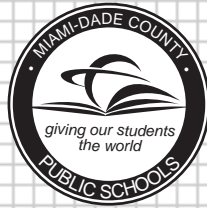


MIAMI-DADE COUNTY PUBLIC SCHOOLS



Internal Audit Report ● Selected Schools



*Financial Statements Were Fairly Stated
At Most Schools; However, At 11
Schools, Controls Over Various Aspects
Of Internal Funds, Payroll, Title I Program
Expenditures, FTE Recordkeeping, And
School Site IT Function Need
Improvement.*

May 2009

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Mr. Renier Diaz de la Portilla
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Ms. Ana Rivas Logan

Mr. Alberto M. Carvalho
Superintendent of Schools

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Interim Chief Auditor
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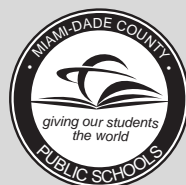
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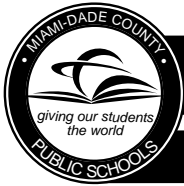
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Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Alberto M. Carvalho

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Ana Rivas Logan

May 4, 2009

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

Members of The School Board Audit Committee

Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

This report includes the audit results of 69 schools. Of this total, 53 report to the North Regional Center, four report to the North Central Regional Center, and the remaining 12 report to the South Regional Center. The audit period for the schools included herein is one year ended June 30, 2008.

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

For the year ended June 30, 2008, combined internal fund receipts and disbursements at the 69 schools amounted to approximately \$18.43 million and \$18.42 million, respectively; while total combined cash and investments amounted to almost \$6.2 million. Property results for 73 schools reported herein, which include the 69 schools focused in this report, disclosed a total combined inventory of approximately \$50.4 million. Title I program expenditures and FTE funding reviewed amounted to approximately \$3.0 million and \$3.3 million, respectively.

Our audits disclosed that the financial statements at most of the schools reported herein were fairly stated. At 58 of the 69 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. However, at 11 schools, controls over various aspects of internal funds, payroll, Title I program expenditures, FTE records, and school site IT security need improvement. Property audit results were satisfactory at 70 of the 73 schools being reported.

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

Sincerely,

Jose F. Montes de Oca, CPA

Interim Chief Auditor

Office of Management and Compliance Audits

JFM:mtg

Office of Management and Compliance Audits

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At-A-Glance Audit Results

- ◆ **69 Schools
Reviewed**
- ◆ **58 Of 69
Schools Were
In Compliance**
- ◆ **11 Schools
Reported Audit
Findings In The
Area Of
Internal Funds,
Payroll, Title I,
FTE, And
School Site
Network/Data
Security.**

EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 69 schools. Of this total, 53 report to the North Regional Center, while four report to the North Central Regional Center. The remaining 12 schools report to the South Regional Center. The audit period for all the schools included herein is one year ended June 30, 2008.

The 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. William Lehman Elementary
2. Frank C. Martin K-8 Center
3. Pine Villa Elementary
4. John I. Smith Elementary
5. South Miami Heights Elementary
6. Thomas Jefferson Middle
7. Redland Middle
8. Homestead Senior
9. Miami Northwestern Senior
10. South Dade Senior
11. North Miami Adult Education Center

At these schools, we determined that controls over various aspects of internal funds, payroll, Title I program expenditures, FTE records, and school site IT security need improvement. Refer to Summary Schedule of Audit Findings on pages 23-26.

Notwithstanding the conditions and findings reported herein, at 68 of the 69 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2007-08 fiscal year, on the cash basis of accounting. At Rainbow Park Elementary, because of the matter of the former bookkeeper's misappropriation of funds and check forgery disclosed in the prior audit, which affected the 2007-08 fiscal year up to November 2007¹, the financial statement of the internal funds of the school does not fairly present the changes in fund balances arising from cash transactions during the 2007-08 fiscal year, on the cash basis of accounting.

As of June 30, 2008, 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 11 aforementioned schools; and the matter of the former bookkeeper's misappropriation of funds and check forgery at Rainbow Park Elementary, as discussed in the aforementioned paragraph.

As of June 30, 2008, for all 69 schools reported herein, total combined receipts and disbursements amounted to \$18,434,737 and \$18,423,991 respectively; while total combined cash and investments amounted to \$6,159,042.

