



Internal Audit Report

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Selected Schools



*Most Financial Statements Were
Fairly Stated; However, At 11
Schools, Controls In Selected Areas
Need Improvement.*

May 2008

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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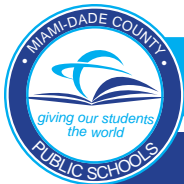
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Front Cover: Coral Reef Elementary School



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giving our students the world

Superintendent of Schools

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April 28, 2008

Members of The School Board of Miami-Dade County, Florida

Members of The School Board Audit Committee

Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

This report includes the audit results of 69 schools from various regional centers and the School Improvement Zone. Regarding internal funds, the audit period was the fiscal year ended June 30, 2007 at all but one school, where interim audit results are being reported for the period of July 1, 2007 through November 30, 2007.

The audit objectives 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, property and payroll records at all the schools. On a selected basis, we reviewed credit card purchases, aspects of data security, and FTE reporting and student records.

Our audits disclosed that the financial statements were fairly stated at most schools reported herein. Of the 69 schools, 58 were generally compliant with prescribed policies and procedures, and their records were maintained in good order. At 11 schools, controls need improvement in selected areas; but particularly, in internal funds, where four schools report findings related to the misappropriation of funds. Property inventories were satisfactory at most schools, but at one school property items unaccounted for were discussed with management for corrective action.

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

Sincerely,

Allen M. Vann, CPA

Chief Auditor

Office of Management and Compliance Audits

AMV:mtg

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PAYROLL

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Paul W. Bell Middle School

At-a-Glance Audit Results

- ◆ 69 schools reviewed
- ◆ 2006-07 FY audits for all schools, except for Rainbow Park Elementary, where current year results on an interim basis are being published
- ◆ 58 of 69 schools in compliance with prescribed policies
- ◆ 11 schools with audit exceptions.

EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 69 schools from various Regional Centers and the School Improvement Zone. At one school, there was a current change of principal. The audit period for 68 of the 69 schools was the fiscal year ended June 30, 2007. At Rainbow Park Elementary, 2006-07 fiscal year audit results were previously reported as a result of a change of principal; consequently, the school findings reported herein resulted from fraudulent activity during the 2007-08 fiscal year up to November 2007.

Our audits disclosed that records were maintained in good order and in accordance with prescribed policies and procedures at 58 of the 69 schools reported herein. The 11 schools with reported audit findings are:

1. Brentwood Elementary
2. Golden Glades Elementary
3. Rainbow Park Elementary
4. Lindsey Hopkins Technical Education Center (LHTEC)
5. Homestead Senior
6. Miami Carol City Senior
7. Amelia Earhart Elementary
8. Bob Graham Education Center
9. Tropical Elementary
10. South Miami Senior
11. Gloria Floyd Elementary

At eight schools, improvements are needed over selected areas of internal funds, payroll, property management, and school site IT network security; while at three of the schools, our audits also disclosed that procedures over the reporting

of FTE and related records need improvement. At Brentwood Elementary, Golden Glades Elementary, Rainbow Park Elementary, and LHTEC, findings due to the misappropriation of funds are being reported.

Except for LHTEC, where we were unable to identify the individuals responsible for the misappropriation, at the other three schools, the bookkeepers who perpetrated the thefts admitted to the wrongdoing; were duly arrested and sentenced by the court. Regarding the matter at LHTEC, and pursuant to our findings, the principal requested an investigation from MDCPS Police.

AUDIT OPINION

Except for those schools where a misappropriation of funds was material to the financial statements in part or as a whole (as cited in the individual school audit reports), or where we are not expressing an opinion¹, the financial statements of the schools reported herein present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2006-07 fiscal of year, on the cash basis of accounting.

¹ At Golden Glades Elementary School, a misappropriation of funds was deemed material to the financial statement for the 2006-07 fiscal year. At Lindsey Hopkins Technical Education Center, the misappropriation related only to their Internal Funds-Food Service Fund. At Rainbow Park Elementary, we are not expressing an opinion on the interim financial statements of the internal funds of the school at this time but will do so for the year-end statements for the *period of July 1, 2007 through June 2008*. At Brentwood Elementary, the misappropriation of funds corresponded to 2007-08 fiscal year activity, subsequent to the 2006-07 financial statement and related activity.

At-a-Glance Audit Results

- ♦ **Audit exceptions in the following areas: internal funds (which included a misappropriation of funds at four schools), payroll , FTE, Property, and School Site IT Security**

- ♦ **The financial statements were fairly stated at the schools, with some exceptions.**

At-a-Glance Audit Results

- ◆ Internal control structure worked as designed by the District at the schools, with some exceptions
- ◆ Total combined receipts and disbursements amounted to \$22.7 million and \$22.9 million respectively
- ◆ Total combined cash and investments amounted to \$5.7 million.

The internal control structure at the schools generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools, and at those schools where misappropriation of funds and intentional circumvention of internal controls was detected during our audits.

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.

As of June 30, 2007, total combined receipts and disbursements amounted to \$22.7 million and \$22.9 million respectively; while total combined cash and investments amounted to \$5.7 million.

INTERNAL FUNDS

Of 69 schools, 64 schools were in compliance with the procedures established in the *Manual of Internal Fund Accounting*.

In January 2008, the principal at Brentwood Elementary contacted us because of discrepancies uncovered during the current period's checking account activity (2007-08 fiscal year). The school's current bookkeeper previously worked as the bookkeeper at a nearby school, Golden Glades Elementary (during the 2006-07 fiscal year). Consequently, both audits were concurrently conducted and investigated. Our audits revealed that a little over \$6,600 in monies collected at these schools by the same bookkeeper had not been deposited.

She confessed to both thefts, was arrested, charged with grand theft, and sentenced by the court to three year's probation. At both schools, our review of the disbursement function for the 2006-07 fiscal year disclosed late payments, inadequately documented disbursements, and Instructional Materials and Supplies (Fund 9) disbursements not timely processed for reimbursement.

In December 2007 (subsequent to our 2006-07 school audit of Rainbow Park Elementary School), the Principal reported to MDCPS Police and our office that her signature and the Assistant Principal's signature had been forged on several school checks. The bookkeeper confessed to the forgery; was arrested and charged with forgery and theft. The court placed her in the Deferred Prosecution Program. We also found discrepancies in the monies deposited from the sale of school pictures and field trip activities. In total, forged checks and missing funds amounted to nearly \$3,950. MDCPS substantiated our findings, and the case has been referred to the Office of Professional Standards for final review and disposition.

At LHTEC, the principal requested an audit investigation of the cafeteria activity due to FY 2006-07 year-end losses and other errors and irregularities. Our investigation disclosed that the school could not account for approximately \$6,000 in cafeteria collections processed through the cash registers. Neither cafeteria management nor the business office performed complete reconciliations to ensure that all monies rung through the cash registers were deposited. Because controls over the handling of monies between responsible staff members were lacking,

At-a-Glance Audit Results

- ◆ **Four schools reported misappropriation of funds:
Brentwood Elementary,
Golden Glades Elementary,
Rainbow Park Elementary,
and Lindsey Hopkins
Technical Education
Center**
- ◆ **At three of the four schools, the bookkeeper confessed to the wrongdoing and was duly charged by the court.**

At-a-Glance Audit Results

- ♦ At Lindsey Hopkins, controls over cafeteria cash register collections were inadequate; and individual(s) responsible for the theft could not be identified. The case was referred to MDCPS Police
- ♦ At Homestead Senior there was a change of principal. The audit identified several internal funds deficiencies.

we were unable to identify the individual(s) responsible for the misappropriation. This matter was referred to M-DCPS Police. Regarding cafeteria losses, the school spent approximately \$75,000 in kitchen equipment/tools and paper supplies. This expense, which was significantly higher than in past years, was partly attributed to the school's 70th anniversary celebration. Additionally, cafeteria's operating expenses were incorrectly classified; funds transfers to the Food Sales account for hospitality-related expenditures were posted after year-closing, thus understating the FY 2006-07 revenues; and cafeteria-related purchase orders were prepared and approved after the merchandise was delivered and invoiced.

At Homestead Senior, a review of the financial records disclosed non-compliant issues, some of which had been either cited or discussed during the prior year's audit: the inadequate monitoring of the checking account, the checkbook and related checks; instances where monies collected had not been remitted to the treasurer on a timely basis; and an Inventory of Prenumbered Forms with errors. Regarding disbursements, the supporting documentation was either inadequate or incomplete. Same as the prior year, the yearbook activity did not raise sufficient funds to cover related expenditures; an excessive number of yearbooks was ordered; and some of the required forms and documents were not provided. We also found discrepancies and posting errors in the accounts, as well as errors in the operating reports for various student activities. Furthermore, the activities' corresponding signed complimentary lists were not always provided.

PAYROLL

At 66 of the 69 schools, we found that payroll rosters were adequately supported by Daily Payroll Attendance Sheets and leave cards as prescribed by the *Payroll Processing Procedures Manual*. Also, proper segregation of duties between the payroll preparation, authorization, and check distribution functions was being observed. Inconsistencies in the recordkeeping of time and attendance were identified at Brentwood Elementary, Golden Glades Elementary, and Miami Carol City Senior.

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 64 of the 69 schools included herein. We are also including the inventory results of Snapper Creek Elementary, which was pending publication until now. Approximately \$38.9 million was inventoried at these schools. At Rainbow Park Elementary, the inventory was previously published; while at Henry E. S. Reeves Elementary, South Hialeah Elementary, Ruben Dario Middle, and Miami Springs Senior, inventory results will be published later this year.

Property results indicated that 63 of the 65 schools were in compliance with the *Manual of Property Control Procedures*.

At South Miami Senior, 22 items with a cost of \$46,940 and a depreciated value of \$20,698 were reported “unlocated”. According to the school, several break-ins contributed to some of these losses; however, Plant Security Reports declaring the consequential losses to MDCPS Police were not submitted by the school in a

At-a-Glance Audit Results

- ♦ Time and attendance payroll discrepancies at Brentwood and Golden Glades Elementary, and Miami Carol City Senior were found
- ♦ Approximately \$38.9 million in total school site inventories
- ♦ At South Miami Senior, 22 items with a cost of \$46,940 and depreciated value of \$20,698 reported missing.

At-a-Glance Audit Results

- ◆ At 19 schools, Plant Security losses included computer equipment, musical instruments, an old school truck at Lindsey Hopkins and a lawn mower at Wesley Matthews Elementary
- ◆ Purchasing Credit Card Program was compliant at 14 schools reviewed.

timely manner (within 24 hours of discovery of the loss), and were rejected. This condition has been cited in the school's audit report. At Winston Park K-8 Center, property losses reported were minimal.

Property losses reported through the Plant Security Report process showed 39 items at a cost of \$83,942 and a depreciated value of \$39,950 reported missing at 19 schools. Aside from computer equipment, reported losses included musical instruments, an old school truck and a lawn mower.

Refer to Property and Plant Security Schedules on pages 27-30 for a summary of results.

PURCHASING CREDIT CARD PROGRAM

We reviewed the Purchasing Credit Card Program's procedures and transactions at the following 14 schools:

- Miami Carol City Senior
- Homestead Senior
- Ethel K. Beckham Elementary
- Devon Aire K-8 Center
- Howard Drive Elementary
- Kendale Elementary
- Kenwood K-8 Center
- Leewood Elementary
- Wesley Matthews Elementary
- Perrine Elementary
- Pinecrest Elementary
- Ruben Dario Middle
- Winston Park K-8 Center
- Dorothy Wallace COPE Center

Our audits disclosed general compliance with the *Purchasing Credit Card Program Policies & Procedures Manual* at all 14 schools.

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY AUDIT CHECKLIST

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at 21 schools. Furthermore, at seven of these schools, we physically verified the information provided by the schools on the *School Site Information Technology (IT) Security Audit Checklist*.

- Amelia Earhart Elementary
- **Miami Carol City Senior***
- Barbara Goleman Senior
- **Lindsey Hopkins Technical Ed. Center***
- Homestead Senior
- Coral Terrace Elementary
- **Gloria Floyd Elementary***
- **Joe Hall Elementary***
- **Howard Drive Elementary***
- Kenwood K-8 Center
- Pinecrest Elementary
- Tropical Elementary
- Palmetto Middle
- **Riviera Middle***
- G. Holmes Braddock Senior
- Miami Killian Senior
- **Miami Palmetto Senior***
- South Miami Senior
- Southwest Miami Senior
- Miami Springs Senior
- Herbert A. Ammons Middle

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

* *School-site IT Security Audit Checklist* reviewed at these schools.

At-a-Glance Audit Results

- ◆ **Data security reports reviewed at 21 schools**
- ◆ **School Site IT Security Audit Checklist was reviewed at seven of the 21 schools**
- ◆ **All but one school showed general compliance with school site IT network and security requirements.**

At-a-Glance Audit Results

- ♦ At Gloria Floyd Elementary issues such as: a server not properly migrated, the school based technician performing incompatible duties, and network equipment partially exposed to dust and moisture, among other related issues, were found.

However, our verification of the *School Site IT Security Audit Checklist* at the seven schools highlighted above disclosed that the IT function was not properly monitored and maintained at Gloria Floyd Elementary. Issues such as: a server not properly migrated, the school based technician performing non-compatible duties, and network equipment partially exposed to dust and moisture, among other related issues, were discussed with the principal for immediate corrective action.

Minor discrepancies found during the IT reviews were corrected during the audit.

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following five schools were selected for these audits:

School	Reg. Center	FTE Funding Reported
Amelia Earhart Elementary	I	\$ 1,413,884
Bob Graham Ed. Center	I	4,353,530
Tropical Elementary	V	1,131,559
Blue Lakes Elementary	V	1,057,673
G. Holmes Braddock Sr.	V	8,523,429
		\$ 16,480,075

Total FTE funding for the five schools amounted to approximately \$16.5 million. At the first two schools, we tested the 2007-08 FY, survey period 2 (October 2007); while at the last three schools, we reviewed the 2007-08 FY, survey period 3 (February 2008).

The first three schools listed above disclosed various FTE recordkeeping discrepancies related to Special Education.

Based on our samples, the discrepancies resulted from non-compliance issues, which could have generated losses in funding to the district of \$74,445 (otherwise referred to in the individual school reports as “potential” losses).

AUDIT OPINION

The following table summarizes total cash receipts and disbursements, and financial position of cash and investments at June 30, 2007 for all schools reported herein. It also provides the audit opinion regarding the schools’ financial statements:



Jane S. Roberts K-8 Center

At-a-Glance Audit Results

- ◆ **FTE audits conducted at five schools**
- ◆ **FTE funding close to \$ 16.5 million**
- ◆ **Three of the five schools disclosed non-compliance with FTE-Special Student Education issues**
- ◆ **Aggregate potential funding losses amounted to \$ 74,445.**

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2007**

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
<u>Regional Center I Schools</u>								
Brentwood Elementary	\$ 15,453.55	\$ 13,068.64	\$ 18,025.76	\$ 10,496.43	\$ 1,058.75	\$ 9,437.68	-	\$ 10,496.43
Amelia Earhart Elementary	17,432.53	122,358.43	119,685.72	20,105.24	4,354.20	15,751.04	-	20,105.24
Golden Glades Elementary	8,867.55	19,617.19	24,835.29	3,649.45	2,359.26	1,290.19	-	3,649.45
Bob Graham Ed. Center	46,640.87	170,008.36	165,387.69	51,261.54	27,554.33	23,707.21	-	51,261.54
Miami Carol City Senior	213,670.49	650,529.01	655,534.35	208,665.15	32,707.58	175,957.57	-	208,665.15
Barbara Goleman Senior	313,662.12	1,007,085.28	1,024,797.98	295,949.42	25,984.59	269,964.83	-	295,949.42
<u>Regional Center IV School</u>								
Lindsey Hopkins Tech. Ed. Ctr.	749,765.49	1,829,240.03	1,909,359.24	669,646.28	43,940.91	625,705.37	-	669,646.28
<u>School Improvement Zone School</u>								
Homestead Senior	323,593.12	474,467.73	506,679.53	291,381.32	27,004.35	254,376.97	\$10,000.00	291,381.32
<u>Regional Center V Schools</u>								
Ethel Koger Beckham El.	17,778.82	417,002.07	413,806.46	20,974.43	5,923.19	15,051.24	-	20,974.43
Bent Tree Elementary	68,049.19	207,716.37	210,650.09	65,115.47	17,182.03	47,933.44	-	65,115.47
Blue Lakes Elementary	30,059.51	209,078.63	209,943.34	29,194.80	23,048.49	6,146.31	-	29,194.80
Colonial Drive Elementary	15,771.86	15,008.08	12,989.62	17,790.32	5,685.48	12,104.84	-	17,790.32
Coral Reef Elementary	23,816.00	312,947.57	320,293.43	16,470.14	8,293.13	8,177.01	-	16,470.14
Coral Terrace Elementary	12,758.98	165,523.24	162,331.59	15,950.63	7,858.87	8,091.76	-	15,950.63
Devon Aire K-8 Center	47,709.84	537,085.90	545,105.85	39,689.89	5,671.25	34,018.64	-	39,689.89
Emerson Elementary	13,971.78	199,305.39	196,146.05	17,131.12	9,397.97	7,733.15	-	17,131.12
David Fairchild Elementary	27,998.71	97,562.86	103,557.49	22,004.08	5,420.75	16,583.33	-	22,004.08
Dante B. Fascell Elementary	40,022.13	313,889.94	315,474.70	38,437.37	2,489.88	35,947.49	-	38,437.37
Flagami Elementary	27,532.64	25,403.48	24,756.91	28,179.21	5,909.83	22,269.38	-	28,179.21
Gloria Floyd Elementary	9,901.74	230,733.19	229,111.15	11,523.78	5,149.06	6,374.72	-	11,523.78

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2007

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Joe Hall Elementary	27,970.17	327,816.30	321,648.63	34,137.84	17,907.98	16,229.86	-	34,137.84
Howard Drive Elementary	37,303.99	287,169.01	279,876.85	44,596.15	35,134.25	9,461.90	-	44,596.15
Zora N. Hurston Elementary	25,397.62	172,874.96	171,641.84	26,630.74	4,482.75	22,147.99	-	26,630.74
Kendale Elementary	56,724.60	333,441.54	358,947.55	31,218.59	2,130.63	29,087.96	-	31,218.59
Kenwood K-8 Center	33,840.01	446,676.37	429,364.98	51,151.40	37,079.57	14,071.83	-	51,151.40
JRE Lee Educational Center	9,768.58	17,036.91	17,308.93	9,496.56	5,458.25	4,038.31	-	9,496.56
Leewood Elementary	32,150.81	329,968.16	325,059.45	37,059.52	19,774.50	17,285.02	-	37,059.52
William Lehman Elementary	51,630.55	386,778.48	378,046.66	60,362.37	32,715.72	27,646.65	-	60,362.37
Ludlam Elementary	41,882.12	237,717.19	251,546.22	28,053.09	3,786.39	24,266.70	-	28,053.09
Wesley Matthews Elementary	21,497.54	499,267.83	495,786.34	24,979.03	5,830.75	19,148.28	-	24,979.03
Olympia Heights Elementary	8,538.17	49,297.71	42,536.04	15,299.84	8,733.75	6,566.09	-	15,299.84
Palmetto Elementary	14,129.15	423,943.15	415,366.54	22,705.76	15,211.69	7,494.07	-	22,705.76
Perrine Elementary	16,368.47	223,192.02	224,613.99	14,946.50	3,074.87	11,871.63	-	14,946.50
Pinecrest Elementary	21,349.38	139,723.24	127,458.17	33,614.45	20,133.45	13,481.00	-	33,614.45
Ethel F. Beckford/ Richmond El.	18,141.06	22,076.98	20,082.01	20,136.03	16,790.84	3,345.19	-	20,136.03
Jane S. Roberts K-8 Center	43,621.08	464,549.68	453,538.14	54,632.62	15,308.29	39,324.33	-	54,632.62
Royal Green Elementary	19,149.51	236,234.47	237,032.13	18,351.85	8,044.34	10,307.51	-	18,351.85
Royal Palm Elementary	15,861.46	263,632.84	264,584.32	14,909.98	4,208.75	10,701.23	-	14,909.98
Sunset Park Elementary	17,402.02	248,253.23	249,528.27	16,126.98	3,038.03	13,088.95	-	16,126.98
Sylvania Heights Elementary	24,971.99	229,740.41	239,024.99	15,687.41	6,497.78	9,189.63	-	15,687.41
Tropical Elementary	19,560.53	122,100.50	122,025.97	19,635.06	10,871.80	8,763.26	-	19,635.06
Village Green Elementary	11,902.97	221,378.34	223,935.48	9,345.83	6,685.79	2,660.04	-	9,345.83
Vineland Elementary	31,732.07	144,873.86	145,389.53	31,216.40	6,620.80	24,595.60	-	31,216.40
Arvida Middle	64,098.46	237,410.44	217,459.04	84,049.86	27,853.56	56,196.30	-	84,049.86

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2007**

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Paul W. Bell Middle	63,602.23	124,738.06	121,207.19	67,133.10	24,338.44	42,794.66	-	67,133.10
Lamar Louise Curry Middle	24,325.67	187,726.69	175,887.66	36,164.70	10,479.27	25,685.43	-	36,164.70
Howard A. Doolin Middle	48,968.65	111,220.13	118,259.86	41,928.92	17,291.67	24,637.25	-	41,928.92
Glades Middle	53,834.72	168,511.26	153,121.21	69,224.77	33,090.59	36,134.18	-	69,224.77
Palmetto Middle	45,818.37	349,943.79	336,595.25	59,166.91	9,653.42	49,513.49	-	59,166.91
Riviera Middle	64,343.31	73,804.85	84,470.27	53,677.89	6,530.11	47,147.78	-	53,677.89
South Miami Middle	61,583.44	551,269.77	553,328.95	59,524.26	8,922.10	50,602.16	-	59,524.26
West Miami Middle	80,266.47	310,891.87	318,816.16	72,342.18	9,445.73	62,896.45	-	72,342.18
G. Holmes Braddock Senior	832,959.90	1,141,297.81	1,208,554.13	765,703.58	17,783.80	747,919.78	-	765,703.58
Miami Killian Senior	564,808.84	1,009,560.34	1,050,023.78	524,345.40	13,770.72	510,574.68	-	524,345.40
Miami Palmetto Senior	270,237.19	1,063,868.07	1,037,502.62	296,602.64	39,394.11	257,208.53	-	296,602.64
School for Advanced Studies	9,940.47	103,994.36	93,669.06	20,265.77	6,250.63	14,015.14	-	20,265.77
South Miami Senior	260,872.94	651,273.85	716,425.08	195,721.71	12,474.22	183,247.49	-	195,721.71
Southwest Miami Senior	195,735.59	783,085.12	806,017.71	172,803.00	15,128.25	157,674.75	-	172,803.00
Miami Palmetto Adult	93,004.67	174,718.74	167,624.68	100,098.73	80,277.95	19,820.78	-	100,098.73
Southwest Miami Adult	62,916.47	236,384.01	231,426.27	67,874.21	44,634.01	23,240.20	-	67,874.21
<u>Regional Center III Schools</u>								
Henry Reeves Elementary	6,972.38	42,080.73	42,505.39	6,547.72	5,491.41	1,056.31	-	6,547.72
South Hialeah Elementary	16,489.57	241,029.07	240,565.96	16,952.68	3,258.86	13,693.82	-	16,952.68
Ruben Dario Middle	51,441.79	323,570.69	320,063.68	54,948.80	12,616.54	42,332.26	-	54,948.80
Miami Springs Senior	196,286.36	688,723.41	677,457.69	207,552.08	15,420.76	192,131.32	-	207,552.08
<u>Regional Center VI Schools</u>								
Christina M. Eve Elementary	54,763.62	275,155.45	288,089.73	41,829.34	10,652.48	31,176.86	-	41,829.34
Winston Park K-8 Center	32,179.15	503,018.79	494,703.77	40,494.17	20,644.90	19,849.27	-	40,494.17

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2007

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Herbert A. Ammons Middle	64,074.46	419,345.82	420,985.91	62,434.37	17,716.16	44,718.21	-	62,434.37
Dorothy M. Wallace COPE	27,528.48	72,844.11	72,907.81	27,464.78	18,283.30	9,181.48	-	27,464.78
Total	\$ 5,872,403.97	\$22,690,841.80	\$22,910,484.13	\$ 5,652,761.64	\$1,037,917.86	\$ 4,604,843.78	\$10,000.00	\$ 5,652,761.64

Interim Financial Statement For The Audit Period July 1, 2007 Through November 30, 2007:

School	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Rainbow Park Elementary	\$ 13,420.74	\$ 19,507.07	\$ 24,863.66	\$ 8,064.15	\$ 4,075.92	\$ 1,218.62	\$2,769.61	\$ 8,064.15


Audit Opinion Regarding The Financial Statements And Overall Assessment Of Internal Controls

Except for those schools where a misappropriation of funds was material to the financial statements in part or as a whole (as cited in the individual school audit reports of Golden Glades Elementary and Lindsey Hopkins Technical Education Center); and except for Rainbow Park Elementary (where we are not expressing an opinion on their interim financial statements at this time); notwithstanding other findings included in this report, the financial statements of the rest of the schools reported herein present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2006-07 fiscal of year, on the cash basis of accounting. At Brentwood Elementary, the misappropriation corresponded to 2007-08 fiscal year, subsequent to the 2006-07 financial activity.

