995-3091. Thank you for your support and assistance.

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

**MEMORANDUM**

**February 21, 2012**

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

**FROM:** Freddie Woodson, Deputy Superintendent  
District/School Operations

**SUBJECT:** **DISTRICT/SCHOOL OPERATIONS' RESPONSE TO INTERNAL AUDIT FOR SCHOOL  
IN SOUTH CENTRAL REGION CENTER**

District/School Operations has reviewed the audit exceptions cited in the 2010-2011 fiscal year audit report of the following school reporting to the South Central Regional Center, Coral Gables Senior High School.

- District/School Operations will review results quarterly of the District/Region Business Director reviews of selected areas of Internal Funds including Bank Reconciliations, Deposits and Disbursements, Athletics, and Payroll.
- Discrepancies with the areas cited above will be investigated through the appropriate District/Regional Center office.
- District/School Operations will work collaboratively with the Region Center and facilitate appropriate training from District Offices in Internal Accounting, Athletics and Payroll, respectively.
- District/School Operations will keep on file Region results of the mini-reviews held with Principals in selected areas noted in this schools' audit responses.
- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures.

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

 FW

FW:cg  
M159

cc: Dr. Daniel Tosado  
Region Superintendents  
Region Business Director



# MIAMI-DADE COUNTY PUBLIC SCHOOLS ANTI-DISCRIMINATION POLICY

## *Federal and State Laws*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **In Addition:**

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

*Revised: (07-11)*

# MIAMI-DADE COUNTY PUBLIC SCHOOLS

## INTERNAL AUDIT REPORT SELECTED SCHOOLS MARCH 2012



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