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.

¹ At Rainbow Park Elementary, an interim audit report for the 2007-08 fiscal year up to November 30, 2007 was published in May 2008, as a result of the principal's discovery and our audit/investigation in reference to the check forgery and misappropriation of funds conducted by the former bookkeeper of the school. The interim audit report did not express an opinion on the financial statement pending completion of the 2007-08 fiscal year.

At-A-Glance Audit Results

- ◆ **Financial Statements Fairly Presented At All Schools, Except For Rainbow Park Elementary**
- ◆ **During FY 2007-08, 69 Schools Receipted And Disbursed Approximately \$18.43 M and \$18.42 M, Respectively**
- ◆ **As Of June 30, 2008, \$6.2 M In Cash And Investments.**

At-A-Glance Audit Results

- ◆ Missing Records At William Lehman El.
- ◆ Out-Of-County Field Trips Issues At F. C. Martin K-8
- ◆ Incomplete Paperwork And Errors At Homestead Sr.
- ◆ Checking Account Improperly Monitored at J. I. Smith El.
- ◆ Expenditures Not Compliant With EESAC Procedures At T. Jefferson.

INTERNAL FUNDS

Of 69 schools, 62 were in compliance with the procedures established in the *Manual of Internal Fund Accounting*.

At William Lehman Elementary School, various internal funds records were missing. Our extended review of deposits and disbursements did not disclose any discrepancies or irregularities in the monies collected or disbursed.

At Frank C. Martin K-8 Center, student payments for an out-of-state school sponsored field trip were sent directly to the vendor, thus circumventing the internal funds of the school. The propriety of the bidding and vendor selection process could not be determined since the disbursement was neither processed nor documented through the internal funds of the school. Similar out-of-county student travel arrangements took place during the 2008-09 fiscal year.

At Homestead Senior, our follow up to prior year findings disclosed improvement in the management of the school. However, the inventory of prenumbered forms still contained errors, and yearbooks were sold to students at prices above cost. Also, discrepancies in the documentation supporting certain student activities and fund-raisers were again identified this year. A new treasurer was hired after the prior audit.

At John I. Smith Elementary, prior to our audit visit, the treasurer accidentally utilized bank deposit slips from a recently closed checking account to deposit funds in the wrong bank. The error partly resulted because validated deposit slips were not being reviewed and attached to the deposit packages, or not received from the bank. Other discrepancies related to the management of the checking account included: not running a checkbook balance; not receiving the reverse side of canceled checks; and not posting reconciling monthly adjusting entries to the system in a timely manner.

At Thomas Jefferson Middle, EESAC expenditures disclosed discrepancies in the supporting documentation. Also, EESAC committee approval for these expenditures was not properly documented and/or the approval did not comply with EESAC committee guidelines.

At Miami Northwestern Senior, prior year audit results revealed non-compliance with bidding and disbursement procedures related to Athletic Fund expenses. Our follow-up audit disclosed that a purchase of letterman jackets exceeded the number of items and total cost that the School Board had approved on June 18, 2008 specific to this purchase. This expense further increased the Athletic Fund's deficit balance, which had closed the year with a (\$16,000) deficit. Child care program's records were again incomplete. Prices charged for Cosmetology services differed from prices printed on the work order forms, and the forms used were outdated. The cash register used by Food Production was not working properly; food production work orders reviewed contained errors; and monthly operating and inventory reports were not being prepared.

At North Miami Adult Education Center, prior to this audit, the Principal reported the loss of a \$2,500 cash deposit. Our investigation could not identify the parties responsible for the theft, but determined that procedures for safeguarding deposits were not followed. Internal funds checks from a recently closed checking account were missing from inventory. Checking account balances were at times excessive, and the school was not receiving the cancelled checks from the bank.