As of June 30, 2007, total combined receipts and disbursements amounted to \$ 22.7 million and \$ 22.9 million respectively; while total combined cash and investments amounted to \$ 5.7 million. At Rainbow Park Elementary, as of November 30, 2007, total combined receipts and disbursements amounted to \$19,507 and \$24,864 respectively; while total combined cash and investments amounted to \$ 8,064.

The internal control structure at the schools generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools, and at those schools where misappropriation of funds and intentional circumvention of internal controls was detected during our audits.

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

Internal controls' ratings of the schools reported herein are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
REGIONAL CENTER I SCHOOLS							
Brentwood Elementary			✓			✓	Impacted Results
Amelia Earhart Elementary		✓			✓		Likely to impact
Golden Glades Elementary			✓			✓	Impacted Results
Bob Graham Education Center		✓			✓		Likely to impact
Rainbow Park Elementary			✓			✓	Impacted Results
Miami Carol City Senior		✓			✓		Likely to impact
Barbara Goleman Senior	✓			✓			Not Likely to impact
REGIONAL CENTER IV SCHOOL							
Lindsey Hopkins Tech. Ed. Center			✓			✓	Impacted Results
SCHOOL IMPROVEMENT ZONE SCHOOL							
Homestead Senior		✓			✓		Likely to impact
REGIONAL CENTER V SCHOOLS							
Ethel Koger Beckham Elementary	✓			✓			Not Likely to impact
Bent Tree Elementary	✓			✓			Not Likely to impact
Blue Lakes Elementary	✓			✓			Not Likely to impact
Colonial Drive Elementary	✓			✓			Not Likely to impact
Coral Reef Elementary	✓			✓			Not Likely to impact
Coral Terrace Elementary	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Devon Aire K-8 Center	✓			✓			Not Likely to impact
Emerson Elementary	✓			✓			Not Likely to impact
David Fairchild Elementary	✓			✓			Not Likely to impact
Dante B. Fascell Elementary	✓			✓			Not Likely to impact
Flagami Elementary	✓			✓			Not Likely to impact
Gloria Floyd Elementary		✓			✓		Likely to impact
Joe Hall Elementary	✓			✓			Not Likely to impact
Howard Drive Elementary	✓			✓			Not Likely to impact
Zora N. Hurston Elementary	✓			✓			Not Likely to impact
Kendale Elementary	✓			✓			Not Likely to impact
Kenwood K-8 Center	✓			✓			Not Likely to impact
JRE Lee Ed. Center	✓			✓			Not Likely to impact
Leewood Elementary	✓			✓			Not Likely to impact
William Lehman Elementary	✓			✓			Not Likely to impact
Ludlam Elementary	✓			✓			Not Likely to impact
Wesley Matthews Elementary	✓			✓			Not Likely to impact
Olympia Heights Elementary	✓			✓			Not Likely to impact
Palmetto Elementary	✓			✓			Not Likely to impact
Perrine Elementary	✓			✓			Not Likely to impact
Pinecrest Elementary	✓			✓			Not Likely to impact
Ethel F. Beckford/ Richmond El.	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Jane S. Roberts K-8 Center	✓			✓			Not Likely to impact
Royal Green Elementary	✓			✓			Not Likely to impact
Royal Palm Elementary	✓			✓			Not Likely to impact
Sunset Park Elementary	✓			✓			Not Likely to impact
Sylvania Heights Elementary	✓			✓			Not Likely to impact
Tropical Elementary		✓			✓		Likely to impact
Village Green Elementary	✓			✓			Not Likely to impact
Vineland Elementary	✓			✓			Not Likely to impact
Arvida Middle	✓			✓			Not Likely to impact
Paul W. Bell Middle	✓			✓			Not Likely to impact
Lamar Louise Curry Middle	✓			✓			Not Likely to impact
Howard A. Doolin Middle	✓			✓			Not Likely to impact
Glades Middle	✓			✓			Not Likely to impact
Palmetto Middle	✓			✓			Not Likely to impact
Riviera Middle	✓			✓			Not Likely to impact
South Miami Middle	✓			✓			Not Likely to impact
West Miami Middle	✓			✓			Not Likely to impact
G. Holmes Braddock Senior	✓			✓			Not Likely to impact
Miami Killian Senior	✓			✓			Not Likely to impact
Miami Palmetto Senior	✓			✓			Not Likely to impact
School For Advanced Studies	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
South Miami Senior		✓			✓		Likely to impact
Southwest Miami Senior	✓			✓			Not Likely to impact
Miami Palmetto Adult Ed. Center	✓			✓			Not Likely to impact
Southwest Miami Adult Ed. Center	✓			✓			Not Likely to impact
REGIONAL CENTER III SCHOOLS							
Henry E. S. Reeves Elementary	✓			✓			Not Likely to impact
South Hialeah Elementary	✓			✓			Not Likely to impact
Ruben Dario Middle	✓			✓			Not Likely to impact
Miami Springs Senior	✓			✓			Not Likely to impact
REGIONAL CENTER VI SCHOOLS							
Christina M. Eve Elementary	✓			✓			Not Likely to impact
Winston Park K-8 Center	✓			✓			Not Likely to impact
Herbert A. Ammons Middle	✓			✓			Not Likely to impact
Dorothy M. Wallace COPE Center	✓			✓			Not Likely to impact

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

The following schedule summarizes current and prior audit findings per school:

Work Loc. No.	Schools	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
REGIONAL CENTER I SCHOOLS					
0461	Brentwood Elementary	3	<ul style="list-style-type: none">▪ Misappropriation▪ Disbursements▪ Payroll	None	
1521	Amelia Earhart Elementary	1	<ul style="list-style-type: none">▪ FTE-ESE	None	
2161	Golden Glades Elementary	3	<ul style="list-style-type: none">▪ Misappropriation▪ Disbursements▪ Payroll	None	
0091	Bob Graham Education Center	1	<ul style="list-style-type: none">▪ FTE-ESE	None	
4541	Rainbow Park Elementary	1	<ul style="list-style-type: none">▪ Check Forgery and Misappropriation	None	
7231	Miami Carol City Senior	1	<ul style="list-style-type: none">▪ Payroll	None	
7751	Barbara Goleman Senior	None		None	
REGIONAL CENTER IV SCHOOL					
8005	Lindsey Hopkins Tech. Ed. Center	2	<ul style="list-style-type: none">▪ Misappropriation▪ Disbursements	None	
SCHOOL IMPROVEMENT ZONE SCHOOL					
7151	Homestead Senior	4	<ul style="list-style-type: none">▪ Fin. Mgt.▪ Disbursements▪ Yearbook▪ Student Activities	5	<ul style="list-style-type: none">▪ Fin. Mgt.▪ Disbursements▪ Yearbook▪ Transfers▪ Prom
REGIONAL CENTER V SCHOOLS					
0251	Ethel Koger Beckham Elementary	None		None	
0271	Bent Tree Elementary	None		None	
0441	Blue Lakes Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Work Loc. No.	Schools	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
0861	Colonial Drive Elementary	None		None	
1041	Coral Reef Elementary	None		None	
1081	Coral Terrace Elementary	None		None	
1331	Devon Aire K-8 Center	None		None	
1641	Emerson Elementary	None		None	
1761	David Fairchild Elementary	None		None	
1811	Dante B. Fascell Elementary	None		None	
1841	Flagami Elementary	None		None	
2021	Gloria Floyd Elementary	1	▪ School Site IT Security	None	
2341	Joe Hall Elementary	None		None	
2541	Howard Drive Elementary	None		1	▪ Payroll
2511	Zora N. Hurston Elementary	None		None	
2641	Kendale Elementary	None		None	
2701	Kenwood K-8 Center	None		None	
2861	JRE Lee Educational Center	None		None	
2881	Leewood Elementary	None		None	
2891	William Lehman Elementary	None		None	
3061	Ludlam Elementary	None		None	
3111	Wesley Matthews Elementary	None		None	
4091	Olympia Heights Elementary	None		None	
4221	Palmetto Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Work Loc. No.	Schools	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
4381	Perrine Elementary	None		None	
4421	Pinecrest Elementary	None		None	
4651	Ethel F. Beckford/Richmond Elementary	None		None	
4691	Jane S. Roberts K-8 Center	None		None	
4741	Royal Green Elementary	None		None	
4761	Royal Palm Elementary	None		None	
5421	Sunset Park Elementary	None		None	
5441	Sylvania Heights Elementary	None		None	
5521	Tropical Elementary	1	▪ FTE-ESE	None	
5641	Village Green Elementary	None		None	
5671	Vineland Elementary	None		None	
6021	Arvida Middle	None		None	
6041	Paul W. Bell Middle	None		None	
6921	Lamar Louise Curry Middle	None		None	
6131	Howard A. Doolin Middle	None		None	
6211	Glades Middle	None		None	
6701	Palmetto Middle	None		None	
6801	Riviera Middle	None		None	
6881	South Miami Middle	None		None	
6961	West Miami Middle	None		None	
7051	G. Holmes Braddock Senior	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Work Loc. No.	Schools	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
7361	Miami Killian Senior	None		None	
7431	Miami Palmetto Senior	None		None	
7091	School For Advanced Studies	None		None	
7721	South Miami Senior	1	▪ Property	None	
7741	Southwest Miami Senior	None		None	
7432	Miami Palmetto Adult Ed. Center	None		None	
7742	Southwest Miami Adult Ed. Center	None		None	
<u>REGIONAL CENTER III SCHOOLS</u>					
4491	Henry E. S. Reeves Elementary	None		None	
5201	South Hialeah Elementary	None		None	
6121	Ruben Dario Middle	None		None	
7511	Miami Springs Senior	None		None	
<u>REGIONAL CENTER VI SCHOOLS</u>					
1691	Christina M. Eve Elementary	None		None	
5961	Winston Park K-8 Center	None		None	
6001	Herbert A. Ammons Middle	None		None	
8131	Dorothy M. Wallace COPE Center	None		None	
TOTAL		19		6	

LIST OF PRINCIPALS

Listed below are the current principals of the schools reported herein:

Work Loc. No.	Schools	Current Principal
<u>Regional Center I Schools</u>		
0461	Brentwood Elementary	Dr. Sharon D. Jackson
1521	Amelia Earhart Elementary	Dr. Ada B. Hernandez
2161	Golden Glades Elementary	Mr. Theron A. Clark
0091	Bob Graham Education Center	Dr. Robin P. Behrman
4541	Rainbow Park Elementary	Ms. Robin D. Thomas
7231	Miami Carol City Senior	Ms. Kim W. Cox
7751	Barbara Goleman Senior	Mr. Carlos Artime
<u>Regional Center IV School</u>		
8005	Lindsey Hopkins Technology Center	Ms. Rosa D. Borgen
<u>School Improvement Zone School</u>		
7151	Homestead Senior	Ms. Kerri A. Maysonet
<u>Regional Center V Schools</u>		
0251	Ethel Koger Beckham Elementary	Ms. Maria E. Tavel-Visiedo
0271	Bent Tree Elementary	Ms. Esther Visiedo
0441	Blue Lakes Elementary	Ms. Aida M. Marrero
0861	Colonial Drive Elementary	Mr. Henry Fernandez
1041	Coral Reef Elementary	Ms. Lucille L. Matthews

LIST OF PRINCIPALS

Work Loc. No.	Schools	Current Principal
1081	Coral Terrace Elementary	Mr. Jorge O. Sotolongo
1331	Devon Aire K-8 Center	Dr. Lawrence S. Feldman
1641	Emerson Elementary	Ms. Maria P. Acosta
1761	David Fairchild Elementary	Mr. William J. Kinney
1811	Dante B. Fascell Elementary	Ms. Estela C. Santiago
1841	Flagami Elementary	Ms. Myra E. Sylverstein
2021	Gloria Floyd Elementary	Mr. Eliseo Hernandez
2341	Joe Hall Elementary	Dr. Fred M. Albion
2541	Howard Drive Elementary	Ms. Deanna D. Dalby
2511	Zora N. Hurston Elementary	Dr. Lilia A. Dobao
2641	Kendale Elementary	Dr. Kristine O. Dittmar
2701	Kenwood K-8 Center	Ms. Moraima Almeida-Perez
2861	JRE Lee Educational Center	Ms. Claire C. Warren
2881	Leewood Elementary	Mr. Bart D. Christie
2891	William Lehman Elementary	Ms. Maria C. Cruz
3061	Ludlam Elementary	Ms. Marisol Diaz
3111	Wesley Matthews Elementary	Mr. John A. Lengomin
4091	Olympia Heights Elementary	Ms. Francisca C. Nobregas
4221	Palmetto Elementary	Ms. Mirta R. Segredo

LIST OF PRINCIPALS

Work Loc. No.	Schools	Current Principal
4381	Perrine Elementary	Mr. Andy J. Pierre-Louis
4421	Pinecrest Elementary	Ms. Valerie H. Swanson
4651	Ethel F. Beckford/Richmond Elementary	Dr. Sharon D. Lee
4691	Jane S. Roberts K-8 Center	Ms. Ann Y. Kinstler
4741	Royal Green Elementary	Ms. Alba M. Misas
4761	Royal Palm Elementary	Ms. Ana G. Driggs
5421	Sunset Park Elementary	Ms. Sara N. Martin
5441	Sylvania Heights Elementary	Ms. Maria V. Llerena
5521	Tropical Elementary	Ms. Yubeda Miah
5641	Village Green Elementary	Ms. Maria D. Chappotin
5671	Vineland Elementary	Ms. MaryAnn MacLaren
6021	Arvida Middle	Ms. Nancy S. Aragon
6041	Paul W. Bell Middle	Ms. Ingrid G. Soto
6921	Lamar Louise Curry Middle	Ms. Caridad H. Montano
6131	Howard A. Doolin Middle	Mr. Eduardo Tillet, Jr.
6211	Glades Middle	Mr. Elio Falcon, Jr.
6701	Palmetto Middle	Ms. Lisa S. Noffo
6801	Riviera Middle	Ms. Valerie V. Carrier
6881	South Miami Middle	Dr. Lisa R. Robertson

LIST OF PRINCIPALS

Work Loc. No.	Schools	Current Principal
6961	West Miami Middle	Mr. Jacques Y. Bentolila
7051	G. Holmes Braddock Senior	Mr. Manuel S. Garcia
7361	Miami Killian Senior	Mr. Ricardo Rodriguez
7431	Miami Palmetto Senior	Mr. Howard I. Weiner
7091	School For Advanced Studies	Mr. Guillermo A. Muñoz
7721	South Miami Senior	Mr. Gilberto D. Bonce
7741	Southwest Miami Senior	Mr. James Haj
7432	Miami Palmetto Adult Ed. Center	Dr. Edward Gehret
7742	Southwest Miami Adult Ed. Center	Ms. Carol Y. Wright
<u>Regional Center III Schools</u>		
4491	Henry E. S. Reeves Elementary	Mr. Julian E. Gibbs
5201	South Hialeah Elementary	Dr. Julio T. Carrera
6121	Ruben Dario Middle	Ms. Barbara A. Mendizabal
7511	Miami Springs Senior	Mr. Rafael A. Villalobos
<u>Regional Center VI Schools</u>		
1691	Christina M. Eve Elementary	Mr. Carlos A. Diaz
5961	Winston Park K-8 Center	Ms. Noreen R. Virgin
6001	Herbert A. Ammons Middle	Mr. Irwin N. Adler
8131	Dorothy M. Wallace COPE Center	Ms. Edwina S. King

PROPERTY SCHEDULE

The following table summarizes property audit results:

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		
REGIONAL CENTER I SCHOOLS								
0461	Brentwood Elementary	343	\$ 619,152	None	-	-	None	
1521	Amelia Earhart Elementary	215	368,440	None	-	-	None	
2161	Golden Glades Elementary	111	236,222	None	-	-	None	
0091	Bob Graham Education Center	241	536,743	None	-	-	None	
4541	Rainbow Park Elementary ⁽¹⁾	--	--	--			--	
7231	Miami Carol City Senior	1,011	2,043,249	None	-	-	None	
7751	Barbara Goleman Senior	1,040	2,075,474	None	-	-	None	
REGIONAL CENTER IV SCHOOL								
8005	Lindsey Hopkins Tech. Ed. Ctr.	1,321	3,728,466	None	-	-	None	
SCHOOL IMPROVEMENT ZONE SCHOOL								
7151	Homestead Senior	739	1,779,882	None	-	-	6	\$ 7,283
REGIONAL CENTER V SCHOOLS								
0251	Ethel Koger Beckham El.	101	223,516	None	-	-	None	
0271	Bent Tree Elementary	198	365,120	None	-	-	None	
0441	Blue Lakes Elementary	91	252,776	None	-	-	None	
0861	Colonial Drive Elementary	121	289,368	None	-	-	None	
1041	Coral Reef Elementary	94	195,522	None	-	-	None	
1081	Coral Terrace Elementary	209	344,236	None	-	-	None	
1331	Devon Aire K-8 Center	330	560,524	None	-	-	None	
1641	Emerson Elementary	76	192,934	None	-	-	None	
1761	David Fairchild Elementary	81	163,981	None	-	-	None	
1811	Dante B. Fascell Elementary	206	404,711	None	-	-	None	
1841	Flagami Elementary	106	220,995	None	-	-	None	
2021	Gloria Floyd Elementary	124	275,804	None	-	-	None	
2341	Joe Hall Elementary	249	428,043	None	-	-	None	
2541	Howard Drive Elementary	142	235,591	None	-	-	None	

(1) School and property audit results previously reported as a result of a change of principal, in September 2007.

PROPERTY SCHEDULE

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		
2511	Zora N. Hurston Elementary	98	251,254	None	-	-	None	
2641	Kendale Elementary	148	278,602	None	-	-	None	
2701	Kenwood K-8 Center	275	675,695	None	-	-	None	
2861	JRE Lee Ed. Center	125	310,149	None	-	-	None	
2881	Leewood Elementary	135	223,432	None	-	-	None	
2891	William Lehman Elementary	92	219,642	None	-	-	1	2,106
3061	Ludlam Elementary	171	314,890	None	-	-	None	
3111	Wesley Matthews Elementary	311	483,490	None	-	-	None	
4091	Olympia Heights Elementary	87	216,536	None	-	-	None	
4221	Palmetto Elementary	240	386,598	None	-	-	None	
4381	Perrine Elementary	151	316,473	None	-	-	None	
4421	Pinecrest Elementary	167	302,293	None	-	-	None	
4651	Ethel F. Beckford/Richmond El.	141	271,579	None	-	-	None	
4691	Jane S. Roberts K-8 Center	242	466,314	None	-	-	3	3,116
4741	Royal Green Elementary	142	282,584	None	-	-	None	
4761	Royal Palm Elementary	143	288,846	None	-	-	None	
5121	Snapper Creek Elementary ⁽²⁾	89	212,692	None			None	
5421	Sunset Park Elementary	74	176,202	None	-	-	None	
5441	Sylvania Heights Elementary	103	238,913	None	-	-	None	
5521	Tropical Elementary	143	327,321	None	-	-	None	
5641	Village Green Elementary	92	178,475	None	-	-	None	
5671	Vineland Elementary	151	308,902	None	-	-	None	
6021	Arvida Middle	253	642,556	None	-	-	None	
6041	Paul W. Bell Middle	359	787,772	None	-	-	None	
6921	Lamar Louise Curry Middle	396	867,417	None	-	-	None	
6131	Howard A. Doolin Middle	282	638,871	None	-	-	None	
6211	Glades Middle	197	407,293	None	-	-	None	
6701	Palmetto Middle	306	564,058	None	-	-	None	
6801	Riviera Middle	455	948,424	None	-	-	None	

(2) School audit previously reported as a result of a change of principal; however, property results were pending.