PAYROLL

We reviewed payroll records and procedures at 33 of the 69 schools included herein. They are as follows:

- Virginia Boone/Highland Oaks Elementary
- Norma Butler Bossard Elementary
- Brentwood Elementary
- Golden Glades Elementary
- Bob Graham Education Center
- Hialeah Gardens Elementary
- Lake Stevens Elementary
- William Lehman Elementary
- Frank C. Martin K-8 Center
- Norland Elementary
- North Beach Elementary
- Palm Springs North Elementary

At-A-Glance Audit Results

- ◆ **Approved Spending Limits Exceeded At Miami Northwestern Senior; Other Deficiencies In Production Shops**
- ◆ **\$2,500 Deposit Stolen At North Miami Adult Education Ctr. Also, Missing Checks And Excessive Balances**
- ◆ **Payroll Procedures Reviewed At 33 Of 69 Schools.**

At-A-Glance Audit Results

- ◆ 29 Of 33 Schools Were Payroll Compliant
- ◆ 4 Of 33 Schools Reported Exceptions In Payroll
- ◆ Similar Payroll Discrepancies Cited At Pine Villa During The Prior Audit
- ◆ At Pine Villa And South Miami Heights, Payroll Discrepancies Related To The Reporting Of Substitute Payroll.

- **Pine Villa Elementary²**
- Rainbow Park Elementary
- Scott Lake Elementary
- John I. Smith Elementary
- **South Miami Heights Elementary²**
- South Pointe Elementary
- Treasure Island Elementary
- Twin Lakes Elementary
- Dr. Edward L. Whigham Elementary
- Centennial Middle
- Thomas Jefferson Middle
- Jose Marti Middle
- Palm Springs Middle
- **Redland Middle²**
- Barbara Goleman Senior
- **Homestead Senior²**
- Miami Northwestern Senior
- South Dade Senior
- Miami Sunset Adult Education Center
- North Miami Adult Education Center
- Robert Morgan Educational Center

At 29 of the 33 schools, there was general compliance with the procedures established in the *Payroll Processing Procedures Manual*.

At Pine Villa Elementary, during the prior audit, we reported deficiencies related to payroll records of temporary instructional personnel (substitute teachers) that were approved by the former principal. Our review of payroll records this year found similar discrepancies with the attendance reported for temporary instructional personnel (substitute teachers). We also found instances of incomplete payroll records. The current principal was on leave for a portion of this year.

At South Miami Heights Elementary, our review of current payrolls disclosed discrepancies with the attendance reported for temporary instructional personnel (substitute teachers).

² Payroll audit exception cited at this school (4 schools).

At Redland Middle, during prior audits and under the same current administration, we cited or discussed payroll deficiencies. During this audit, we found similar discrepancies related to the documenting and reporting of time and attendance of daily and hourly personnel; the documenting, signing and approving of leave cards; and the sign-in/sign-out procedures followed by cafeteria staff.

At Homestead Senior, leave cards were incomplete and/or not signed. Also, compensatory time was granted to selected employees, and procedures were not followed regarding compensatory time accrual limitations and the depletion of accrued compensatory time by year closing. We identified some instances where employees failed to indicate their presence on the Daily Payroll Attendance Sheets and were reported present. Recently, a new administrator was assigned to oversee the payroll function; and we noticed a significant improvement in those payroll records.

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 69 schools included herein. We are also including the inventory results of four other schools whose property inventory results were pending publication since prior reports. Approximately \$50.4 million was inventoried at these 73 schools.

Property results indicated that 70 of the 73 schools were in compliance with the *Manual of Property Control Procedures*.

Only four items with an acquisition cost of \$6,773 and a depreciated value of \$1,070 were reported “unlocated” at three schools. Refer to Property Schedules on pages 31-35.

Property losses reported through the Plant Security Report process showed 34 items at a cost of \$59,338 and a depreciated value of \$22,799 reported missing at 18 schools. Refer to Property Schedule on page 36. These losses resulted from theft and vandalism incidents reported by the schools, which mostly concentrated in the area of computer equipment. The principal at Miami Lakes Educational Center provided an explanation as to the reason for the high losses at his school. Refer to page 115 of Appendix.

At-A-Glance Audit Results

- ◆ **At Redland Middle, Time And Attendance And Sign-In Procedural Deficiencies Continue**
- ◆ **Homestead Sr. Not Properly Managing Compensatory Time Earned By Employees**
- ◆ **Property Inventories Reported For 73 Schools With Minor Discrepancies**
- ◆ **\$50.4 M Inventoried At These Schools.**

At-A-Glance Audit Results

- ◆ P-Card Program And Records Reviewed At 12 Schools Without Exception
- ◆ Title I Program Reviewed At Three Schools
- ◆ Expenditures Of Approximately \$3 M At These Schools.
- ◆ Of 3 Schools, Only Pine Villa Elementary Was Compliant With Title I Program Procedures.