PROPERTY SCHEDULE

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		
6881	South Miami Middle	320	702,068	None	-	-	None	
6961	West Miami Middle	442	754,637	None	-	-	None	
7051	G. Holmes Braddock Senior	938	1,889,428	None	-	-	None	
7361	Miami Killian Senior	648	1,680,696	None	-	-	None	
7431	Miami Palmetto Senior	636	1,264,155	None	-	-	None	
7091	School For Advanced Studies	47	67,752	None	-	-	None	
7721	South Miami Senior ⁽³⁾	788	1,693,175	22	\$ 46,940	\$ 20,698	None	
7741	Southwest Miami Senior	579	1,520,205	None	-	-	None	
7432	Miami Palmetto Adult Ed. Ctr.	123	212,463	None	-	-	None	
7742	Southwest Miami Adult Ed. Ctr.	39	78,618	None	-	-	None	
REGIONAL CENTER III SCHOOLS								
4491	Henry E. S. Reeves Elementary ⁽⁴⁾	--	--	--			--	
5201	South Hialeah Elementary ⁽⁴⁾	--	--	--			--	
6121	Ruben Dario Middle ⁽⁴⁾	--	--	--			--	
7511	Miami Springs Senior ⁽⁴⁾	--	--	--			--	
REGIONAL CENTER VI SCHOOLS								
1691	Christina M. Eve Elementary	100	274,793	None			None	
5961	Winston Park K-8 Center	253	510,671	2	2,956	1,104	None	
6001	Herbert A. Ammons Middle	403	780,091	None	-	-	None	
8131	Dorothy M. Wallace COPE So.	137	305,414	None	-	-	None	
TOTAL		18,170	\$ 38,862,188	24	\$ 49,896	\$ 21,802	10	\$ 12,505

Notes:

(3) Finding cited at this school as a result of missing property. Refer to pages 76-77 of report.

(4) Property inventory results will be reported at a later date.

PLANT SECURITY REPORTS REPORTED BY THE SCHOOLS

Plant Security Reports for the schools reported herein are as follows:

Work Location No.	Schools	No. Of Plant Security Reports	Total Items	Total Amount At Cost	CATEGORY (AT COST)			Total Deprec. Value
					Computers	Audio Visual	Other	
REGIONAL CENTER I SCHOOLS								
2161	Golden Glades El.	2	2	\$ 3,500	\$ 3,500			\$ 726
7751	Barbara Goleman Sr.	5	7	11,355	11,355			7,220
REGIONAL CENTER IV SCHOOL								
8005	Lindsey H. Tech. Ed. ⁽¹⁾	1	1	19,398			\$ 19,398	1,976
REGIONAL CENTER V SCHOOLS								
1641	Emerson Elementary	1	1	1,555	1,555			1,140
1841	Flagami Elementary	1	1	1,038	1,038			657
2341	Joe Hall Elementary	1	1	1,549	1,549			362
2701	Kenwood K-8 Center ⁽²⁾	1	1	2,717			2,717	1,472
2881	Leewood Elementary	1	1	1,619	1,619			631
3111	Wesley Matthews El. ⁽³⁾	1	1	4,050			4,050	3,938
4651	Ethel F. B./Rich. El.	1	1	1,200	1,200			956
4741	Royal Green El.	1	1	1,249	1,249			250
5421	Sunset Park El.	1	1	2,161		\$ 2,161		775
6131	Howard A. Doolin Md.	1	1	2,553		2,553		1,160
6801	Riviera Middle	1	1	1,129	1,129			960
6961	West Miami Middle	1	1	1,038	1,038			880
7051	G. H. Braddock Sr.	2	2	2,925		2,925		1,308
7721	South Miami Senior	1	6	11,754	11,754			8,814
7741	Southwest Miami Sr.	2	2	2,198	2,198			1,574
REGIONAL CENTER VI SCHOOL								
5961	Winston Park K-8 Ctr. ⁽⁴⁾	4	7	10,954	5,151	1,300	4,503	5,151
TOTAL		29	39	\$ 83,942	\$ 44,335	\$ 8,939	\$ 30,668	\$ 39,950

Notes:

- (1) A 1993 truck used for general school/district deliveries stolen from the school's parking garage.
- (2) Musical instrument.
- (3) A school lawn mower.
- (4) In addition to computer equipment, other losses included a scrubber/polisher, a lawn mower and a projector. Losses reported while school was undergoing construction.

FINDINGS AND RECOMMENDATIONS

INTERNAL FUNDS

Inadequate Monitoring Over Bookkeeping Function Resulted In Misappropriation Of Funds At:

- 1. BRENTWOOD ELEMENTARY**
- 2. GOLDEN GLADES ELEMENTARY**

Section IV, Chapters 1, 2, and 4 of the *Manual of Internal Fund Accounting* provide the procedures for conducting field trips, school pictures, and fund-raising activities. Additionally, according to Section II, Chapters 1 through 3 of the Manual, a checkbook balance must be maintained to prevent any overdrafts in the checking account. Also, the posting of interest, and the receipting and depositing of funds are to be conducted under very clear and delineated guidelines. Section V, Chapter II requires that all financial records associated with Internal Fund activities be safeguarded and retained for audit purposes.

In January 2008, the principal at Brentwood Elementary School reported to the Office of Management and Compliance Audits that the school's checking account had been overdrawn. The bank statements revealed overdrafts of \$(851) to \$(922) between late December 2007 and early January 2008. Transfers from the school's money market account to the checking account corrected the deficit balance.

We reviewed the current fiscal year activity through January 2008 to determine whether there was cause for concern. Because Brentwood's current year bookkeeper had previously worked as the bookkeeper at Golden Glades Elementary, both audits were concurrently conducted and investigated.

Our audits/investigations disclosed the following shortages in the monies collected at the schools for various school activities. These collections had been handled by the same bookkeeper:

School	Fiscal Year Activity	Amount
Brentwood Elementary	2007-08	\$ 3,072
Golden Glades Elementary	2006-07	3,563
TOTAL		<u><u>\$ 6,635</u></u>

On January 30, 2008, members of our office's Investigative Division were present when MDCPS Police interviewed the bookkeeper regarding these shortages. During the interview, the bookkeeper confessed to a misappropriation of funds at both schools. She was immediately arrested, charged with grand theft, and subsequently sentenced by the court to three year's probation. Specific details of the conditions found at each school, the recommendations for improvement, as well as the corresponding management responses follow.

1. **BRENTWOOD ELEMENTARY** -- A review of the 2007-08 Fiscal Year activity disclosed a shortage in the monies deposited for field trips and school pictures totaling \$3,072. Details of the misappropriation are as follows:
 - 1.1. The school conducted three field trips during the current year up to January 2008. A review of these activities disclosed a \$2,120 shortfall in the monies collected. Based on the number of student admissions paid by the school and related field trip records, we calculated that \$3,241 should have been collected from these activities; however, only \$1,121 was deposited in the checking account.
 - 1.2. The school pictures activity for the current year also disclosed a similar discrepancy. Based on receipts issued by the school, we calculated a \$952 shortfall in the monies collected. A total of \$3,063 was receipted; however, only \$2,111 could be traced to the internal funds' checking account.
 - 1.3. Upon review of the checkbook, we found that a running checkbook balance was not maintained during the month of December 2007 and early January 2008. While 12 checks had been issued during this time period, six had been cashed prior to the closing of December without being posted to the MSAF system. A similar issue regarding a running checkbook balance had been discussed with the school administration and the former bookkeeper in the prior audit.
 - 1.4. Interest revenue was not posted to the system on a timely basis.

Our review of the 2006-07 fiscal year also disclosed some discrepancies in the bookkeeping function; however, these happened under the purview of a former bookkeeper:

- 1.5. There was an unexplained shortfall of \$556 in the monies collected from school pictures activity. Additionally, official teacher receipt books were not always used to document individual collections of \$15 and over; and interest revenue was not posted to the system on a timely basis.

RECOMMENDATIONS

- 1.1. **Periodically review the checkbook to ensure it is being properly maintained.**
- 1.2. **Review the proper receipting and depositing procedures with the bookkeeper and staff to ensure they have an understanding of the procedures to follow.**

1.3. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.

Person(s) Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to internal funds, the principal implemented the following corrective actions and preventive strategies in order to ensure accurate monitoring of the checkbook, receipting and depositing procedures and the timely posting of transactions. The principal met with the secretary/treasurer to review the checkbook balance and to ensure the checkbook is being properly maintained and reconciled. This review procedure will take place on a weekly basis.

The principal reviewed with the Secretary/Treasurer Section II, Chapters 2 & 3 of the Manual of Internal Fund Accounting which outlines the general accounting policies and procedures in reference to the timely posting, proper receipting and depositing procedures. The principal will conduct on a bi-weekly basis through mini-reviews the timely and proper posting of receipts to ensure that all accounting policies and procedures have been followed.

2. GOLDEN GLADES ELEMENTARY -- A review of the 2006-07 fiscal year activity disclosed a \$3,563 discrepancy in the monies deposited for Sixth Grade Activities, lost library books, and school pictures. Details of the misappropriation are as follows:

- 2.1. The Sixth Grade class held several end-of-the-year activities. These included a fieldtrip, bowling, and a dinner dance, among others. Students were also provided with t-shirts, meals, and transportation. To cover the cost of these activities, participating students were charged \$75 each; however, we discovered a \$3,290 shortfall in the monies collected. Based on the number of participating students, these activities should have raised \$3,750; however, only \$460 was deposited in the Classes and Clubs-Sixth Grade account. The corresponding disbursements were posted to other accounts to prevent the Sixth Grade account from incurring a deficit. Furthermore, a Student Activity Operating Report for the activities was not prepared, and official receipts were not issued to students to document individual collections of \$75.
- 2.2. According to school picture receipts, \$1,910 was collected from the students; however, collections posted to the General Fund – School Pictures account only amounted to \$1,780, a difference of \$130.
- 2.3. A \$167 donation received in the form of a check was used to substitute cash collections amounting to \$143. These cash collections consisted of fines paid by students for lost library books.
- 2.4. Deposit records corresponding to the months of December 2006 and March through June 2007 were missing. We traced the MSAF receipts to the bank account; however, the documentation supporting these receipts consisting of Recaps of Collection, official teacher receipts, and other related documents could not be located.
- 2.5. As of June 30, 2007, the Community School Fund had a deficit balance of \$(235), however, the deficit has been corrected. In addition, a running checkbook balance was not maintained for May and June 2007.

RECOMMENDATIONS

- 2.1. **Instruct the bookkeeper and staff on the proper receipting and depositing procedures.**
- 2.2. **Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.**
- 2.3. **Periodically review the checkbook to ensure it is being properly maintained.**

2.4. Ensure that Internal Fund records are safeguarded and retained for audit purposes.

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

Management Response: In order to ensure that strict compliance is maintained with Board policies and procedures regarding Internal Funds, the following corrective measures and preventive strategies have been instituted:

The principal reviewed the Manual of Internal Fund Accounting with the treasurer and alternate treasurer and had them sign a copy of receipt. The following three sections were reviewed: Section IV, Chapters 1, 2 and 4; Section II, Chapters 1 through 3 and Section V, Chapter II. As a result, the procedures for conducting field trips, school pictures and fundraising were discussed and implemented. Additionally, guidelines for the proper procedures of maintaining accounts, records, checkbook balances, preventing overdrafts and the receipting and depositing of funds are clearly delineated.

Effective immediately, the principal, assistant principal and treasurer implemented school site procedures on the correct method of conducting field trips, fund raisers and the collecting and receipting of monies. Through the use of the Manual of Internal Fund Accounting, a school site procedures manual was created that details the guidelines for sponsoring and conducting activities. All staff members received a copy of the document and a professional development workshop was conducted.

An application to conduct an activity or fundraiser is submitted for approval to the principal. Once it is determined that the fundraiser is in compliance with guidelines, the activity will be assigned a number, an account funding structure and the sponsor will be required to meet with the principal. If the activity requires the collection of monies, the only individuals permitted to collect the funds will be either the school site treasurer or alternate treasurer. A designated time in the mornings has been established for the collections and transactions of monies. Based on the type of activity and the number of students participating, students will either report to the treasurer's office or the treasurer will go to the classrooms to collect monies. The documentation of receiving funds will be recorded through either a recap sheet if under \$15 or through a Board approved receipts for individual collections of \$15 or more.

Once monies are collected, the treasurer will prepare it for immediate deposit. The amount will be credited to the designated account structure in the MSAF system and a deposit transaction at the bank will be conducted by days end.

The principal designated Wednesday as the day to review all financial transactions. Effective immediately, weekly meetings are conducted on

Wednesdays where the principal, assistant principal, treasurer and alternate treasurer convene and review all accounts and transactions. A journal is maintained noting the weekly balances of all accounts and financial structures. During this meeting, all invoices are presented and reviewed as well as all bills and financial responsibilities. A review of the checking account transactions is conducted to prevent overdrafts and all records will be secured and stored for audit purposes. Any discrepancies will be addressed and immediate corrective action will be taken.

**3. Forged Signatures On Checks
And Misappropriation Of Funds
By The Former Bookkeeper
RAINBOW PARK ELEMENTARY**

Section II, Chapter 5 of the *Manual of Internal Fund Accounting* establishes the procedures over the disbursement process. Pursuant to established procedures, all expenditures must be approved by the principal or her designee; and as evidence of the principal's approval, the checks must be signed by either the principal or her designee and a clerical approver. Aside from these procedures, Section II, Chapter 1 of the *Manual of Internal Fund Accounting* prohibits the overdrawing of the school's checking account, and requires that a running checkbook balance be maintained to match the balance in the MSAF system.

Regarding the collection process, and pursuant to procedures established in Section II, Chapter 3 of the *Manual of Internal Fund Accounting*, the school treasurer or authorized designee is responsible for preparing the bank deposit. A deposit must be made every day that accumulated money received exceeds \$150. If money collected does not reach \$150, at a minimum a deposit must be made on the last working day of the week, regardless of the amount.

Subsequent to our 2006-07 school audit of Rainbow Park Elementary School, the Principal reported to the MDCPS Police and the Office of Management and Compliance Audits in December 2007 that her signature and the Assistant Principal's signature had been forged on several school checks. The bookkeeper confessed to the MDCPS Police investigator that she forged signatures on various checks; some payable to alleged school vendors (\$1,389), while others payable to her (\$900). The bookkeeper was arrested and charged with forgery and theft; and the court placed her in the Deferred Prosecution Program.

We further reviewed all other school activity up to November 30, 2007, and discrepancies in the school pictures and field trip activities were similarly uncovered. The total amount in forged checks amounted to close to \$2,300; while total field trip and school pictures discrepancies amounted to approximately \$1,650.

The MDCPS Police substantiated these findings, and the case has been referred to the Office of Professional Standards for final disposition.

Details of the check forgery and the other discrepancies are as follows:

- 3.1. Upon review of the November 2007 checking account statement and cancelled checks, the principal discovered that several checks had been issued without her authority. Our review disclosed that ten checks totaling \$2,289 had been issued; however, the signature of either the principal or the assistant principal (as the principal's designee) had been forged. Of the ten, six checks totaling \$900 were made payable to the bookkeeper, while four checks totaling \$1,389 were made to various school vendors;

one of them unknown. Regarding two checks issued to vendors, she acknowledged that the forgery was to expedite payment; and we determined that those expenditures were school-related; however, two other checks issued to an unknown vendor for \$270 could not be explained and supporting documentation for these expenditures could not be found.

- 3.2. Between November 30th and December 10th, the checking account was overdrawn. During this short time period, deficit balances ranged from \$(262) up to \$(1,150). The deficit was corrected on December 11, 2007, with a transfer of \$1,500 from the Money Market account. Upon review of the checkbook, we found that a running balance was not being maintained, and several of the checks discussed above had not been posted to the system, although they had been cashed by the bank. As a result of the misappropriation, as of December 31, 2007, the checking account was closed and a new one opened at the bank.
- 3.3. Several Recaps of Collections from September through November 2007 were found by the auditor on the bookkeeper's desk; however, we were unable to trace these monies to the bank. The Recaps found were for collections corresponding to three different field trips. Based on admissions purchased by the school and these documents, we calculated that \$923 should have been collected and deposited; however, \$104 made it to the bank for a difference of \$819. As a result of money not being deposited, field trip expenses were improperly paid with funds from the Instructional Materials and Supplies (Fund 9 account).
- 3.4. The school pictures activity disclosed that collections were short by \$824. According to the receipts, the school should have deposited \$4,317 from school pictures sales; however, only \$3,493 was deposited in the bank.

RECOMMENDATIONS

To strengthen the internal controls and the overall accountability of internal funds at the school, the following recommendations are being made:

- 3.1. **Continue the practice of having the monthly bank statement (checking account) and cancelled checks delivered directly to the principal for its initial review.**
- 3.2. **Periodically review the checkbook entries to ensure that it is kept up-to-date, including a running checkbook balance.**
- 3.3. **Instruct the current bookkeeper and other staff of the procedures for properly receipting and depositing funds, and ensure adherence to these procedures.**

3.4. Strengthen the monitoring over the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.

Person(s) Responsible: Principal, Assistant Principal, Bookkeeper

Management Response: In order to ensure strict compliance with Board policies and procedures regarding Internal Funds, the principal has reviewed with the current bookkeeper and assistant principal Section II, Chapters 1-7 of the Manual of Internal Fund Accounting.

The principal has instructed the school's bookkeeper and other clerical who disburse the daily mail to continue hand delivering the monthly bank statement (checking account) directly to the principal for its initial review. In the absence of the principal, the assistant principal will perform the initial review of the monthly bank statement before she submits it to the bookkeeper.

The principal and bookkeeper have implemented a monthly routine where all checkbook entries are entered on the third Friday of each month after review of the check vouchers by the principal and bookkeeper. Note, this occurs before any checks are written. The bookkeeper has been instructed once a check is written, she is to immediately balance the checkbook and maintain a running checkbook balance which is attached to the last check stub written at the end of each month. The principal frequently reviews the checkbook to ensure the bookkeeper is following the new process and maintaining a positive balance in the checkbook.

To obtain a greater understanding of properly receipting and depositing funds, the bookkeeper has taken the 3-day Internal Funds training. This training will also be provided for the back-up personnel of the bookkeeper and the assistant principal.

To further strengthen the monitoring of the bookkeeper functions, the principal/assistant principal will conduct a minimum of three mini in-house reviews throughout the school year. District personnel may be asked to assist with these mini in-house reviews. The bookkeeper along with the principal will also review monthly transactions at the end of each month and ensure timely postings of these transactions. In addition, receipting procedures have been discussed with staff involved in the collection of funds to have agreement and understanding that a receipt must always be requested and provided when monies exchange hands.

**4. Lack Of Controls Over Verification
Of Cafeteria Collections And
Deposits Lead To
Misappropriation
Of Cafeteria
Funds
*LINDSEY HOPKINS TECHNICAL EDUCATION CENTER***

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* and Chapter 4 of the *Adult and Applied Technology Education Procedures Manual* provide the procedures for the receipting, collecting, and depositing of monies at adult education centers. These include the guidelines when cash registers are used as part of the collection process. Pursuant to the procedures, monies collected by cashiers must be reconciled to the cash report and journal (cash register) tapes. A Recap of Collections form must be prepared; and this form, along with all other deposit documents (including cash register tapes) must be forwarded to the main cashier for deposit. Once monies are counted and verified in the presence of the depositor, a carbon copy of the Recap of Collections, referenced by a computer-generated receipt number must be returned to the depositor as evidence that monies exchanged hands, and a transaction was recorded in the system.

The school operates a cafeteria for the service of staff and students. At this school, the cafeteria operation generated sales of approximately \$208,000 during the 2006-07 fiscal year. During the audit period up to February 2007, the cafeteria operated three shifts: breakfast, lunch, and dinner. After February 2007, the principal limited cafeteria activity to the daytime in an effort to reduce operating expenses. However, at the end of the 2006-07 fiscal year, losses amounted to almost \$35,000. According to the principal, this lack of profitability continued into the 2007-08 fiscal year, as well as other errors and irregularities. As a result, in July 2007, the Principal contacted our office to request an audit/investigation.

At the cafeteria, several cash registers were operated to control and record the sales of food items and beverages. Monies collected through the cash registers were deposited on a daily basis through the school's main cashier, and in many instances twice daily, to accommodate morning and evening sales activities.

For the 2006-07 fiscal year, we reviewed the cash register tapes accompanying the deposit packages, and all cafeteria deposits (over 200) and supporting documentation to ascertain whether all monies rung through the cash registers had been deposited. We also reviewed the activity as a whole to determine the propriety of the controls in place to safeguard the funds. Our review of the internal fund activity disclosed the following discrepancies:

- 4.1. In 22 instances during the 2006-07 fiscal year, cafeteria collections amounting to \$6,101 could not be traced to a deposit package, a bank deposit or the general ledger. The shortages were mostly cash sales ranging from \$144 up to almost \$600 in a single day. Cash register tape readings included in the deposit packages were used to verify monies recorded through the cash registers. As further evidence that these monies were at one point collected by the cashiers, in 14 of the 22 instances, we found the yellow (duplicate) copies of Recap of Collections prepared and signed by the cashiers who collected the monies. We extended our review of all cash register tapes and cafeteria deposits from July 2007 up to January 2008; but we did not identify any other instances of missing monies.
- 4.2. Controls over the exchange of cafeteria monies were lacking. Once cafeteria cashiers prepared the Recaps of Collection summarizing the cash registers receipts, security personnel was responsible for transporting the monies and supporting documentation to the main cashier for deposit. However, there was no written acknowledgement, or any type of official receipt issued or log of deposits maintained to account for monies exchanged between cashiers and security personnel.
- 4.3. Controls over the reconciliation of cafeteria deposits were also lacking. Neither cafeteria management nor the business office were performing a complete reconciliation of the cashing process to ensure that all monies rung through the cash registers were deposited and recorded.
- 4.4. A review of cash register tapes disclosed that they had been initialed and dated by the administrator in charge of cafeteria operations. According to her, this was not part of any money verification procedure, but an acknowledgement that a cash register tape had been printed.

As a result of the lack of controls over the deposit of cash register collections, as disclosed in the conditions cited above, and due to the many staff members involved in the process, we were unable to identify the individual(s) responsible for the misappropriation of funds. The principal reported this matter to MDCPS Police for their review and determination.

RECOMMENDATIONS

- 4.1. **Implement procedures over the custody and transfer of cafeteria deposits to the main cashier for deposit, and thoroughly discuss these procedures with cafeteria management and staff, and security personnel, to ensure awareness, understanding, and adherence to the procedures.**

- 4.2. **Instruct the Business Office and cafeteria management to perform daily reconciliations of cafeteria deposits. Furthermore, instruct cafeteria management to monitor the daily cafeteria deposits and related operations.**
- 4.3. **Continue adherence to the procedures for printing cash register tapes every time a cash register is in operation; review them for accuracy, and include all register tapes in the deposit packages.**

Person(s) Responsible: Principal, Principal's Designee, Business Manager, Treasurer, Food Concession Manager

Management Response: In order to ensure strict compliance with School Board policies and procedures regarding Internal Funds, the following corrective measures and preventive strategies were instituted:

The principal reviewed Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting, Chapter 4 of the Adult and Applied Technology Education Procedures Manual and established guidelines and procedures for the collection of monies and deposits with selected individuals (Food Concession Manager, staff; security personnel).

The cafeteria cashiers will count the money in the presence of the Food Concession Manager who will confirm and reconcile the monies to the cash report and journals and prepare the Recap of Collections. The assistant principal responsible for the cafeteria will confirm the accuracy of the transactions. The money and the documents, including the journal tape and the Recap of Collection form will be placed in a locked deposit bag and forwarded to the main cashier for deposit by a security specialist and assistant principal.

The main cashier will sign for the receipt of the bag and will place the transmittal form together with the non-registration receipt in the locked bag. The main cashier will maintain the original transmittal form; and the copy, attached to the Recap of Collections, together with the non-registration receipt, will be returned to the Food Concession Manager. In the event that the cafeteria operates in the evening, this procedure will be repeated for the evening collection.

The Food Concession Manager and treasurer will perform daily reconciliations of cafeteria deposits. This reconciliation will ensure the cash register tape, the Recap of Collections and the deposit documents are in agreement with the money collected.

A deposit log form will be kept by the Food Concession Manager and reviewed by the assistant principal responsible for the cafeteria operations during the day program, as well as, the evening program. The log will be maintained in a binder in numerical order to ensure all deposits made are properly identified.

The school's business manager has been directed to review all documents and verify the integrity of the reconciliation process conducted by the Food Concession Manager and treasurer on a weekly basis. The assistant principal responsible for the operations of the cafeteria will review documents with the principal.

The principal will participate in the Money Matters Support Program and provide training in business practices for the Food Concession Manager, cashiers, concession work and respective administrative staff.

**5. Late Payments And Disbursements
Inadequately Documented
BRENTWOOD ELEMENTARY**

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the procedures for processing disbursements. According to the guidelines, acknowledgment of receipt of goods must be made by the person responsible for receiving the merchandise or the service to indicate that the merchandise has been received or the service has been rendered, and therefore payment is in order. Once the invoice is signed by the responsible person indicating such acknowledgment, it must be promptly submitted to the school bookkeeper, so that payment to the vendor is made on a timely basis. Payments to vendors should be made within 30 days of satisfactory receipt of goods/services, unless special arrangements have been made with the vendor, or whenever discrepancies exist. Additionally, Section V, Chapter II requires that all financial records associated with Internal Fund activities be safeguarded and retained for audit purposes.

Regarding disbursements posted to the Instructional Materials and Supplies (Fund 9) account, Section III, Chapter 9 requires that all Fund 9 expenditures be reported before June 30.

All of ten sampled disbursements selected during the 2006-07 fiscal year, which represented approximately 57% of all disbursements made for the year, disclosed discrepancies:

- 5.1. In three instances, disbursements covering a total of nine invoices were paid late. Payments totaling \$3,008 were made approximately three to five months after the merchandise/services were received.
- 5.2. In five instances, invoices did not include signatures to indicate that goods or services had been received. Total invoices amounted to approximately \$5,500.
- 5.3. In three instances, either the check requisition and invoice were not provided, or the canceled check was not provided. Invoices amounted to approximately \$2,200. At our request, two of the invoices were later obtained.
- 5.4. The year-end Instructional Materials and Supplies (Fund 9) reconciliation between the school's and the District's records disclosed that expenditures amounting to \$3,512 for fiscal year 2006-07 had not been processed at year-end. Consequently, once this reimbursement was processed after June 30, it reduced the 2007-08 fiscal year budget by the carried-over amount.

RECOMMENDATION

- 5.1. Review disbursement function with the bookkeeper and staff to ensure they have an understanding of the procedures to follow.
- 5.2. Monitor the disbursement function to ensure compliance with the requirements.
- 5.3. Periodically review the Fund 9 expenditures to ensure they are properly processed and the account timely replenished.

Person(s) Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to internal funds, the principal implemented the following corrective actions and preventive strategies in order to ensure proper procedures and compliance as it refers to disbursement requirements.

The principal reviewed with the secretary/treasurer, Section II, Chapters 4, 5 and 6 and Section III, Chapter 9 of the Manual of Internal Fund Accounting which outlines the general accounting policies and procedures in reference to disbursements and Fund 9.

The principal will monitor all future purchases by reviewing them with the secretary/treasurer and if applicable, the Internal Funds Purchase Order Log. The principal will ensure that the log had a cross reference to a check number when it is paid.

The principal will monitor and review on a bi-weekly basis, the Fund 9 Internal Fund balance screen 05 available funds balance. When 25% of the established Fund 9 balance has been used, the principal ensured that Fund 9 TPO replenishment would be processed by the treasurer, immediately.

**6. Lack Of Controls Over Disbursement Function
Lead To Late Payments And Overspending
GOLDEN GLADES ELEMENTARY**

Section II, Chapter 5 of the *Manual of Internal Fund Accounting* requires the timely payment and proper documentation for expenditures. According to the manual, disbursements must have proper documentation in the form of an original invoice or equivalent documentation as provided by the vendor, and payments to vendors must be made within thirty days of receipt of goods/services unless special arrangements are made with the vendor. Also, sufficient uncommitted funds must be available in the account before approving expenditures. Regarding disbursements posted to the Instructional Materials and Supplies (Fund 9) account, Section III, Chapter 9 requires that all Fund 9 expenditures be reported before June 30 and prohibits salary expenses through the Fund 9 account. Our review of expenditures disclosed the following discrepancies:

- 6.1. In 20 instances, invoices were paid late. Delays ranged between 13 days and over two years. Most of these were expenditures posted to the Fund 9 account.
- 6.2. The year-end Outstanding Liabilities Report disclosed a total of seven unpaid invoices amounting to \$6,593. Invoice dates ranged between February and June 2007. Five of the seven invoices amounted to \$6,005 and consisted of purchases made to a local office and classroom supplies store. Similarly, most of these expenditures corresponded to the Fund 9 account, which at June 30, only had \$758 in available funds. As of the end of this audit, one of these invoices for \$2,976 remained unpaid.
- 6.3. The year-end Fund 9 reconciliation between the school and the District's records disclosed that expenditures amounting to \$7,242 had not been processed for reimbursement. Consequently, once this reimbursement was processed after June 30, it reduced the 2007-08 fiscal year budget by the carried-over amount.
- 6.4. Seven check requisitions were supported with faxed copies of invoices in lieu of originals.
- 6.5. A \$166 disbursement intended to pay for security personnel was improperly charged to Fund 9.

RECOMMENDATIONS

- 6.1. Instruct the bookkeeper and staff on required disbursement procedures.
- 6.2. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of disbursement transactions.
- 6.3. Periodically review Fund 9 expenditures to ensure they are properly processed and the account timely replenished.
- 6.4. Ensure that original vendor invoices are maintained to support disbursements.

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

Management Response: The principal reviewed Section II, Chapter 5 - timely payments and proper documentation for expenditures and Section III, Chapter 9 - reporting of Fund 9 expenditures of the Manual of Internal Fund Accounting. Weekly meetings are conducted on Wednesdays where the principal, assistant principal, treasurer and alternate treasurer convene and review all accounts and transactions. A journal is maintained documenting all invoices. During this meeting, all invoices are presented and reviewed as well as all other financial responsibilities.

All staff was informed of the required procedures of placing an order for goods or services. This procedure was detailed in a procedures manual that was reviewed with the treasurer.

In order to ensure that a system of checks and balances is present, the treasurer is responsible for securing the orders and making the payments of all goods or services. The alternate treasurer will be responsible for receiving goods and receipts, documenting the receipt of goods in the MSAF system and forwarding the original invoice back to the treasurer for payment.

The requirement of replenishing the Fund 9 account and compliance to other procedures outlined in the Manual of Internal Fund Accounting is implemented through both the weekly meetings and the completion of the monthly financial reports that are completed prior to the 20th day of the following month. These procedures are being implemented to ensure that no invoices will result in late payment. If any discrepancies are presented, immediate action will be taken to make corrections. All records and invoices will be stored and secured for audit purposes.

**7. Inadequate Control Over Expenditures
Resulted In Operating Losses In The
Food Service Program (Cafeteria)
LINDSEY HOPKINS TECHNICAL EDUCATION CENTER**

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establishes the procedures for making disbursements. Additionally, Section III, Chapter 10 establishes the accounting structures available for recording the food sales and related disbursement activities. According to the guidelines, a properly completed and authorized purchase order is required before an order/purchase of \$100 or more is made [FM-1012]. Also, according to the guidelines, the treasurer must verify the accuracy of the information in Check Requisition forms requesting that payments be processed. This information includes the accounting structure to be used and the related disbursement information.

Except for payroll expenditures, which are funded through the District's budgetary process, the cafeteria operation is self-sustaining. Proceeds from the sale of food items are used to purchase the food materials and supplies used in production, as well as equipment and other services related to the operation of the cafeteria. The related financial activity is recorded in the Food Service Program within the Internal Funds of the school (to be referred to as "cafeteria").

The Statement of Net Income/(Loss) for the food service program this fiscal year disclosed an operating loss of \$(34,250). During the 2005-06 fiscal year the operation had reported an income of \$14,347.

During the 2006-07 fiscal year, the school disbursed a total of \$241,980 for cafeteria-related purchases. Of this total, we reviewed expenditures amounting to \$188,468, which represented about 80% of all disbursements. Our review disclosed the following discrepancies:

- 7.1. A total of \$57,825 in cafeteria operating expenses was incorrectly classified and account sub-ledgers were not properly utilized. After making the proper adjustments, it was revealed that they had spent a total of \$44,370 in small kitchen equipment and tool purchases, and \$30,713 in paper supplies. These expenditures represented 74% and 20% of the total increase in operating expenditures from the prior year. According to the school administration, the increase in expenditures was partially attributable to the 70th anniversary school celebration which occurred on June 7, 2007.
- 7.2. Certain purchases appeared excessive. We noted purchases of grill presses totaling \$1,130, steel serving utensils for \$630, an ice caddy for \$724, various sets of carving knives with a total cost of \$4,470, table cloths for \$5,893; and 23 cases of ceramic plates with a total cost of

\$3,562, among others. Regarding this last item, we verified that 17 cases containing almost 500 plates were still in their original sealed boxes.

- 7.3. We found one instance where a vendor invoice in the amount of \$1,093 was paid twice. Also, an electric fryer with a cost of \$1,380 was not tagged for property control purposes. At our request, a credit for the double payment was issued and the equipment was tagged. In one other instance, a cafeteria carving set with a cost of \$375 could not be located.
- 7.4. A total of \$10,778 in revenue transfers from the Special Purpose account to the Food Sales account were posted in the following year; however, these transfers were to cover hospitality-related expenditures incurred in the 2006-07 fiscal year. Of this amount, \$7,210 from the Special Purpose account was used to pay for food items related to the 70th anniversary celebration.
- 7.5. As result of the errors in the classification of expenditures, and the untimely transfers of revenues, the Statement of Net Income/(Loss) was incorrectly reported at year-end. This report was adjusted during the audit.
- 7.6. Purchase orders for cafeteria expenditures/disbursements were prepared and approved after the items/merchandise were delivered and invoiced.

RECOMMENDATIONS

- 7.1. **Strengthen the monitoring of daily cafeteria operations through the use of monthly inventory and operating reports.**
- 7.2. **Instruct the Business Office and Cafeteria management on the proper classification of cafeteria expenditures and ensure that expenditures are posted to the correct accounts.**
- 7.3. **Ensure that transfers and adjusting entries for amounts due to the cafeteria for hospitality-related meals is done on a timely basis, before the closing of the month and/or the closing of the year.**
- 7.4. **Ensure that before an order/purchase is made, the use of an Internal Fund Purchase Order [FM-1012], authorized by the principal and processed by the school treasurer is used for all purchases of \$100 or more.**
- 7.5. **Perform and maintain an inventory of small kitchen tools and equipment to safeguard this equipment and prevent excessive spending.**
- 7.6. **Contact the vendor to determine whether a credit can be obtained for the plates that remain unused in inventory.**

Person(s) Responsible: **Principal, Principal's Designee, Business Manager, Treasurer, Food Concession Manager**

Management Response: The principal will review Section II, Chapters 4 and 5 of the Manual of Internal Funds Accounting, disbursements and expenditures with appropriate staff.

The business manager will prepare a monthly profit and loss statement. The Food Concession Manager will prepare a weekly analysis of Food Cost vs. Sales Report. The assistant principal responsible for the operations of the cafeteria will review reports and present to the principal on a bi-weekly basis to identify trends indicating increases/decreases in profitability in cafeteria operations.

The Food Concession Manager will conduct a monthly inventory of all food items. The monthly inventory will be reviewed by the assistant principal responsible for the cafeteria and by the business manager. This inventory will be compared to the Food Cost vs. Sales Report by the business manager and the principal.

The business manager will contact district level internal funds accounting personnel to identify account structures to enable the treasurer to post correctly into these accounts. The business manager will review and monitor posting into these accounts for accuracy, along with the principal.

The treasurer and business manager will review transactions to ensure all transfers and adjustments due to the cafeteria account be finalized before the end of each month to avoid errors in the Profit/Loss statements report.

An Internal Fund Purchase Order will be used for all purchases of \$100 or more. The principal will not sign checks for purchases of \$100 or more, without an approved purchase order.

A monthly inventory of small tools and equipment will be performed, maintained and reviewed by the Food Concession Manager along with the assistant principal responsible for the cafeteria. Items missing from the monthly inventory will be reported to the principal for immediate corrective action. Future purchases of tools and equipment will be monitored for appropriateness, need and cost by the principal.

The assistant principal responsible for the operations of the cafeteria will contact the vendor of the seventeen cases of ceramic plates in their original sealed boxes, in an effort to return and receive credit for the items. The principal will conduct a follow-up with the designee to ensure that the ceramic plates have been received by the vendor and that credit has been appropriated to the school.

**8. Disbursements Inadequately
Processed And Documented
HOMESTEAD SENIOR**

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the procedures for processing disbursements. According to the guidelines, acknowledgment of receipt of goods must be made by the person responsible for receiving the merchandise or the service to indicate that the merchandise has been received or the service has been rendered, and therefore payment is in order. Section III, Chapter 8 prohibits the use of the General Fund to pay for hospitality items such as meals for meetings or special observances. Section IV, Chapter 9 establishes that sales tax must be paid for merchandise which students will claim ownership, even if used for student recognition and incentives; and that only purchases eligible for tax exemption made directly with school funds may be subject to the sales tax exemption. Section V, Chapter II requires that all financial records associated with Internal Fund activities be safeguarded and retained for audit purposes. Additionally, Section IV, Chapter 14 of the *Manual of Internal Fund Accounting* stipulates that incentives such as gift certificates should be from stores mainly offering educational related materials and supplies; and meal gift cards from moderate restaurants should be limited to one certificate per person. Our sampled disbursements revealed the following discrepancies:

- 8.1. In nine of 17 sampled disbursements, invoices did not include the signature of the person acknowledging that goods or services had been received and that payment was in order. A similar item was discussed with the school administration during the previous audit.
- 8.2. Two purchases for meals with a total cost of \$3,575 did not include itemized invoices as supporting documentation. Invoices were provided after the fact. Additionally, another purchase for meals for a school activity with a cost of \$1,200 was improperly charged to the General Fund.
- 8.3. A \$2,960 purchase of items to give away as student incentives was made with Educational Excellence School Advisory Council (EESAC) funds; however, sales tax of \$207 was not paid. This purchase was processed as a reimbursement for a staff member, who used a personal credit card to make the purchase on behalf of the school; and who also provided the vendor with the School Board's tax exempt certificate number to take advantage of the tax exempt status afforded to the District. Similar to the finding 8.4 below, a signed complimentary list was not provided to determine that distribution of these items was proper.
- 8.4. Three expenditures totaling \$1,320 consisted of the purchase of 69 gift cards to be used at various restaurants and a specialty store. The cards' denominations ranged from \$5 to \$25. We were unable to determine the

recipient(s) of these cards since a signed complimentary list was not evident to document their distribution.

RECOMMENDATIONS

- 8.1. **Instruct the treasurer and staff on disbursement procedures.**
- 8.2. **Prior to signing a check, ensure that it is properly documented by an invoice with proper acknowledgment for receipt of goods. If items purchased are to give away to staff and students, verify that distribution is properly documented.**
- 8.3. **Pay \$207 sales tax for items purchased for personal use; and refrain from providing tax exempt certificate numbers to staff as they are to be used solely for the schools' tax-exempt related purchases.**
- 8.4. **Refrain from using the General Fund to pay for hospitality-related expenditures.**

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

Management Response: The principal reviewed Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, outlining disbursement and bidding procedures with appropriate staff.

The principal discussed with the treasurer and the principal's designee that, effective immediately, no checks will be signed unless accompanied by the proper supporting documentation. These documents will undergo a final review with the principal, the treasurer and principal's designee during the monthly bank reconciliation meeting, and prior to the principal signing the monthly reconciliation. Any discrepancies will be addressed for immediate corrective action.

The principal will verify that distribution lists are utilized to properly document items given away to staff and students.

The principal met with the treasurer to review Section IV, Chapter 9 of the *Manual of Internal Fund Accounting*, for properly documenting disbursements and general guidelines relating to sales tax transactions. The principal will review all invoices with the treasurer to ensure taxes are paid on items that are used as incentives to students.

On April 14, 2008, a check in the amount of \$207.00 was submitted to the vendor for sales tax that was due.

The principal directed the treasurer to charge all hospitality-related expenditures to the Special Purpose account. All invoices written for hospitality-related items for the current year will be reviewed and charges re-budgeted to the correct accounting structure as needed.

**9. Deficient Controls Over Financial Activity
And Records Lead To Checking Account
Overdraft, Delays In The Submission
Of Collections, And Errors
HOMESTEAD SENIOR**

According to the guidelines in Section II, Chapter 1 of the *Manual of Internal Fund Accounting*, a running checkbook balance must always be maintained in the checkbook to prevent any overdrafts in the checking account. Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* establish the guidelines over the receipting and depositing of funds. These require that money collected by school staff, students, and authorized volunteers for school activities be submitted to the school treasurer or designee on the same day collected, regardless of the amount collected. Additionally Section V, Chapter 2 imposes that all records associated with Internal Funds be retained. These records include the completion of a properly completed Inventory of Prenumbered Forms at the end of the fiscal year.

A review of the financial records disclosed the following discrepancies, some of which had been either cited or discussed during the prior year's audit:

- 9.1. On June 26, 2007, the checking account was overdrawn by \$(8,211). The deficit was corrected the following day and prior to the closing of the year, when a \$60,000 transfer of funds from the school's MDCPS-Money Market Pool Fund account to the checking account was made.
- 9.2. In November 2006, the school issued two temporary checks from the checking account amounting to \$796, and the checks were cashed by the bank. No supporting documentation was initially provided to support the expenditures, and the former administration could not explain the reason for these checks. Furthermore, the checks were not numbered, they had not been inventoried as part of the school checks, and we were unable to obtain information from the bank as the number of temporary checks issued to the school. Subsequent to our inquiries, the school provided documentation to show that the two checks were reimbursements made to a staff member for school-related travel expenditures. We reviewed the bank statements for the entire year and verified that no other temporary checks had been issued and cashed.
- 9.3. A running checkbook balance was not maintained between December 2006 and February 2007.
- 9.4. School collections mostly consist of cash and money orders. Business checks are sometimes accepted. In the prior year's audit report, we cited the school regarding late remittances. From our sample of 11 deposit

packages dated during the audit period up to the current year, four revealed instances where monies collected had not been remitted to the treasurer on a timely basis. In one of these instances, cash collections were not remitted for deposit until nearly one year later. Furthermore, during the audit, \$300 from the sale of uniforms was turned in to the treasurer after our inquiries.

- 9.5. The Inventory of Prenumbered Forms was incomplete and contained several errors.

RECOMMENDATIONS

- 9.1. Periodically review the checkbook to ensure it is being properly maintained and monitor balances to prevent overdrafts.
- 9.2. Ensure that an inventory of sequentially numbered checks is maintained for use at the school, and refrain from using temporary checks.
- 9.3. Ensure that proper receipting and depositing procedures are being followed.
- 9.4. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.
- 9.5. Review the inventory of Prenumbered Forms to ensure its accuracy.