PURCHASING CREDIT CARD (P-CARD)

We reviewed the P-Card Program's procedures and records at the following 12 schools:

- Virginia A. Boone/Highland Oaks Elementary
- Brentwood Elementary
- Dr. Robert B. Ingram Elementary
- Lake Stevens Elementary
- Frank C. Martin K-8 Center
- North Beach Elementary
- North Glade Elementary
- Palm Lakes Elementary
- Palm Springs North Elementary
- Rainbow Park Elementary
- Thomas Jefferson Middle
- South Dade Senior

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

TITLE I PROGRAM

A review of Title I Program expenditures and procedures was conducted at three schools:

School	Title I Program Expenditures
Pine Villa Elementary	\$ 275,795
South Miami Heights El.	249,936
Miami Northwestern Senior	2,478,227
Total	\$ 3,003,958

For these three schools, total expenditures posted to the various Title I program accounts amounted to approximately \$3 million. Results disclosed that only Pine Villa Elementary was generally compliant with the policies and procedures established by the *Title I Administration Handbook*.

At South Miami Heights Elementary, Title I expenditures exceeded budgeted amounts, and the school charged in-county travel expenditures to the wrong account. Also, part of the in-county travel expense resulted from activities not directly associated to the Title I program.

At Miami Northwestern Senior, prior year's audit results reported the underutilization of computer equipment purchased with Title I funds. Our follow-up audit revealed that several smart boards purchased with Title I funds remained unused and stored in their original boxes. These were delivered to the school over one year ago. Discrepancies with the labeling and tracking of Title I equipment were also identified. Our review of supporting documentation for Title I purchases, as well as a review of the records maintained by the Community Involvement Specialists disclosed that records were incomplete.

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following two schools were selected for these audits:

School	FTE Funding Reported
Golden Glades Elementary	\$ 736,039
John I. Smith Elementary	2,552,999
Total FTE Funding	\$ 3,289,038

The total FTE funding amounted to approximately \$3.3 million for the two schools combined. FY 2008-09 FTE Survey Periods 2 and 3 were reviewed.

Golden Glades Elementary was generally compliant with FTE recordkeeping and reporting procedures. However, at John I. Smith Elementary, we found FTE recordkeeping discrepancies related to Special Education student records. These errors generated a potential funding loss disallowance to the District of approximately \$12,800.

At-A-Glance Audit Results

- ◆ **Title I Program Expenditures Exceeded Budgeted Amounts At So. Miami Heights**
- ◆ **Same As Last Year, Title I Audit At Miami Northwestern Senior Disclosed Under-Utilization Of Title I Equipment**
- ◆ **FTE Record-Keeping Discrepancies Resulted In Potential Losses At John I. Smith.**

At-A-Glance Audit Results

- ◆ **Authorized Applications For Employees By Locations Report Reviewed At 20 Schools**
- ◆ **School Site IT Security Reviews Conducted At Four Schools**
- ◆ **All But One School Was In General Compliance With Network And Data Security Procedures.**

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY AUDIT CHECKLIST

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at 20 schools. At four of these schools, we physically verified the information provided by the schools on the School Site Information Technology (IT) Security Audit Checklist:

- Brentwood Elementary
- Golden Glades Elementary
- Hialeah Gardens Elementary
- William Lehman Elementary
- **Frank C. Martin K-8 Center³**
- North Beach Elementary
- Pine Villa Elementary
- Rainbow Park Elementary
- Scott Lake Elementary
- **Treasure Island Elementary³**
- Centennial Middle
- Thomas Jefferson Middle
- Jose Marti Middle
- Norland Middle
- Palm Springs Middle
- **American Senior³**
- Barbara Goleman Senior
- Homestead Senior
- Miami Northwestern Senior
- **South Dade Senior³**

Except for one school, there was general compliance regarding staff’s access to system applications and school site IT security.

³ School Site IT Security audit was conducted at this school (4 schools). Findings in this area were cited at South Dade Senior High School.