Person(s) Responsible: Principal, Vice Principal, Treasurer, Selected Staff

Management Response: In order to ensure strict compliance with Board policies and procedures regarding Internal Funds, the following corrective measures and preventive strategies have been instituted:

The principal met with the activities director, the treasurer and the principal's designee and reviewed the *Manual of Internal Fund Accounting*, Section II, Chapter 2, outlining proper procedures for collection of monies. The principal has directed all staff that will be involved in fundraising activities that they will sign for receipt books from the treasurer and sign a document stating they must issue receipts for ALL funds collected and deposit with the treasurer on the same day of collection.

A workshop was held with all personnel, including the treasurer, the activities director, the athletic director, club sponsors and any instructors that will be involved in fundraising activities regarding proper procedures for the collection and deposit of monies.

The principal will review the bank reconciliation statements and checkbook monthly with the treasurer and the principal's designee to ensure these documents are being properly maintained and prevent overdrafts.

The principal has directed the treasurer to refrain from using temporary checks at anytime and to ensure that an inventory of sequentially numbered checks is maintained for use at the school.

The principal has directed all staff responsible for the collection of funds that they must sign for receipt books from the treasurer.

The principal directed the treasurer to post all transactions on the same day they occur. The principal will monitor this activity when meeting monthly with the treasurer to ensure compliance with proper receipting and depositing procedures and the timely posting of transactions.

The principal directed the treasurer to review and correct the inventory of prenumbered forms and collect and review all prenumbered forms quarterly to ensure they are being used sequentially.

**10. Excessive Number Of Yearbooks
Purchased And Incomplete Yearbook
Records
HOMESTEAD SENIOR**

Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* establishes the procedures over the yearbook activity. According to the procedures, if during the prior year, revenues raised from yearbook sales were not sufficient to cover all yearbook costs, then less costly options should be considered before submitting yearbook bids for the current year. Also, the procedures advise to review the prior year's order and number of yearbooks sold before specifying on the bid the number of copies to order.

Responsibility for maintaining the yearbook documents rests with the yearbook sponsor. Required documentation includes but is not limited to: Bid Tabulation form [FM-1024] (to tabulate bids for comparison purposes); Committee Appraisal-Yearbook Printing form [FM-1025] (to evaluate comparative bids); Monthly Operating Reports [FM-1030] (to report monthly activity); and Distribution Report [FM-1031] (to summarize the distribution and year-end inventory of yearbooks). At year-end, the sponsor must submit to the treasurer all related yearbook records, which must be maintained on file at the school for audit purposes.

For fiscal year 2007, the school solicited the services of a yearbook publisher to initially publish 300 yearbooks. This order was later reduced to 250 yearbooks. Our review of the yearbook activity and related disbursements disclosed the following:

- 10.1. At year-end, the yearbook account did not have sufficient funds to pay the final invoice in full. Consequently, \$6,165 from the General Miscellaneous account was used to cover the shortfall.
- 10.2. Of 250 ordered, 62 yearbooks with a cost of approximately \$5,100 remained unsold at year-end. Nine of these books could not be accounted for. The prior year activity was not taken into consideration when ordering books this year. Consequently, the same number of yearbooks was ordered, which lead to the high number of unsold books.
- 10.3. The Yearbook Bid Tabulation and Committee Appraisal forms were not provided. As a result, we were unable to verify how the yearbook bid was selected.

Conditions very similar to those stated above were reported during the prior audit.

- 10.4. The Monthly Operating Reports and Distribution Report were not provided. Instead, the school prepared a Student Activity Operating Report, which contained errors.

Some of these issues may be the consequence that the yearbook sponsor for the 2006-07 fiscal year passed away in December 2006; the new sponsor that followed was not experienced. Consequently, we extended our review to the current year activity, and the following was noted:

- 10.5. The number of yearbooks ordered this year had not been reduced when compared to the number of books purchased the prior year. As of January 2008, of 300 books ordered, only 34 books had been sold. After discussing these matters with the current principal, she contacted the vendor to reduce the order to 100 books.
- 10.6. In 2007-08, the Yearbook Bid Tabulation and Yearbook Committee Appraisal forms were not provided. Similarly, we were unable to determine the propriety of the procedures followed for selecting the yearbook publisher for this year.

RECOMMENDATIONS

- 10.1. **Revisit the 2009 yearbook activity plans to determine its feasibility; and if the school decides to engage in one, consider less costly options.**
- 10.2. **Ensure that staff understands and adheres to the procedures for documenting all yearbook-related processes; including the selection of the yearbook publisher.**
- 10.3. **Periodically meet with the yearbook sponsor to monitor the health and well-being of the activity and make adjustments, as needed.**

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

Management Response: The principal reviewed Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* which establishes the procedures for conducting the yearbook activities with the yearbook advisor, activity director, vice principal and treasurer during a meeting.

The principal directed the Yearbook Advisor to reduce the 2007-2008 yearbook order to 100 yearbooks (with an option to purchase 50 more) to ensure that the number ordered corresponded to the demand. As of April 14, 2008, 110 yearbooks have been sold. Additionally, all future yearbook activity plans will be reviewed to ensure that the number ordered will reflect the numbers purchased at the school site.

The principal directed the yearbook sponsor to ensure that all required forms, including Yearbook Bid Tabulation and Committee Appraisal forms, are completed and maintained in order to verify the yearbook bid selection process.

As part of the monitoring process, the principal will meet with the yearbook advisor, treasurer and principal's designee bi-weekly to ascertain the financial status of the yearbook fund-raising activity and the yearbook sales campaign, and make adjustments to the plans as needed.

11. Inadequate Controls Over Graduation And Senior Class Activities And Other Student Activities Lead To Losses And Reporting Errors
HOMESTEAD SENIOR

Activities associated with the graduating class in senior high schools include commencement ceremony activities (which include the rental of caps and gowns), the senior prom, and gradnite, among others. Regarding these specific activities, Section IV, Chapter 7 of the *Manual of Internal Fund Accounting* provides very specific guidelines to follow. General fund-raising activities such as Homecoming are guided by the procedures in Chapter 2 of this manual; while activities such as the sale of physical education uniforms follow the procedures provided in Section III, Chapter 5 of the same manual.

Caps and Gowns

Section IV, Chapter 7 establishes the guidelines for the rental of students' caps and gowns. These guidelines also address the specific Trust Fund account where these monies are to be posted, and the specific payments that can be made from this account. One expense not allowed to be paid from this account is the rental of caps and gowns for faculty, staff, and other honorary guests involved in the commencement ceremony. Customarily, this expense is paid with Special Purpose account funds. At this school, graduating students were charged \$20 each for the rental of the cap and gown, and the purchase of the school medallion. The following was found during our review of this activity:

- 11.1. Based on the number of gowns rented, the school should have collected revenues of \$7,880; however, only \$6,920 was collected. A total of \$960, which represented the rental of 48 gowns, was unaccounted for. After discussing these matters with the school administration, the vendor issued the school a credit for the cost of the 48 gowns.
- 11.2. Contrary to the guidelines, the cost of faculty gowns was charged to the students' Cap and Gown account. At our request, the \$891 expense was modified and charged to the Special Purpose account.
- 11.3. Because the Cap and Gown account did not have sufficient funds, payment for medallions in the amount of \$3,193 was made from the Gradnite account.

Senior Prom, Gradnite, and Homecoming

Section IV, Chapters 2 and 7 provide the guidelines for these activities. According to the guidelines, upon completion of these activities, Student Operating Reports must be prepared, reviewed and verified for accuracy; and signed complimentary lists must be maintained as part of the documentation to

provide a trail of those admissions/items given away at no charge to participating students and guests. We found that:

- 11.4. The Student Operating Report for the Gradnite activity was not provided, while the reports presented for Homecoming and Senior Prom activities contained errors.
- 11.5. Signed complimentary lists corresponding to these activities were not provided. Consequently, we were unable to verify the accuracy of the monies collected. A similar condition regarding signed complimentary lists not provided was discussed with the school administration during the prior audit.
- 11.6. The initial deposit made to the transportation vendor for the Gradnite activity in the amount of \$6,125 was not paid out of the Gradnite account. Instead, payment was made from the General Student Activities Account. This may have been the result that the school did not charge sufficient funds from the students to fully cover the Gradnite expenses. Furthermore, this shortfall was compounded by the misposting of the cap and gown medallions disbursement to this account (as described in finding 11.3 above), which further depleted the funds in this account.

Physical Education Uniforms and Locks

Section III, Chapter V stipulates that either the treasurer or designated staff must prepare an Inventory and Operating Statement [FM-0987] at the end of the year for uniforms that are sold. To properly account for school property, school locks loaned to students should be documented with a signed distribution list.

- 11.7. Although we verified the accuracy of the monies collected from the sale of uniforms, an Inventory Operating Report was not prepared. This condition has remained uncorrected during the past three audits.
- 11.8. Eighty of 100 locks purchased by the school could not be accounted for. According to the school, these were loaned to students participating in Band; however, their distribution was not documented; and as a result, school property was lost.

RECOMMENDATIONS

- 11.1. Ensure that staff understands and is aware of the procedures for conducting the commencement activities; and the limitations placed in the use of these funds.**
- 11.2. Timely follow-up with the vendor regarding any credits due to the school for unused caps and gowns. This will ensure proper**

accountability of the activity and prevent overspending of much needed funds.

- 11.3. Instruct the Activities Director, Treasurer, Athletic Department, and Activity Sponsors on the requirement for completing signed complimentary lists whenever items/admissions are given free of charge to students and staff.**
- 11.4. The Activities Director and Sponsors should periodically (and at the end of each student/fund-raising activity) review the transactions posted to the activity accounts to ensure accuracy and prevent posting errors.**
- 11.5. Ensure that the Activities Director, Sponsors, and the Treasurer understand and adhere to the requirements for completing and verifying the accuracy of these reports.**

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

Management Response: The principal met with the activities director, the vice principal and the treasurer and reviewed Section IV, Chapter 7 of the *Manual of Internal Fund Accounting* outlining procedures for properly documenting graduation and senior activities. The principal directed the activities director and the treasurer to deposit collected funds in the appropriate accounts relating to graduation.

The principal directed the activities director to closely monitor the cap and gown activity to ensure that any credits due are timely received by the school. If at anytime, a credit is due to Homestead Senior High School, for any reason, the activities director will ensure that a request is made within 10 business days.

The principal instructed the treasurer, the activities director, the athletic director and activity sponsors to complete the complimentary list form when providing students, staff or parents with a tangible gift and obtain their signature.

The principal directed the activities director and activity sponsor to complete and submit form FM-0996, Activity Operating Report, to the treasurer within 10 days of the completion of an activity. This will ensure completeness and accuracy of fundraising reports. In the event that on the 8th day, the report is not received, the treasurer will submit this in writing to the principal.

The principal has directed the principal's designee to meet bi-weekly with the treasurer and activities director to review all operating and fundraising reports within the past two weeks.

PAYROLL

12. Inadequate Recordkeeping And Reporting Of Payroll Lead To Errors BRENTWOOD ELEMENTARY

Chapters 1 through 5 of the *Payroll Processing Procedures Manual* establish the procedures to document, process, approve payroll, and distribute the payroll checks and notices to employees. According to procedures, employees receiving an actual payroll check must sign the Payroll Check Recap next to their name with their full signature as verification of having received their check during the distribution of payroll checks.

A review of three consecutive payroll periods (two processed by the former payroll clerk/bookkeeper and one prepared by the current payroll clerk) disclosed 27 discrepancies:

- 12.1. In 20 instances, employee's attendance and leave taken were inconsistently documented and recorded. Verifiable errors were corrected by management during the audit.
- 12.2. The cafeteria manager collected and signed for five payroll checks on behalf of three cafeteria employees. These employees work in an off-site location. In one other instance, an employee who also received a payroll check neglected to sign on the space provided in the Payroll Checks/Advices Control Report to acknowledge receipt. The current principal contacted the employees to verify receipt of their checks.
- 12.3. In all three pay periods the proper substitute sign-in form was not utilized.

RECOMMENDATIONS

- 12.1. **Strengthen the administrative process over the review of payroll records and the payroll approval and instruct staff on the proper payroll procedures for recording and reporting payroll.**
- 12.2. **Adhere to the payroll distribution process to ensure that all employees receiving actual payroll checks sign upon receipt.**
- 12.3. **Ensure that the *Temporary Instructors Daily Payroll Attendance Sheet* (FM-7090) is used to document the attendance of substitute teachers.**

Person(s) Responsible: **Principal, Assistant Principal, School Secretary**

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to payroll procedures, the principal will implement the following corrective actions, preventive strategies in order to ensure accurate monitoring and processing of payroll records.

The principal has reviewed with all person(s) responsible, the Payroll Processing Procedures Manual focusing on the procedures to document, process, and approve payroll.

The principal has directed the clerk responsible for the distribution of payroll checks to ensure the employee signs for the actual payroll check at the time of receipt. The clerk responsible for distribution of checks presents the principal with the payroll checks/advices control report after all checks have been distributed each pay period.

The principal directed the payroll clerk to maintain, on a daily basis, the Temporary Instructors' Daily Payroll Attendance Sheet (FM-7090) and must be submitted to her bi-weekly along with the payroll roster "I" at the time the payroll is being submitted for approval.

**13. Inconsistencies In The Reporting
And Documenting Of Payroll
And Inadequate Distribution
Of Payroll Checks
GOLDEN GLADES ELEMENTARY**

Chapters 1 through 5 of the Payroll Processing Procedures Manual establish the procedures to document, process, approve payroll, and distribute the payroll checks and notices to employees. According to procedures, employees receiving an actual payroll check must sign the Payroll Check Recap next to their name with their full signature as verification of having received their check during the distribution of payroll checks.

A review of three consecutive payroll periods disclosed 34 payroll discrepancies:

- 13.1. In 26 instances, employee's attendance was inconsistently documented and recorded. Errors that were verifiable by the auditor were corrected during the audit. Of the 26 discrepancies, 19 consisted of hourly paid employees that were either overpaid or underpaid between 15 to 24 hours. Some of the overpayments were attributed to employees erroneously paid for two days when the school was closed due to inclement weather. The remaining seven consisted of employees whose time was not reported on the Daily Payroll Attendance Sheets or other supporting schedule, and were paid between 8 and 57 hours. According to the principal, these employees worked the hours reported, however the school neglected to document their attendance on the payroll records.
- 13.2. There were five instances where employees did not sign the Payroll Checks/Advices Control Report to acknowledge receipt of their payroll checks.
- 13.3. One substitute teacher was reported as working for absent employees in three instances, however, the employees were present.

RECOMMENDATIONS

- 13.1. Instruct staff in required procedures for payroll reporting and recording and strengthen the review process.**
- 13.2. Adhere to the payroll distribution process that requires all employees receiving actual payroll checks to sign for them.**

**Person(s) Responsible: Principal, Assistant Principal, Payroll Clerk and
Assistant Payroll Clerk**

Management Response: The principal met with the assistant principal, treasurer and alternate-treasurer to review both Chapters 1 through 5 of the Payroll Processing Procedures Manual and the audit findings.

The principal implemented a system where as the substitute locator receives the calls and documents the staff absences on the staff absentee list. The substitute locator then forwards this list to the principal, assistant principal and primary payroll clerk. The payroll clerk verifies the absences. The payroll clerk compares the daily staff absentee list to the daily sign in sheet to reconcile and establish discrepancies.

On a bi-weekly basis the payroll clerk will use both the sign in sheets and the daily staff absentee rosters to ensure that the recorded payroll is accurate. The procedures for payroll require the payroll clerk to complete and prepare the payroll and forward the first draft to the assistant principal for review. Once reviewed, the corrections are returned to the payroll clerk for corrections. The corrected draft is then forwarded to the principal for review. Upon completion of the principal's review, the final draft is prepared for approval. The principal approves the document and all records are secured and stored for audit purposes.

The established procedures for the distribution of pay checks are in direct compliance with the Payroll Processing Procedures Manual. When checks arrive via S&D mail distribution, the alternate payroll clerk secures them and prepares them for distribution. Each staff member is required to sign for receipt of the document. Upon days end, the remaining checks and stubs are placed in the safe.

The principal will meet periodically with the regional center director for business and participate in the Money Matters Support Program during the 2008-2009 school year.

**14. Inaccurate Reporting And Documenting
Of Payroll Result In Errors
MIAMI CAROL CITY SENIOR**

Chapters 1 and 2 of the *Payroll Processing Procedures Manual* establish the procedures for properly documenting and processing the payroll. During our review, we sampled three pay periods; however, the majority of the discrepancies that follow resulted from one of the pay periods reviewed. Details are:

- 14.1. In nine instances, the presence of daily paid employees were not documented on the Daily Payroll Attendance Sheets but were nevertheless reported present on the Final Rosters. While some did not sign for one day, others failed to sign for several days. The school administration maintains that these employees were actually present on the days in question.
- 14.2. In 33 instances, the Daily Payroll Attendance Sheets did not agree with either the Final Rosters or leave cards. Most of these instances consisted of employees that were present according to the attendance recorded on the Daily Payroll Attendance Sheets; however, the Final Rosters and leave cards reported them on leave on the days in question. The school provided an Absent Employees Log as subsidiary payroll documentation to assist with the verification of the employees' attendance.
- 14.3. In one instance, an hourly paid employee was overpaid 45 hours. Additionally, there were eight other instances where hourly paid employees were either overpaid or underpaid; however, the number of hours was insignificant.
- 14.4. During our verification of the current payroll sign-in procedures, we noticed that five daily-paid employees indicated their presence on the Daily Payroll Attendance Sheets one day ahead of schedule, and seven hourly-paid employees signed out prior to the completion of their daily work shift.

Payroll reporting errors that were verifiable during the audit were corrected at our request.

RECOMMENDATION

- 14. Instruct staff on the required payroll recording and reporting procedures and strengthen the administrative monitoring process.**

Person(s) Responsible:

**Principal, Assistant Principal,
Principal's Secretary, Payroll Clerk**

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to payroll procedures, the principal implemented the following corrective actions and preventive strategies in order to ensure accurate monitoring and processing of payroll records and streamline the efficiency of payroll processing.

The principal has reviewed with all person(s) responsible the Payroll Processing Procedures Manual focusing on the procedures to document, process, and approve payroll. The principal developed a school site action plan for processing and monitoring payroll. The plan identified procedures and personnel that will be utilized to monitor and execute payroll at the school site to ensure accuracy of data entry, and implement multiple review levels prior to online approval. The procedures established also provide for careful review of the Daily Payroll Attendance Sheets by both the payroll clerk and the principal. This will ensure that employees have accurately documented their attendance on a daily basis and proper notations are made, i.e., "S" for sick, "A" for LWOP, etc., on the Daily Payroll Attendance Sheets, when employees are out of the building or on leave.

The principal directed the payroll clerk to create, type and distribute a staff absentee list each day to all administrative staff and key leadership personnel. This list will include all absent employees, the reason for the absence, and the name of the substitute teacher, if applicable. In order to ensure consistent reporting and documentation of all absences and leave card signatures, leave cards will be prepared on a daily basis by the payroll clerk for all absent employees to be presented for their signature immediately upon their return to work. The payroll clerk will also place a notice in each absent employee's mailbox reminding him/her to sign their leave card upon return. The principal or designee will verify and sign completed leave cards on a daily basis as well as cross-reference the staff absentee list against the Temporary Instructors Daily Payroll Attendance Sheet to ensure accuracy, proper signatures, and precise reporting for each substitute teacher. The principal also directed the payroll clerk to prepare the payroll in a designated area to eliminate interruptions during the payroll process. The principal will monitor this process on a daily basis to avoid any payroll reporting discrepancies in the future.

As part of the Opening of Schools meeting, the principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing procedures for properly documenting time and attendance, completing leave cards and submitting temporary duty forms prior to scheduled absences. The principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook distributed at the beginning of the school year. Particular emphasis will be placed upon those areas of concern identified in the audit in order to prevent recurrence in the future.

The principal met with her designee to review proper payroll reporting procedures. The principal directed the assistant principal to oversee the payroll preparation and reporting process. The assistant principal will review the roster, all timesheets, leave cards and verify the accuracy of all prepared payroll documents prior to the principal approving the final roster on a bi-weekly basis.

**Discrepancies In Special Education Student
Records Lead To Potential FTE Funding
Disallowances At:**

- 15. AMELIA EARHART ELEMENTARY**
- 16. BOB GRAHAM EDUCATION CENTER**
- 17. TROPICAL ELEMENTARY**

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

The Matrix of Services is used to determine the cost factor for special education students based on the decisions made by the Individual Education Plan (IEP) Committee. According to the guidelines, if services do not change as a result of an IEP meeting and the matrix is less than three years old, the existing matrix may be reviewed. If services change, a new matrix must be completed.

FY 2007-08, SURVEY PERIOD 2

15. AMELIA EARHART ELEMENTARY -- A review of a sample of 24 special education (SPED) folders, including eight Gifted, revealed the following seven discrepancies in seven student folders (29%):

15.1. In three instances, the IEP's program eligibility section [FM-4953] did not agree with the areas of eligibility section on the Matrix of Services form [FM-5582] in effect for the October FTE survey period. These three students were categorized as Matrix Level 4 students.

15.2. In one instance, the Domain Ratings Section in the Matrix of Services form was calculated incorrectly; and in one other instance, the date on the IEP and interim review date did not agree. These corresponded to two Pre-kindergarten students.

Pursuant to our calculations, the findings stated above generated a potential loss of \$31,259 in FTE funding to the school.

15.3. In two instances, the Matrix of Services form [FM-5582] corresponding to the IEP [FM-4953] in effect for the October FTE survey was not reviewed or a new one was not completed. These lapses in compliance with process requirements did not generate a potential loss in funding because the level of funding remained unchanged for these students.

RECOMMENDATION

15. Ensure that all SPED folders contain the Matrix of Services form which has been reviewed and updated. The Special Education staff should review the students' cumulative folders and determine that current forms such as IEPs and Matrix of Services are accurate and filed immediately after the information is entered into the Integrated Student Information System (ISIS). This coordinated effort should reduce the probability of being out of compliance and the consequential funding disallowances that may result from these documentation errors/omissions.

Person(s) Responsible: Principal, Assistant Principal, ESE Specialist

Management Response: In order to ensure that the cumulative folders for all SPED students are properly maintained and that the Matrix of Services forms are completed in compliance with guidelines established by the Florida Department of Education, the principal implemented the following corrective actions and preventive strategies with regard to the maintenance of SPED records.

The principal reviewed with the assistant principal, the LEA Chairperson, the data input specialist; and the program specialist, Section D of the Local Education Agency (LEA) Implementation Guide and the Matrix of Services Handbook 2004 Revised Edition. The principal directed the program specialist to immediately conduct a review training for all persons responsible in the area of maintenance of cumulative records, specifically focusing on Matrix of Services and other documents required for SPED funding.

The principal directed the program specialist to coordinate a review of the cumulative records of all current SPED students focusing on the correlation between the Matrix of Services form (FM-5582) and the IEP Eligibility form (FM-4953). The program specialist will work with SPED teachers to ensure that the cumulative records of all SPED students are in compliance using the SPED Standards Record Review (FM-7069).

Effective immediately, the principal directed the registrar to review all incoming cumulative student records, particularly those not completed on WISE, for accuracy and proper documentation in accordance with School Board Rule 6Gx13-5B-1.07-Student Educational Records and to ensure that the IEP and the Matrix of Services both match what appears in ISIS. All incoming SPED cumulative records will then be forwarded to the assistant principal for final review. Any discrepancies found between the Matrix of Services forms and the IEPs will be immediately corrected.

FY 2007-08, SURVEY PERIOD 2

16. BOB GRAHAM EDUCATION CENTER -- A review of a sample of 32 special education (SPED) folders revealed the following 6 discrepancies in five student folders (16%):

- 16.1. In three instances, the Matrix of Services form [FM-5582] corresponding to the IEP [FM-4953] in effect for the October FTE survey was not reviewed or a new one was not completed. Also, in two instances, the Matrix of Services form did not indicate the Related Services. All of these students were categorized as Matrix Level 4 students. As a result of the discrepancies, their corresponding funding levels would have been downward adjusted to Basic with ESE services, for a potential FTE funding loss to the school of \$21,543.
- 16.2. One IEP [FM-4953] was not properly completed. Specifically, we found that the conference type was not indicated. This student was funded at Matrix Level 4. Consequently, this error would have generated a downward funding adjustment to Basic with ESE services, for a potential loss to the school of \$5,436.

RECOMMENDATION

16. Ensure that all SPED folders contain the Matrix of Services form which has been reviewed and updated. The Special Education staff should review the students' cumulative folders and determine that current forms such as IEPs and Matrix of Services are accurate and filed immediately after the information is entered into the Integrated Student Information System (ISIS). This coordinated effort should reduce the probability of being out of compliance and the consequential funding disallowances that may result from these documentation errors/omissions.

Person(s) Responsible: Principal, Assistant Principal(s), Registrar, SPED Department Chairperson, SPED Teachers

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to the accurate completion of IEPs and Matrix of Services forms, the principal implemented the following corrective actions and preventive strategies in order to ensure accurate monitoring and completion of IEPs and Matrix of Services forms.

The principal has directed all person(s) responsible to complete IEPs via WISE and not by hand. This will automatically generate a more accurate Matrix of Services. The SPED Standards Record Review (FM-7069) will be utilized to ensure careful review of each IEP and Matrix of Services form, which will be

signed off by the SPED teacher, SPED department chairperson, and assistant principal in charge of Special Education. This will ensure that there will be continuity between the IEP and Matrix of Services form, which will eliminate errors and omissions.

The principal has reviewed with all person(s) responsible Section D of the Local Education (LEA) Implementation Guide and the Matrix of Services Handbook 2004 Revised Edition.

The principal has directed the assistant principal over Special Education and the Special Education department chairperson to meet with all Special Education teachers and related services providers, in order to disseminate to them the requirements for review of the cumulative folders, IEPs, Matrix of Services, and other related documents. In addition, the meeting will cover the requirement of completing IEPs via the WISE system.

The principal requested professional development from the Office of Special Education and the Office of Attendance Services in the following areas: Completion of Individual Education Plans, completion of Matrices of Services, and other related special education issues. The assistant principal will monitor the registration and attendance of teachers at these workshops.

The principal has directed the registrar to review all incoming cumulative student records for accuracy and proper documentation in accordance with School Board Rule 6Gx13 – 5B-1.07 – Student Educational Records to ensure that the PF17 screen accurately reflects the same information as the IEP and Matrix.

FY 2007-08, SURVEY PERIOD 3

17. TROPICAL ELEMENTARY -- A review of a sample of 40 special education (SPED) folders, including four Gifted, revealed the following three discrepancies in three student folders (8%):

17.1. In two instances, the Matrix of Services form [FM-5582] corresponding to the Individual Education Plan (IEP) [FM-4953] in effect for the February FTE survey did not indicate the Related Services of Occupational and Physical Therapy. These two students were categorized as Matrix Level 4 students.

17.2. One IEP [FM-4953] and Matrix of Services form [FM-5582] was not properly completed. Specifically, we found that program eligibility - language impaired was not indicated. This student was categorized as a Matrix Level 4 student.

Pursuant to our calculations, the findings stated above generated a potential loss of \$16,207 in FTE funding to the school.

RECOMMENDATION

17. Ensure that all SPED folders contain the Matrix of Services form which has been reviewed and updated. The Special Education staff should review the students' cumulative folders and determine that current forms such as IEPs and Matrix of Services are accurate and filed immediately after the information is entered into the Integrated Student Information System (ISIS). This coordinated effort should reduce the probability of being out of compliance and the consequential funding disallowances that may result from these documentation errors/omissions.

Person(s) Responsible: Principal, Assistant Principal, SPED Program Specialist and SPED teachers

Management Response: In order to ensure that all Matrix of Services forms and IEPs are completed in compliance with guidelines established by the Florida Department of Education, the principal will implement the following corrective actions and preventive strategies regarding the proper maintenance of student SPED records.

The principal has reviewed with all person(s) responsible the Matrix of Services Handbook 2004 Revised Edition and the Local Education Agency (LEA) Implementation Guide. The Principal will request training from the Office of Special Education, so that procedures for the maintenance of student SPED

records can be reviewed by persons responsible, specifically focusing on documents required for SPED funding.

The assistant principal for SPED and SPED program specialist will ensure that all SPED folders contain current, completed, and reviewed IEPs and Matrix of Services forms. After review of the IEPs and Matrix of Services form the principal will be notified in writing of any missing or non-compliant documentation. The principal will direct the assistant principal to secure all incorrect documents. All non-compliant documents will be corrected as appropriate.

The principal has also directed the assistant principal to convene a committee of SPED teachers to review the IEPs and Matrix of Services forms of all SPED students paying particular attention to the students with matrices of 254 and 255. The assistant principal and the SPED program specialist will work in teams with SPED teachers to ensure that all SPED students are in compliance. The team will review all IEP and Matrix of Services guidelines for students with disabilities for compliance at the conclusion of each of the four grading periods. The assistant principal will maintain copies of all appropriate SPED forms and will inform the principal immediately in writing of any missing or non-compliant documentation that require further action. The principal will direct the registrar to enter all corrected information into ISIS and print the ISIS information for verification by the assistant principal.

PROPERTY

18. Ineffective Controls Over Property Inventory Result In Loss Of Equipment SOUTH MIAMI SENIOR

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

Pursuant to Section 4 of the Manual, losses or damage to School Board property must be promptly reported to the School Police on a Plant Security Report [FM-0366]; however, the reporting must take effect *within 24 hours of discovery of the loss*.

The School Police is responsible for maintaining records of losses resulting from fire, theft, and vandalism. Upon authorization of the School Police, the losses are removed from property records, subject to final reporting to the School Board.

Our most recent property audit at this school revealed the following discrepancies:

- 18.1. A total of 22 items with a depreciated value of \$20,698 but costing \$46,940 has been reported as “unlocated”. Of the 22 items, 12 were computers with a cost of \$16,000 acquired by the school in January 2007, a scanner/printer with a cost of approximately \$5,300 that had been recently purchased, a \$1,600 camera dated back to 2006; and the remaining items were older computers and an English horn.
- 18.2. Based on documentation provided, the school experienced several incidents of break-ins where property may have been stolen. Three Plant Security Reports were provided to the property auditor to justify some of the ensuing losses; however, two reports had not been submitted to School Police on a timely manner, and were rejected; while the third report was never submitted for approval. These reports listed 7 of the 22 items cited above as “unlocated”. Their cost was \$16,736.
- 18.3. One of the Plant Security Reports contained significant errors. Specifically, several items reported as missing on the report were later located by the property auditor during the property audit.

RECOMMENDATIONS

- 18.1. Ensure that staff in charge of property management understands and is aware of the procedures for accounting for property.
- 18.2. Strengthen the procedures for completing Plant Security Reports and adhere to stipulated timelines.

Person(s) Responsible: Principal, Assistant Principal, Computer Specialist, Teachers

Management Response: In order to ensure that staff responsible for property management understand and are aware of the procedures for accounting of property and the timely completion of plant security reports, the principal immediately implemented the following corrective actions and preventative strategies:

The principal reviewed and discussed with all person(s) responsible the required procedures for properly reporting losses, theft or vandalized property including reporting to MDCPS Schools Police, the acquisition of SPAR numbers and the completion and submission of Plant Security Reports within the required 24 hour timeline as detailed in Section 4 of the Property Control Policies & Procedures Manual.

The principal assigned an assistant principal to develop a database of the school's inventory of controlled property including the physical location of each item. The assistant principal was directed to conduct school-wide property audits prior to the start of the school year and at the conclusion of each grading period and to immediately report any discrepancy in writing to the principal. Any missing property will be investigated for immediate corrective action.

Using the latest property control inventory report, the principal directed the assistant principal and the computer specialist to provide all classroom teachers with a print out of all controlled property located in their classrooms and provided department chairpersons with a print out of all controlled property in their respective departments' storage rooms. Teachers signed receipt for all controlled property directly under their purview and/or located in their classrooms. All teachers have been advised in writing of their responsibility to report any losses, theft or vandalized property immediately in writing to the assistant principal. The individual classroom controlled property listings will be audited with each teacher five times during the school year including at the beginning of the school year and at the conclusion of each grading period.

DATA SECURITY

19. IT Function At School Site Not Properly Monitored Or Maintained GLORIA FLOYD ELEMENTARY

The Office of Management and Compliance Audits uses a self-assessment checklist titled “School Site IT Security Audit Checklist” for schools to evaluate their IT network security and school-site compliance with Network Security Standards and all other related district security policies. Once completed, our office reviews the checklist as part of the regular school audit process. Our IT audit staff visit the schools to verify the accuracy of the information provided on the checklist, and will make recommendations for improving network security as needed. The completed School Site IT Security Audit Checklist was reviewed at this school, in relationship to the following criteria, which we use to measure compliance:

- *Migration to DADESCHOOLS Domain*
- *Security of Wireless Networks and Physical Security of Equipment*
- *Limited Access to Applications for Changing Student Grades*
- *Local Administrator Accessibility*
- *Network Security Standards*

Our review disclosed the following discrepancies:

- 19.1. A server performing domain controller and critical *Dynamic Host Configuration Protocol* (DHCP) services for this location has not been migrated to the DADESCHOOLS domain.
- 19.2. *Wireless Access Point* (WAP) device serving the portables at the school site is in use, but the school-based technician was uncertain about security, encryption, or configuration at the time of our visit. Subsequently, IT confirmed that the system was secure and compliant with their standards.
- 19.3. A review of the *Authorized Applications for Employees by Locations* Report (RACF Report) showed that the School Based Technician is an electronic grade book and attendance manager.
- 19.4. At the time of this audit, password(s) were not on file; while a copy of the Network Security Standards was not available.
- 19.5. An exterior closet with partially exposed (louvered) door allows moisture and dust to enter the room. Network equipment was found to be significantly covered in dust and insects.

These departures from the established criteria represents undesirable threats to network security and could result in damage to equipment.

RECOMMENDATIONS

19.1. Migrate the server to the DADESCHOOLS domain or decommission the server immediately.

Person(s) Responsible: Principal, School Based Technician

Management Response: The principal directed the school based technician to migrate the server to the DADESCHOOLS domain. The server was migrated on March 28, 2008.

19.2. Gain access to the WAP to determine if the device is capable of providing minimum security as defined in MDCPS' Network Security Standards and described in "MDCPS TECH-NOTE: Wireless Security." If the device is compliant, it should be configured as necessary, managed, and monitored by the School Based Technician. If the device is found to be incapable of complying with standards, it should be immediately decommissioned and/or replaced with a compliant device.

Person(s) Responsible: Principal, School Based Technician

Management Response: The principal directed the school based technician to access the WAP to determine if the device is compliant with the MDCPS Wireless Security Standards. The school based technician requested assistance from ITS to access the device. Staff from ITS informed the principal that this WAP is part of the infrastructure and "not a hotspot, as such." Since it is considered part of the infrastructure, only ITS staff may maintain the passwords required to access this device. ITS deployed a technician to the school that accessed the device and confirmed that it meets security standards.

19.3. Revoke the School Based Technician's access to grade book and attendance manager's applications.

Person(s) Responsible: Principal

Management Response: The principal revoked the school based technician's access to the grade book and attendance manager's application on March 20, 2008.

19.4. LOCAL ADMINISTRATOR PASSWORD(S) should be kept on file, updated as needed, and accessible to administrative staff if needed. It is recommended that a copy of MDCPS Network Security Standards be kept on file by the School Based Technician and referenced as needed to ensure that district standards and directives are met.

Person(s) Responsible: **Principal, School Based Technician**

Management Response: The principal directed the school based technician to provide a written copy of the local administrator passwords for the school network. This document will be maintained in a sealed envelope in the school safe. Two binders containing the MDCPS Network Security Standards were created. One binder will be maintained in the principal's office. The second binder will be maintained by the school based technician in the technician's office. The principal reviewed the MDCPS Network Security Standards and the School Site IT Audit Checklist in detail with the school based technician and reminded him of his responsibilities with regard to maintaining network security.

19.5. The door to the exterior room where the network equipment is located should be partially covered from the inside to prevent the stated condition.

Person(s) Responsible: **Principal**

Management Response: The door to the exterior room where the network equipment is located has been modified. A metal screen has been installed on the louvered door and an air conditioner filter has been fastened to the wire mesh to provide protection for the network equipment.

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, 2007;
- 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 the 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;
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification;

While the scope of our audits generally covered operations during the period of July 1, 2006 through June 30, 2007, payroll, property inventory, purchasing credit card transactions, and information technology controls included current periods. FTE audits covered the October 2007 and February 2008 survey periods.

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 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. 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 generally accepted government auditing standards, with the exception of the continuing professional education requirement not followed by our property auditors.

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.

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.

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, 2007 was 5.08%.

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

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- ◆ Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process
- ◆ Each school administers their internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2007, the MDCPS-Money Market Pool Fund's interest rate was 5.08%.

PAYROLL

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

Each school processes its own biweekly payrolls. Timekeeping personnel enter the employees' time and attendance data, on a centralized information system. After the information is entered into the system, it is approved by the principal on-line. Subsequently, the payroll department reviews the information and processes the payroll. Once the checks/advice are printed, they are distributed throughout the District by Treasury Management.

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. Accordingly, our office conducts yearly inventories at each school of all property items with an individual value of \$1,000 or more, the results of which are reported herein.

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 \$1,000 per individual transaction) for materials and supplies. The program is managed by the Office of the Controller.

- The P-Card Program enables schools to make small purchases of less than \$1,000 per individual transaction for materials and supplies
- It expedites the procurement process at the schools

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY AUDIT CHECKLIST

The School Site IT Security Audit Checklist is a self-assessment tool for evaluating network security and compliance with District security policy.



Principals are responsible for ensuring that network security standards and related security procedures are being observed at the school sites. As a means to enhance the safety and security of our District's network, The Office of Management and Compliance Audits, in collaboration with Information Technology Services (ITS), developed a checklist titled "School Site IT Security Audit Checklist". This checklist acts as a self-assessment tool for the schools to evaluate their IT network security and school-site compliance with Network Security Standards and all other related

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

district security policies. Once the checklist is completed, it is submitted to our office for review. As part of the regular school audit process, IT audit staff will visit the schools to verify the accuracy of the information provided on the checklist, and will make recommendations for improving network security as needed.

Principals are also responsible for ensuring that only authorized school staff has access to designated computer applications. Information Technology Services (ITS) produces a quarterly report for each school location titled “Authorized Applications for Employees by Locations Report”. Principals are responsible for reviewing this quarterly report to determine the appropriateness of computer applications approved for each school 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 at their schools.

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 2007-08 FY, months selected by the FDOE for these surveys are as follows:

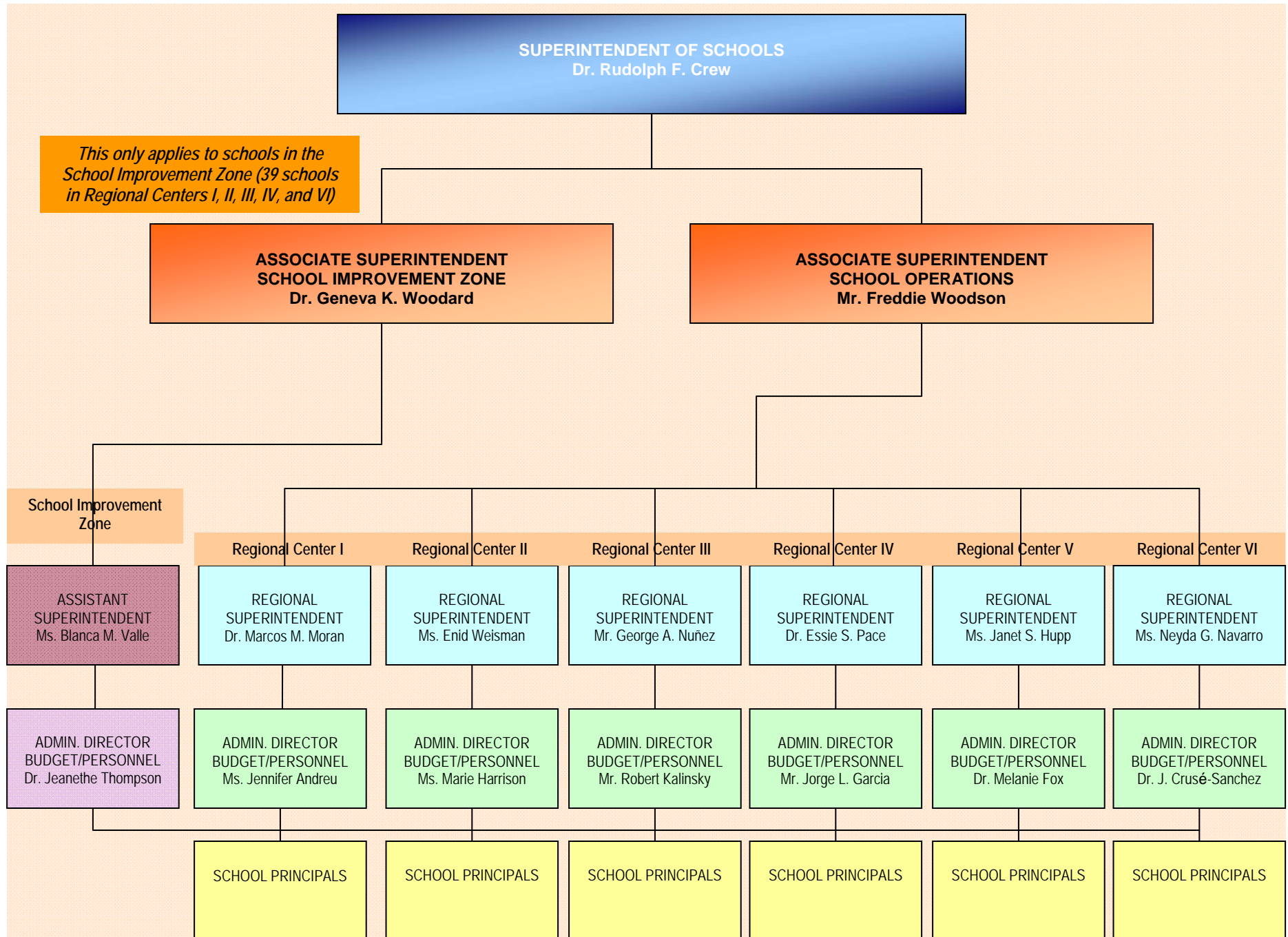
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

Effective this 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



APPENDIX


MANAGEMENT'S RESPONSES


**APPENDIX-MANAGEMENT'S RESPONSE
BRENTWOOD ELEMENTARY**

MEMORANDUM

April 23, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Sharon D. Jackson, Ed.D, Principal
Brentwood Elementary School 

THROUGH: Dr. Marcos M. Moran, Regional Superintendent 
Regional Center I

**SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF BRENTWOOD ELEMENTARY SCHOOL**

The following is a response to relevant findings in the school audit report of Brentwood Elementary School.

RECOMMENDATIONS

Misappropriation of Funds and Overdrawn Checkbook

- 1.1. Periodically review the checkbook to ensure it is being properly maintained.
- 1.2. Review the proper receipting and depositing procedures with the bookkeeper and staff to ensure they have an understanding of the procedures to follow.
- 1.3. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions

Persons Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to internal funds, the principal implemented the following corrective actions and preventive strategies in order to ensure accurate monitoring of the checkbook, receipting and depositing procedures and the timely posting of transactions. The principal met with the secretary/treasurer to review the checkbook balance and to ensure the checkbook is being properly maintained and reconciled. This review procedure will take place on a weekly basis.

The principal reviewed with the Secretary/Treasurer Section II, Chapters 2 & 3 of the Manual of Internal Fund Accounting which outlines the general accounting policies and procedures in reference to the timely posting, proper receipting and depositing procedures. The principal will conduct on a bi-weekly basis through mini-reviews the

APPENDIX-MANAGEMENT'S RESPONSE BRENTWOOD ELEMENTARY

timely and proper posting of receipts to ensure that all accounting policies and procedures have been followed.

Disbursements

- 2.1. Review disbursement function with the bookkeeper and staff to ensure they have an understanding of the procedures to follow.
- 2.2. Monitor the disbursement function to ensure compliance with the requirements.
- 2.3. Periodically review the Fund 9 expenditures to ensure they are properly processed and the account timely replenished.

Persons Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to internal funds, the principal implemented the following corrective actions and preventive strategies in order to ensure proper procedures and compliance as it refers to disbursement requirements.

The principal reviewed with the secretary/treasurer, Section II, Chapters 4, 5 and 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* which outlines the general accounting policies and procedures in reference to disbursements and Fund 9.

The principal will monitor all future purchases by reviewing them with the secretary/treasurer and if applicable, the Internal Funds Purchase Order Log. The principal will ensure that the log has a cross reference to a check number when it is paid.

The principal will monitor and review on a bi-weekly basis, the Fund 9 Internal Fund balance screen 05 available funds balance. When 25% of the established Fund 9 balance has been used, the principal ensured that Fund 9 TPO replenishment would be processed by the treasurer, immediately.

Payroll

- 3.1. Strengthen the administrative process over the review of payroll records and the payroll approval and instruct staff on the proper payroll procedures for recording and reporting payroll.
- 3.2. Adhere to the payroll distribution process to ensure that all employees receiving actual payroll checks sign upon receipt.

**APPENDIX-MANAGEMENT'S RESPONSE
BRENTWOOD ELEMENTARY**

- 3.3. Ensure that the *Temporary Instructors Daily Payroll Attendance Sheet (FM-7090)* is used to document the attendance of substitute teachers.

Persons Responsible: Principal, Assistant Principal, School Secretary

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to payroll procedures, the principal will implement the following corrective actions, preventive strategies in order to ensure accurate monitoring and processing of payroll records.

The principal has reviewed with all person(s) responsible, the Payroll Processing Procedures Manual focusing on the procedures to document, process, and approve payroll.

The principal has directed the clerk responsible for the distribution of payroll checks to ensure the employee signs for the actual payroll check at the time of receipt. The clerk responsible for distribution of checks presents the principal with the payroll checks/advice control report after all checks have been distributed each pay period.

The principal directed the payroll clerk to maintain, on a daily basis, the Temporary Instructors' Daily Payroll Attendance Sheet (FM-7090) and must be submitted to her bi-weekly along with the payroll roster "I" at the time the payroll is being submitted for approval.

Thank you for your attention to this matter. Should you require additional information, please feel free to contact me at 305-624-2657.

cc: Mr. Freddie Woodson
Ms. Cynthia Gracia
Administrative Director

**APPENDIX-MANAGEMENT'S RESPONSE
GOLDEN GLADES ELEMENTARY**

MEMORANDUM

April 23, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Mr. Theron A. Clark, Principal *Theron A. Clark*
Golden Glades Elementary School

THROUGH: Dr. Marcos M. Moran, Regional Superintendent *M. Moran/d.A.*
Regional Center I

**SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF GOLDEN GLADES ELEMENTARY SCHOOL**

The following is a response to relevant findings in the school audit report of Golden Glades Elementary School.

RECOMMENDATIONS

Misappropriation of Funds

- 1.1. Instruct the bookkeeper and staff on the proper receipting and depositing procedures.
- 1.2. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.
- 1.3. Periodically review the checkbook to ensure it is being properly maintained.
- 1.4. Ensure that Internal Fund records are safeguarded and retained for audit purposes.

Persons Responsible: Principal, Assistant Principal, Treasurer and Alternate-Treasurer

Management Response: In order to ensure that strict compliance is maintained with Board policies and procedures regarding Internal Funds, the following corrective measures and preventive strategies have been instituted:

The principal reviewed the Manual of Internal Fund Accounting with the treasurer and alternate treasurer and had them sign a copy of receipt. The following three sections were reviewed: Section IV, Chapters 1, 2 and 4; Section II, Chapters 1 through 3 and Section V, Chapter II. As a result, the procedures for conducting field trips, school pictures and fundraising were discussed and implemented. Additionally, guidelines for

APPENDIX-MANAGEMENT'S RESPONSE GOLDEN GLADES ELEMENTARY

the proper procedures of maintaining accounts, records, checkbook balances, preventing overdrafts and the receipting and depositing of funds are clearly delineated.

Effective immediately, the principal, assistant principal and treasurer implemented school site procedures on the correct method of conducting field trips, fund raisers and the collecting and receipting of monies. Through the use of the Manual of Internal Fund Accounting, a school site procedures manual was created that details the guidelines for sponsoring and conducting activities. All staff members received a copy of the document and a professional development workshop was conducted.

An application to conduct an activity or fundraiser is submitted for approval to the principal. Once it is determined that the fundraiser is in compliance with guidelines, the activity will be assigned a number, an account funding structure and the sponsor will be required to meet with the principal. If the activity requires the collection of monies, the only individuals permitted to collect the funds will be either the school site treasurer or alternate treasurer. A designated time in the mornings has been established for the collections and transactions of monies. Based on the type of activity and the number of students participating, students will either report to the treasurer's office or the treasurer will go to the classrooms to collect monies. The documentation of receiving funds will be recorded through either a recap sheet if under \$15 or through a Board approved receipts for individual collections of \$15 or more.

Once monies are collected, the treasurer will prepare it for immediate deposit. The amount will be credited to the designated account structure in the MSAF system and a deposit transaction at the bank will be conducted by days end.

The principal designated Wednesday as the day to review all financial transactions. Effective immediately, weekly meetings are conducted on Wednesdays where the principal, assistant principal, treasurer and alternate treasurer convene and review all accounts and transactions. A journal is maintained noting the weekly balances of all accounts and financial structures. During this meeting, all invoices are presented and reviewed as well as all bills and financial responsibilities. A review of the checking account transactions is conducted to prevent overdrafts and all records will be secured and stored for audit purposes. Any discrepancies will be addressed and immediate corrective action will be taken.

Disbursements

- 2.1. Instruct the bookkeeper and staff on required disbursement procedures.**
- 2.2. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of disbursement transactions.**
- 2.3. Periodically review Fund 9 expenditures to ensure they are properly processed and the account timely replenished.**

APPENDIX-MANAGEMENT'S RESPONSE GOLDEN GLADES ELEMENTARY

2.4. Ensure that original vendor invoices are maintained to support disbursements.

Persons(s) Responsible: Principal, Assistant Principal, Treasurer and Alternate-Treasurer

Management Response: The principal reviewed Section II, Chapter 5 - timely payments and proper documentation for expenditures and Section III, Chapter 9 - reporting of Fund 9 expenditures of the Manual of Internal Fund Accounting. Weekly meetings are conducted on Wednesdays where the principal, assistant principal, treasurer and alternate treasurer convene and review all accounts and transactions. A journal is maintained documenting all invoices. During this meeting, all invoices are presented and reviewed as well as all other financial responsibilities.

All staff was informed of the required procedures of placing an order for goods or services. This procedure was detailed in a procedures manual that was reviewed with the treasurer.

In order to ensure that a system of checks and balances is present, the treasurer is responsible for securing the orders and making the payments of all goods or services. The alternate treasurer will be responsible for receiving goods and receipts, documenting the receipt of goods in the MSAF system and forwarding the original invoice back to the treasurer for payment.

The requirement of replenishing the Fund 9 account and compliance to other procedures outlined in the Manual of Internal Fund Accounting is implemented through both the weekly meetings and the completion of the monthly financial reports that are completed prior to the 20th day of the following month. These procedures are being implemented to ensure that no invoices will result in late payment. If any discrepancies are presented, immediate action will be taken to make corrections. All records and invoices will be stored and secured for audit purposes.

Payroll

3.1. Instruct staff in required procedures for payroll reporting and recording and strengthen the review process.

3.2. Adhere to the payroll distribution process that requires all employees receiving actual payroll checks to sign for them.

Persons(s) Responsible: Principal, Assistant Principal, Payroll Clerk and the Assistant Payroll Clerk.

Management Response: The principal met with the assistant principal, treasurer and alternate-treasurer to review both Chapters 1 through 5 of the Payroll Processing Procedures Manual and the audit findings.

APPENDIX-MANAGEMENT'S RESPONSE GOLDEN GLADES ELEMENTARY

The principal implemented a system where as the substitute locator receives the calls and documents the staff absences on the staff absentee list. The substitute locator then forwards this list to the principal, assistant principal and primary payroll clerk. The payroll clerk verifies the absences. The payroll clerk compares the daily staff absentee list to the daily sign in sheet to reconcile and establish discrepancies.

On a bi-weekly basis the payroll clerk will use both the sign in sheets and the daily staff absentee rosters to ensure that the recorded payroll is accurate. The procedures for payroll require the payroll clerk to complete and prepare the payroll and forward the first draft to the assistant principal for review. Once reviewed, the corrections are returned to the payroll clerk for corrections. The corrected draft is then forwarded to the principal for review. Upon completion of the principal's review, the final draft is prepared for approval. The principal approves the document and all records are secured and stored for audit purposes.

The established procedures for the distribution of pay checks are in direct compliance with the Payroll Processing Procedures Manual. When checks arrive via S&D mail distribution, the alternate payroll clerk secures them and prepares them for distribution. Each staff member is required to sign for receipt of the document. Upon days end, the remaining checks and stubs are placed in the safe.

The principal will meet periodically with the regional center director for business and participate in the Money Matters Support Program during the 2008-2009 school year.

If additional information is needed, please feel free to contact me at (305) 628-4093.

cc: Mr. Freddie Woodson
Ms. Cynthia Gracia
Administrative Director

**APPENDIX-MANAGEMENT'S RESPONSE
RAINBOW PARK ELEMENTARY**

MEMORANDUM

April 23, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Ms. Robin D. Thomas, Principal
Rainbow Park Elementary School

THROUGH: Dr. Marcos M. Moran, Regional Superintendent *M. Moran*
Regional Center I

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF RAINBOW PARK ELEMENTARY SCHOOL**

The following is a response to relevant findings in the school audit report of Rainbow Park Elementary School.

RECOMMENDATIONS

Forgery of Checks and Misappropriation of Funds

- 1.1. Continue the practice of having the monthly bank statement (checking account) and cancelled checks delivered directly to the Principal for its initial review.
- 1.2. Periodically review the checkbook entries to ensure that it is kept up-to-date, including a running checkbook balance.
- 1.3. Instruct the current bookkeeper and other staff of the procedures for properly receipting and depositing funds, and ensure adherence to these procedures.
- 1.4. Strengthen the monitoring over the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.

Persons Responsible: Principal, Assistant Principal, Bookkeeper

Management Response: In order to ensure strict compliance with Board policies and a procedure regarding Internal Funds, the principal has reviewed with the current bookkeeper and assistant principal Section II, Chapters 1-7 of the Manual of Internal Funds Accounting.

The principal has instructed the school's bookkeeper and other clerical who disburse the daily mail to continue hand delivering the monthly bank statement (checking account) directly to the principal for its initial review. In the absence of the principal, the

APPENDIX-MANAGEMENT'S RESPONSE RAINBOW PARK ELEMENTARY

assistant principal will perform the initial review of the monthly bank statement before she submits it to the bookkeeper.

The principal and bookkeeper have implemented a monthly routine where all checkbook entries are entered on the third Friday of each month after review of the check vouchers by the principal and bookkeeper. Note, this occurs before any checks are written. The bookkeeper has been instructed once a check is written, she is to immediately balance the checkbook and maintain a running checkbook balance which is attached to the last check stub written at the end of each month. The principal frequently reviews the checkbook to ensure the bookkeeper is following the new process and maintaining a positive balance in the checkbook.

To obtain a greater understanding of properly receipting and depositing funds, the bookkeeper has taken the 3-day Internal Funds training. This training will also be provided for the back-up personnel of the bookkeeper and the assistant principal.

To further strengthen the monitoring of the bookkeeper functions, the principal/assistant principal will conduct a minimum of three mini in-house reviews throughout the school year. District personnel may be asked to assist with these mini in-house reviews. The bookkeeper along with the principal will also review monthly transactions at the end of each month and ensure timely postings of these transactions. In addition, receipting procedures have been discussed with staff involved in the collection of funds to have agreement and understanding that a receipt must always be requested and provided when monies exchange hands.

Should you have any questions or concerns, please do not hesitate to contact me at (305)681-0293.

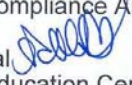
cc: Mr. Freddie Woodson
Ms. Cynthia Gracia
Administrative Director


**APPENDIX-MANAGEMENT'S RESPONSE
LINDSEY HOPKINS TECHNICAL EDUCATION CENTER**

MEMORANDUM

RDB-#178
April 23, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Ms. Rosa D. Borgen, Principal 
Lindsey Hopkins Technical Education Center

THROUGH: Dr. Essie S. Pace, Regional Superintendent 
Regional Center IV

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF LINDSEY HOPKINS TECHNICAL
EDUCATION CENTER**

The following is a response to relevant findings in the school audit report of Lindsey Hopkins Technical Education Center.

RECOMMENDATIONS

Misappropriation of Cafeteria Funds

- 1.1. Implement procedures over the custody and transfer of cafeteria deposits to the main cashier for deposit, and thoroughly discuss these procedures with cafeteria management and staff, and security personnel, to ensure awareness, understanding, and adherence to the procedures.
- 1.2. Instruct the Business Office and cafeteria management to perform daily reconciliations of cafeteria deposits. Furthermore, instruct cafeteria management to monitor the daily cafeteria deposits and related operations.
- 1.3. Continue adherence to the procedures for printing cash register tapes every time a cash register is in operation; review them for accuracy, and include all register tapes in the deposit packages.

Persons Responsible: Principal, Principal's Designee, Business Manager, Treasurer, Food Concession Manager

Management Response: In order to ensure strict compliance with School Board policies and procedures regarding Internal Funds, the following corrective measures and preventive strategies were instituted:

The principal reviewed Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting, Chapter 4 of the Adult and Applied Technology Education Procedures Manual and established guidelines and procedures for the collection of monies and deposits with selected individuals (Food Concession Manager, staff; security personnel).

APPENDIX-MANAGEMENT'S RESPONSE LINDSEY HOPKINS TECHNICAL EDUCATION CENTER

The cafeteria cashiers will count the money in the presence of the Food Concession Manager who will confirm and reconcile the monies to the cash report and journals and prepare the Recap of Collections. The assistant principal responsible for the cafeteria will confirm the accuracy of the transactions. The money and the documents, including the journal tape and the Recap of Collection form will be placed in a locked deposit bag and forwarded to the main cashier for deposit by a security specialist and assistant principal.

The main cashier will sign for the receipt of the bag and will place the transmittal form together with the non-registration receipt in the locked bag. The main cashier will maintain the original transmittal form; and the copy, attached to the Recap of Collections, together with the non-registration receipt, will be returned to the Food Concession Manager. In the event that the cafeteria operates in the evening, this procedure will be repeated for the evening collection.

The Food Concession Manager and treasurer will perform daily reconciliations of cafeteria deposits. This reconciliation will ensure the cash register tape, the Recap of Collections and the deposit documents are in agreement with the money collected.

A deposit log form will be kept by the Food Concession Manager and reviewed by the assistant principal responsible for the cafeteria operations during the day program, as well as, the evening program. The log will be maintained in a binder in numerical order to ensure all deposits made are properly identified.

The school's business manager has been directed to review all documents and verify the integrity of the reconciliation process conducted by the Food Concession Manager and treasurer on a weekly basis. The assistant principal responsible for the operations of the cafeteria will review documents with the principal.

The principal will participate in the Money Matters Support Program and provide training in business practices for the Food Concession Manager, cashiers, concession work and respective administrative staff.

**APPENDIX-MANAGEMENT'S RESPONSE
LINDSEY HOPKINS TECHNICAL EDUCATION CENTER**

Food Service Program (Cafeteria) Expenditures

- 2.1. Strengthen the monitoring of daily cafeteria operations through the use of monthly inventory and operating reports.
- 2.2. Instruct the Business Office and Cafeteria management on the proper classification of cafeteria expenditures and ensure that expenditures are posted to the correct accounts.
- 2.3. Ensure that transfers and adjusting entries for amounts due to the cafeteria for hospitality-related meals is done on a timely basis, before the closing of the month and/or the closing of the year.
- 2.4. Ensure that before an order/purchase is made, the use of an Internal Fund Purchase Order [FM-1012], authorized by the principal and processed by the school treasurer is used for all purchases of \$100 or more.
- 2.5. Perform and maintain an inventory of small kitchen tools and equipment to safeguard this equipment and prevent excessive spending.
- 2.6. Contact the vendor to determine whether a credit can be obtained for the plates that remain unused in inventory.

Persons Responsible: Principal, Principal's Designee, Business Manager, Treasurer, Food Concession Manager

Management Response: The principal will review Section II, Chapters 4 and 5 of the Manual of Internal Funds Accounting, disbursements and expenditures with appropriate staff.

The business manager will prepare a monthly profit and loss statement. The Food Concession Manager will prepare a weekly analysis of Food Cost vs. Sales Report. The assistant principal responsible for the operations of the cafeteria will review reports and present to the principal on a bi-weekly basis to identify trends indicating increases/decreases in profitability in cafeteria operations.

The Food Concession Manager will conduct a monthly inventory of all food items. The monthly inventory will be reviewed by the assistant principal responsible for the cafeteria and by the business manager. This inventory will be compared to the Food Cost vs. Sales Report by the business manager and the principal.

The business manager will contact district level internal funds accounting personnel to identify account structures to enable the treasurer to post correctly into these accounts. The business manager will review and monitor posting into these accounts for accuracy, along with the principal.

The treasurer and business manager will review transactions to ensure all transfers and adjustments due to the cafeteria account be finalized before the end of each month

**APPENDIX-MANAGEMENT'S RESPONSE
LINDSEY HOPKINS TECHNICAL EDUCATION CENTER**

to avoid errors in the Profit/Loss statements report.

An Internal Fund Purchase Order will be used for all purchases of \$100 or more. The principal will not sign checks for purchases of \$100 or more, without an approved purchase order.

A monthly inventory of small tools and equipment will be performed, maintained and reviewed by the Food Concession Manager along with the assistant principal responsible for the cafeteria. Items missing from the monthly inventory will be reported to the principal for immediate corrective action. Future purchases of tools and equipment will be monitored for appropriateness, need and cost by the principal.

The assistant principal responsible for the operations of the cafeteria will contact the vendor of the seventeen cases of ceramic plates in their original sealed boxes, in an effort to return and receive credit for the items. The principal will conduct a follow-up with the designee to ensure that the ceramic plates have been received by the vendor and that credit has been appropriated to the school.

Should you require additional information, please contact me at (305) 324-6579.


cc: Mr. Freddie Woodson
Mr. Jorge L. Garcia
Ms. Cynthia Gracia


**APPENDIX-MANAGEMENT'S RESPONSE
HOMESTEAD SENIOR**

MEMORANDUM

April 21, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Kerri A. Maysonet, Principal 
Homestead Senior High School

THROUGH: Blanca M. Valle, Assistant Superintendent 
School Improvement Zone

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF HOMESTEAD SENIOR HIGH SCHOOL**

The following is a response to relevant findings in the school audit report of Homestead Senior High School for the 2006-07 fiscal year. Homestead Senior High School is committed to implementing correct policies and procedures to ensure compliance with all items found in this report.

RECOMMENDATIONS

Financial Activity

- 1.1. Periodically review the checkbook to ensure it is being properly maintained and monitor balances to prevent overdrafts.
- 1.2. Ensure that an inventory of sequentially numbered checks is maintained for use at the school, and refrain from using temporary checks.
- 1.3. Ensure that proper receipting and depositing procedures are being followed.
- 1.4. Monitor the bookkeeping function to ensure compliance with the procedures and the timely posting of transactions.
- 1.5. Review the inventory of Prenumbered Forms to ensure its accuracy.

Person(s) Responsible: Principal, Vice Principal, Treasurer, Selected Staff

Management Response:

In order to ensure strict compliance with Board policies and procedures regarding Internal Funds, the following corrective measures and preventive strategies have been instituted:

The principal met with the activities director, the treasurer and the principal's designee and reviewed the *Manual of Internal Fund Accounting*, Section II, Chapter 2, outlining

APPENDIX-MANAGEMENT'S RESPONSE HOMESTEAD SENIOR

proper procedures for collection of monies. The principal has directed all staff that will be involved in fundraising activities that they will sign for receipt books from the treasurer and sign a document stating they must issue receipts for ALL funds collected and deposit with the treasurer on the same day of collection.

A workshop was held with all personnel, including the treasurer, the activities director, the athletic director, club sponsors and any instructors that will be involved in fundraising activities regarding proper procedures for the collection and deposit of monies.

The principal will review the bank reconciliation statements and checkbook monthly with the treasurer and the principal's designee to ensure these documents are being properly maintained and prevent overdrafts.

The principal has directed the treasurer to refrain from using temporary checks at anytime and to ensure that an inventory of sequentially numbered checks is maintained for use at the school.

The principal has directed all staff or collection of funds that they must sign for receipt books from the treasurer and

The principal directed the treasurer to post all transactions on the same day they occur. The principal will monitor this activity when meeting monthly with the treasurer to ensure compliance with proper receipting and depositing procedures and the timely posting of transactions.

The principal directed the treasurer to review and correct the inventory of prenumbered forms and collect and review all prenumbered forms quarterly to ensure they are being used sequentially.

Disbursements

- 2.1. Instruct the treasurer and staff on disbursement procedures.
- 2.2. Prior to signing a check, ensure that it is properly documented by an invoice with proper acknowledgment for receipt of goods. If items purchased are to give away to staff and students, verify that distribution is properly documented.
- 2.3. Pay \$207 sales tax for items purchased for student's personal use; and refrain from providing tax exempt certificate numbers to staff as they are to be used solely for the schools' tax-exempt related purchases. Check # 1722 was issued for this payment on April 14, 2008.
- 2.4. Refrain from using the General Fund to pay for hospitality-related expenditures.

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

APPENDIX-MANAGEMENT'S RESPONSE HOMESTEAD SENIOR

Management Response:

The principal reviewed Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, outlining disbursement and bidding procedures with appropriate staff.

The principal discussed with the treasurer and the principal's designee that, effective immediately, no checks will be signed unless accompanied by the proper supporting documentation. These documents will undergo a final review with the principal, the treasurer and principal's designee during the monthly bank reconciliation meeting, and prior to the principal signing the monthly reconciliation. Any discrepancies will be addressed for immediate corrective action.

The principal will verify that distribution lists are utilized to properly document items given away to staff and students.

The principal met with the treasurer to review Section IV, Chapter 9 of the *Manual of Internal Fund Accounting*, for properly documenting disbursements and general guidelines relating to sales tax transactions. The principal will review all invoices with the treasurer to ensure taxes are paid on items that are used as incentives to students.

On April 14, 2008, a check in the amount of \$207.00 was submitted to the vendor for sales tax that was due.

The principal directed the treasurer to charge all hospitality-related expenditures to the Special Purpose account. All invoices written for hospitality-related items for the current year will be reviewed and charges rebudgeted to the correct accounting structure as needed.

Yearbooks

- 3.1. Revisit the 2009 yearbook activity plans to determine its feasibility; and if the school decides to engage in one, consider less costly options.
- 3.2. Ensure that staff understands and adheres to the procedures for documenting all yearbook-related processes; including the selection of the yearbook publisher.
- 3.3. Periodically meet with the yearbook sponsor to monitor the health and well-being of the activity and make adjustments, as needed.

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

Management Response:

The principal reviewed Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* which establishes the procedures for conducting the yearbook activities with the yearbook advisor, activity director, vice principal and treasurer during a meeting.

The principal directed the Yearbook Advisor to reduce the 2007-2008 yearbook order to

APPENDIX-MANAGEMENT'S RESPONSE HOMESTEAD SENIOR

100 yearbooks (with an option to purchase 50 more) to ensure that the number ordered corresponded to the demand. As of April 14, 2008, 110 yearbooks have been sold. Additionally, all future yearbook activity plans will be reviewed to ensure that the number ordered will reflect the numbers purchased at the school site.

The principal directed the yearbook sponsor to ensure that all required forms, including Yearbook Bid Tabulation and Committee Appraisal forms, are completed and maintained in order to verify the yearbook bid selection process.

As part of the monitoring process, the principal will meet with the yearbook advisor, treasurer and principal's designee bi-weekly to ascertain the financial status of the yearbook fund-raising activity and the yearbook sales campaign, and make adjustments to the plans as needed.

Graduation, Senior Class Activities and Other Student Activities

- 4.1. Ensure that staff understands and is aware of the procedures for conducting the commencement activities; and the limitations placed in the use of these funds.
- 4.2. Timely follow-up with the vendor regarding any credits due to the school for unused caps and gowns. This will ensure proper accountability of the activity and prevent overspending of much needed funds.
- 4.3. Instruct the Activities Director, Treasurer, Athletic Department, and Activity Sponsors on the requirement for completing signed complimentary lists whenever items/admissions are given free of charge to students and staff.
- 4.4. The Activities Director and Sponsors should periodically (and at the end of each student/fund-raising activity) review the transactions posted to the activity accounts to ensure accuracy and prevent posting errors.
- 4.5. Ensure that the Activities Director, Sponsors, and the Treasurer understand and adhere to the requirements for completing and verifying the accuracy of these reports.

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

Management Response:

The principal met with the activities director, the vice principal and the treasurer and reviewed Section IV, Chapter 7 of the *Manual of Internal Fund Accounting* outlining procedures for properly documenting graduation and senior activities. The principal directed the activities director and the treasurer to deposit collected funds in the appropriate accounts relating to graduation

The principal directed the activities director to closely monitor the cap and gown activity to ensure that any credits due are timely received by the school. If at anytime, a credit

APPENDIX-MANAGEMENT'S RESPONSE HOMESTEAD SENIOR

is due to Homestead Senior High School, for any reason, the activities director will ensure that a request is made within 10 business days.

The principal instructed the treasurer, the activities director, the athletic director and activity sponsors to complete the complimentary list form when providing students, staff or parents with a tangible gift and obtain their signature.

The principal directed the activities director and activity sponsor to complete and submit form FM-0996, Activity Operating Report, to the treasurer within 10 days of the completion of an activity. This will ensure completeness and accuracy of fundraising reports. In the event that on the 8th day, the report is not received, the treasurer will submit this in writing to the principal.

The principal has directed the principal's designee to meet bi-weekly with the treasurer and activities director to review all operating and fundraising reports within the past two weeks.

Please do not hesitate to contact me at (305) 245-7000, should you need further information.

cc: Dr. Geneva K. Woodard
Dr. Jeanethe Thompson

**APPENDIX-MANAGEMENT'S RESPONSE
MIAMI CAROL CITY SENIOR**

MEMORANDUM

April 23, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Kim W. Cox, Principal *KWC*
Miami Carol City Senior High School

THROUGH: Marcos Moran, Regional Superintendent *M. Moran/dt*
Regional Center

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT
REPORT OF MIAMI CAROL CITY SENIOR HIGH**

The following is a response to relevant findings in the school audit report of Miami Carol City Senior High School.

RECOMMENDATIONS

Payroll

- 1 Discuss with staff the proper payroll procedures to record and report payroll, and document leave, and improve the administrative process over the review of payroll records and the payroll approval.**

Persons Responsible: Principal, Assistant Principal (s), Principal's Secretary, Payroll Clerk

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to payroll procedures, the principal implemented the following corrective actions and preventive strategies in order to ensure accurate monitoring and processing of payroll records and streamline the efficiency of payroll processing.

The principal has reviewed with all person(s) responsible the Payroll Processing Procedures Manual focusing on the procedures to document, process, and approve payroll. The principal developed a school site action plan for processing and monitoring payroll. The plan identified procedures and personnel that will be utilized to monitor and execute payroll at the school site to ensure accuracy of data entry, and implement multiple review levels prior to online approval. The procedures established also provide for careful review of the Daily Payroll Attendance Sheets by both the payroll clerk and the principal. This will ensure that employees have accurately documented their attendance on a daily basis and proper notations are made, i.e., "S" for sick, "A" for LWOP, etc., on the Daily Payroll Attendance Sheets, when employees are out of the building or on leave.

The principal directed the payroll clerk to create, type and distribute a staff absentee

APPENDIX-MANAGEMENT'S RESPONSE MIAMI CAROL CITY SENIOR

list each day to all administrative staff and key leadership personnel. This list will include all absent employees, the reason for the absence, and the name of the substitute teacher, if applicable. In order to ensure consistent reporting and documentation of all absences and leave card signatures, leave cards will be prepared on a daily basis by the payroll clerk for all absent employees to be presented for their signature immediately upon their return to work. The payroll clerk will also place a notice in each absent employee's mailbox reminding him/her to sign their leave card upon return. The principal or designee will verify and sign completed leave cards on a daily basis as well as cross-reference the staff absentee list against the Temporary Instructors Daily Payroll Attendance Sheet to ensure accuracy, proper signatures, and precise reporting for each substitute teacher. The principal also directed the payroll clerk to prepare the payroll in a designated area to eliminate interruptions during the payroll process. The principal will monitor this process on a daily basis to avoid any payroll reporting discrepancies in the future.

As part of the Opening of Schools meeting, the principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing procedures for properly documenting time and attendance, completing leave cards and submitting temporary duty forms prior to scheduled absences. The principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook distributed at the beginning of the school year. Particular emphasis will be placed upon those areas of concern identified in the audit in order to prevent recurrence in the future.

The principal met with her designee to review proper payroll reporting procedures. The principal directed the assistant principal to oversee the payroll preparation and reporting process. The assistant principal will review the roster, all timesheets, leave cards and verify the accuracy of all prepared payroll documents prior to the principal approving the final roster on a bi-weekly basis.

Thank you for your attention to this matter. Should you require additional information, please feel free to contact me at Miami Carol City Senior High School.

cc: Mr. Freddie Woodson
Ms. Cynthia Gracia
Administrative Director

**APPENDIX-MANAGEMENT'S RESPONSE
AMELIA EARHART ELEMENTARY**

MEMORANDUM

April 21, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Dr. Ada B. Hernandez, Principal *ABH*
Amelia Earhart Elementary School

THROUGH: Dr. Marcos M. Moran, Regional Superintendent *M. Moran / ght*
Regional Center I

**SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF AMELIA EARHART ELEMENTARY SCHOOL**

The following is a response to relevant findings in the school audit report of Amelia Earhart Elementary School.

RECOMMENDATION

1. Ensure that all SPED folders contain the Matrix of Services form which has been reviewed and updated. The Special Education staff should review the students' cumulative folders and determine that current forms such as IEPs and Matrix of Services are accurate and filed immediately after the information is entered into the Integrated Student Information System (ISIS). This coordinated effort should reduce the probability of being out of compliance and the consequential funding disallowances that may result from these documentation errors/omissions.

Persons(s) Responsible: Principal, Assistant Principal, ESE Specialist

Management Response: In order to ensure that the cumulative folders for all SPED students are properly maintained and that the Matrix of Services forms are completed in compliance with guidelines established by the Florida Department of Education, the principal implemented the following corrective actions and preventive strategies with regard to the maintenance of SPED records.

The principal reviewed with the assistant principal, the LEA Chairperson, the data input specialist; and the program specialist, Section D of the Local Education Agency (LEA) Implementation Guide and the Matrix of Services Handbook 2004 Revised Edition. The principal directed the program specialist to immediately conduct a review training for all persons responsible in the area of maintenance of cumulative records, specifically focusing on Matrix of Services and other documents required for SPED funding.

APPENDIX-MANAGEMENT'S RESPONSE AMELIA EARHART ELEMENTARY

The principal directed the program specialist to coordinate a review of the cumulative records of all current SPED students focusing on the correlation between the Matrix of Services form (FM-5582) and the IEP Eligibility form (FM-4953). The program specialist will work with SPED teachers to ensure that the cumulative records of all SPED students are in compliance using the SPED Standards Record Review (FM-7069).

Effective immediately, the principal directed the registrar to review all incoming cumulative student records, particularly those not completed on WISE, for accuracy and proper documentation in accordance with School Board Rule 6Gx13-5B-1.07-Student Educational Records and to ensure that the IEP and the Matrix of Services both match what appears in ISIS. All incoming SPED cumulative records will then be forwarded to the assistant principal for final review. Any discrepancies found between the Matrix of Services forms and the IEPs will be immediately corrected.

If additional information or clarification is needed, please feel free to contact me at (305) 687-9493.

cc: Mr. Freddie Woodson
Ms. Cynthia-Gracia
Administrative Director

**APPENDIX-MANAGEMENT'S RESPONSE
BOB GRAHAM EDUCATION CENTER**

MEMORANDUM

April 23, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Dr. Robin P. Behrman, Principal *RB*
Bob Graham Education Center

THROUGH: Dr. Marcos M. Moran, Regional Superintendent *M. Moran/H.A.*
Regional Center I

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF BOB GRAHAM EDUCATION CENTER**

The following is a response to relevant findings in the school audit report of Bob Graham Education Center.

RECOMMENDATION

1. **Ensure that all SPED folders contain the Matrix of Services form which has been reviewed and updated. The Special Education staff should review the students' cumulative folders and determine that current forms such as IEPs and Matrix of Services are accurate and filed immediately after the information is entered into the Integrated Student Information System (ISIS). This coordinated effort should reduce the probability of being out of compliance and the consequential funding disallowances that may result from these documentation errors/omissions.**

Persons Responsible: Principal, Assistant Principal(s), Registrar, SPED Department Chairperson, SPED Teachers

Management Response: In order to prevent the recurrence of similar conditions in future audits with respect to the accurate completion of IEPs and Matrix of Services forms, the principal implemented the following corrective actions and preventive strategies in order to ensure accurate monitoring and completion of IEPs and Matrix of Services forms.

The principal has directed all person(s) responsible to complete IEPs via WISE and not by hand. This will automatically generate a more accurate Matrix of Services. The SPED Standards Record Review (FM-7069) will be utilized to ensure careful review of each IEP and Matrix of Services form, which will be signed off by the SPED teacher, SPED department chairperson, and assistant principal in charge of Special Education. This will ensure that there will be continuity between the IEP and Matrix of Services form, which will eliminate errors and omissions.

APPENDIX-MANAGEMENT'S RESPONSE BOB GRAHAM EDUCATION CENTER

The principal has reviewed with all person(s) responsible Section D of the Local Education (LEA) Implementation Guide and the Matrix of Services Handbook 2004 Revised Edition.

The principal has directed the assistant principal over Special Education and the Special Education department chairperson to meet with all Special Education teachers and related services providers, in order to disseminate to them the requirements for review of the cumulative folders, IEPs, Matrix of Services, and other related documents. In addition, the meeting will cover the requirement of completing IEPs via the WISE system.

The principal requested professional development from the Office of Special Education and the Office of Attendance Services in the following areas: Completion of Individual Education Plans, completion of Matrices of Services, and other related special education issues. The assistant principal will monitor the registration and attendance of teachers at these workshops.

The principal has directed the registrar to review all incoming cumulative student records for accuracy and proper documentation in accordance with School Board Rule 6Gx13 – 5B-1.07 – Student Educational Records to ensure that the PF17 screen accurately reflects the same information as the IEP and Matrix.

If any further information regarding the above actions is needed, the principal of Bob Graham Education Center, Dr. Robin Behrman, may be contacted at (305) 826-5796.

cc: Mr. Freddie Woodson
Ms. Cynthia Gracia
Administrative Director

**APPENDIX-MANAGEMENT'S RESPONSE
TROPICAL ELEMENTARY**

MEMORANDUM

April 14, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Ms. Yubeda Miah, Principal *Yubeda Miah*
Tropical Elementary School

THROUGH: Janet S. Hupp, Regional Superintendent *Janet S. Hupp*
Regional Center V

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF TROPICAL ELEMENTARY SCHOOL**

The following is a response to relevant findings in the school audit report of Tropical Elementary School.

RECOMMENDATION

Full-Time Equivalent (FTE) (FY 2007-08, Survey Period 3)

1. **Ensure that all SPED folders contain the Matrix of Services form which has been reviewed and updated. The Special Education staff should review the students' cumulative folders and determine that current forms such as IEPs and Matrix of Services are accurate and filed immediately after the information is entered into the Integrated Student Information System (ISIS). This coordinated effort should reduce the probability of being out of compliance and the consequential funding disallowances that may result from these documentation errors/omissions.**

Person(s) Responsible: Principal, Assistant Principal, SPED Program Specialist and SPED teachers

Management Response:

In order to ensure that all Matrix of Services forms and IEPs are completed in compliance with guidelines established by the Florida Department of Education, the principal will implement the following corrective actions and preventive strategies regarding the proper maintenance of student SPED records.

The principal has reviewed with all person(s) responsible the Matrix of Services Handbook 2004 Revised Edition and the Local Education Agency (LEA) Implementation Guide. The Principal will request training from the Office of Special Education, so that procedures for the maintenance of student SPED records can be reviewed by persons responsible, specifically focusing on documents required for

APPENDIX-MANAGEMENT'S RESPONSE TROPICAL ELEMENTARY

SPED funding.

The assistant principal for SPED and SPED program specialist will ensure that all SPED folders contain current, completed, and reviewed IEPs and Matrix of Services forms. After review of the IEPs and Matrix of Services form the principal will be notified in writing of any missing or non-compliant documentation. The principal will direct the assistant principal to secure all incorrect documents. All non-compliant documents will be corrected as appropriate.

The principal has also directed the assistant principal to convene a committee of SPED teachers to review the IEPs and Matrix of Services forms of all SPED students paying particular attention to the students with matrices of 254 and 255. The assistant principal and the SPED program specialist will work in teams with SPED teachers to ensure that all SPED students are in compliance. The team will review all IEP and Matrix of Services guidelines for students with disabilities for compliance at the conclusion of each of the four grading periods. The assistant principal will maintain copies of all appropriate SPED forms and will inform the principal immediately in writing of any missing or non-compliant documentation that require further action. The principal will direct the registrar to enter all corrected information into ISIS and print the ISIS information for verification by the assistant principal.

Should you have any questions or concerns, please do not hesitate to contact me at (305) 221-0284.


cc: Mr. Freddie Woodson
Ms. Janet Hupp
Dr. Melanie K. Fox
Ms. Cynthia Gracia


**APPENDIX-MANAGEMENT'S RESPONSE
SOUTH MIAMI SENIOR**

MEMORANDUM

April 14, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Mr. Gilberto D. Bonce, Principal 
South Miami Senior High School

THROUGH: Janet S. Hupp, Regional Superintendent 
Regional Center V

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

The following is a response to relevant findings in the school audit report of South Miami Senior High School.

RECOMMENDATIONS

Property Management

1. Ensure that staff in charge of property management understands and is aware of the procedures for accounting for property.
2. Strengthen the procedures for completing Plant Security Reports and adhere to stipulated timelines.

Person(s) Responsible: Principal, Assistant Principal, Computer Specialist, Teachers

Management Response:

In order to ensure that staff responsible for property management understand and are aware of the procedures for accounting of property and the timely completion of plant security reports, the principal immediately implemented the following corrective actions and preventative strategies:

The principal reviewed and discussed with all person(s) responsible the required procedures for properly reporting losses, theft or vandalized property including reporting to MDCPS Schools Police, the acquisition of SPAR numbers and the completion and submission of Plant Security Reports within the required 24 hour timeline as detailed in Section 4 of the Property Control Policies & Procedures Manual.

The principal assigned an assistant principal to develop a database of the school's inventory of controlled property including the physical location of each item. The

**APPENDIX-MANAGEMENT'S RESPONSE
SOUTH MIAMI SENIOR**

assistant principal was directed to conduct school-wide property audits prior to the start of the school year and at the conclusion of each grading period and to immediately report any discrepancy in writing to the principal. Any missing property will be investigated for immediate corrective action.

Using the latest property control inventory report, the principal directed the assistant principal and the computer specialist to provide all classroom teachers with a print out of all controlled property located in their classrooms and provided department chairpersons with a print out of all controlled property in their respective departments' storage rooms. Teachers signed receipt for all controlled property directly under their purview and/or located in their classrooms. All teachers have been advised in writing of their responsibility to report any losses, theft or vandalized property immediately in writing to the assistant principal. The individual classroom controlled property listings will be audited with each teacher five times during the school year including at the beginning of the school year and at the conclusion of each grading period.

Thank you for your attention. Should you require additional information, please contact me at 305-666-5871.

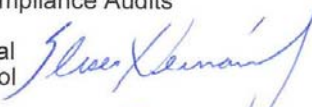
cc: Mr. Freddie Woodson
Ms. Janet S. Hupp
Dr. Melanie K. Fox
Ms. Cynthia Gracia


**APPENDIX-MANAGEMENT'S RESPONSE
GLORIA FLOYD ELEMENTARY**

MEMORANDUM

April 15, 2008

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Mr. Eliseo Hernandez, Principal 
Gloria Floyd Elementary School

THROUGH: Janet S. Hupp, Regional Superintendent 
Regional Center V

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT
REPORT OF GLORIA FLOYD ELEMENTARY SCHOOL**

The following is a response to relevant findings in the school audit report of Gloria Floyd Elementary School.

RECOMMENDATIONS

Network and IT Security

- 1.1. Migrate the server to the DADESCHOOLS domain or decommission the server immediately.

Person(s) Responsible: Principal, School Based Technician

Management Response: The principal directed the school based technician to migrate the server to the DADESCHOOLS domain. The server was migrated on March 28, 2008.

- 1.2. Gain access to the WAP to determine if the device is capable of providing minimum security as defined in MDCPS' Network Security Standards and described in "MDCPS TECH-NOTE: Wireless Security." If the device is compliant, it should be configured as necessary, managed, and monitored by the School Based Technician. If the device is found to be incapable of complying with standards, it should be immediately decommissioned and/or replaced with a compliant device.

Person(s) Responsible: Principal, School Based Technician

Management Response:

The principal directed the school based technician to access the WAP to determine if the device is compliant with the MDCPS Wireless Security Standards. The school based technician requested assistance from ITS to access the device. Staff from ITS informed the principal that this WAP is part of the infrastructure and "not a hotspot, as such." Since it is considered part of the infrastructure, only ITS staff may maintain the

APPENDIX-MANAGEMENT'S RESPONSE GLORIA FLOYD ELEMENTARY

passwords required to access this device. ITS deployed a technician to the school that accessed the device and confirmed that it meets security standards.

- 1.3. **Revoke the School Based Technician's access to grade book and attendance manager's application.**

Person(s) Responsible: Principal

Management Response: The principal revoked the school based technician's access to the grade book and attendance manager's application on March 20, 2008.

- 1.4. **LOCAL ADMINISTRATOR PASSWORD(S) should be kept on file, updated as needed, and accessible to administrative staff if needed. It is recommended that a copy of MDCPS Network Security Standards be kept on file by the School Based Technician and referenced as needed to ensure that district standards and directives are met.**

Person(s) Responsible: Principal, School Based Technician

Management Response: The principal directed the school based technician to provide a written copy of the local administrator passwords for the school network. This document will be maintained in a sealed envelope in the school's safe. Two binders containing the MDCPS Network Security Standards were created. One binder will be maintained in the principal's office. The second binder will be maintained by the school based technician in the technician's office. The principal reviewed the MDCPS Network Security Standards and the School Site IT Audit Checklist in detail with the school based technician and reminded him of his responsibilities with regard to maintaining network security.

- 1.5. **The door to the exterior room where the network equipment is located should be partially covered from the inside to prevent the stated condition.**

Person(s) Responsible: Principal

Management Response: The door to the exterior room where the network equipment is located has been modified. A metal screen has been installed on the louvered door and an air conditioner filter has been fastened to the wire mesh to provide protection for the network equipment.

If there are any questions or concerns, please feel free to contact me at 305-251-9176.

cc: Mr. Freddie Woodson
Ms. Janet S. Hupp
Dr. Melanie K. Fox
Ms. Cynthia Gracia

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***INTERNAL AUDIT REPORT
SELECTED SCHOOLS
MAY 2008***



***MIAMI-DADE COUNTY PUBLIC SCHOOLS
Office of Management and Compliance Audits
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