At South Dade Senior, the most recent "Authorized Applications for Employees by Locations" report revealed that the payroll clerk had been granted authorization to input and approve payroll. We also found that the principal had not reviewed the Network Security Standards with the technician; several of the machines tested did not have district antivirus installed, or were not part of the DADESCHOOLS domain. Also, the school had not produced a disaster recovery plan; and there was no evidence of ongoing data backups.

AUDIT OPINION

The following table summarizes total cash receipts and disbursements, and financial position of cash and investments *as of June 30, 2008* for all 69 schools included herein. It also provides the audit opinion regarding the schools' financial statements:

At-A-Glance Audit Results

- ◆ **Data and Network Security Issues Disclosed at South Dade Senior**
- ◆ **Summary Table Of Cash Receipts And Disbursement As Of June 30, 2008 For All 69 Schools Reported Herein And Audit Opinion Follow In The Next Pages Of This Report.**

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2008

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
William Lehman Elementary	\$ 60,362.37	\$ 361,150.72	\$ 377,947.65	\$ 43,565.44	\$ 14,584.74	\$ 28,980.70	-	\$ 43,565.44
Frank C. Martin K-8 Center	24,679.18	272,477.75	280,020.78	17,136.15	2,632.12	14,504.03	-	17,136.15
Pine Villa Elementary	10,790.74	24,694.79	32,060.92	3,424.61	1,314.07	2,110.54	-	3,424.61
South Miami Heights Elementary	22,359.04	38,434.84	44,769.91	16,023.97	7,126.01	8,897.96	-	16,023.97
Redland Middle	61,912.23	97,465.57	98,684.49	60,693.31	4,338.18	45,563.10	\$10,792.03	60,693.31
Homestead Senior	291,381.32	371,134.30	382,106.06	280,409.56	33,869.61	236,539.95	10,000.00	280,409.56
South Dade Senior	191,949.94	428,659.25	450,648.43	169,960.76	18,151.98	151,808.78	-	169,960.76
Norma Butler Bossard Elementary	13,103.71	494,077.68	484,170.48	23,010.91	8,010.91	15,000.00	-	23,010.91
Dr. Edward L. Whigham Elementary	30,308.06	43,207.10	53,162.48	20,352.68	9,635.29	10,717.39	-	20,352.68
Centennial Middle	59,374.07	131,149.89	130,657.45	59,866.51	4,774.01	55,092.50	-	59,866.51
Miami Sunset Adult Ed. Center	121,052.25	362,262.47	325,383.39	157,931.33	23,019.77	134,911.56	-	157,931.33
Robert Morgan Ed. Center (HS)	105,785.11	576,464.52	547,004.77	135,244.86	5,004.02	130,240.84	-	135,244.86
Robert Morgan Ed. Center (Adult/Voc.)	666,466.55	1,900,190.34	1,745,611.88	821,045.01	166,678.04	654,366.97	-	821,045.01

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2008

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
John I. Smith Elementary	46,051.83	711,843.70	707,252.19	50,643.34	4,436.73	46,206.61	-	50,643.34
Thomas Jefferson Middle	27,530.38	62,354.62	61,965.95	27,919.05	8,664.36	19,254.69	-	27,919.05
Miami Northwestern Senior	192,308.25	827,874.89	905,921.71	114,261.43	12,880.42	101,381.01	-	114,261.43
North Miami Adult Ed. Center	319,871.94	329,072.28	275,142.07	373,802.15	52,587.51	321,214.64	-	373,802.15
Biscayne Elementary	30,691.89	199,606.84	206,625.06	23,673.67	10,325.73	13,347.94	-	23,673.67
V.Boone/Highland Oaks Elementary	23,166.61	127,709.72	124,756.37	26,119.96	16,367.24	9,752.72	-	26,119.96
Brentwood Elementary	10,496.43	32,307.67	29,691.22	13,112.88	8,302.02	4,810.86	-	13,112.88
Ruth K. Broad/Bay Harbor K-8 Center	24,222.04	126,275.68	131,076.32	19,421.40	3,570.42	15,850.98	-	19,421.40
Carol City Elementary	30,179.77	14,834.15	11,242.33	33,771.59	25,673.11	8,098.48	-	33,771.59
Gertrude K. Edelman/ Sabal Palm Elementary	22,186.33	28,506.05	34,025.62	16,666.76	11,566.46	5,100.30	-	16,666.76
Fienberg/Fisher K-8 Center	231,291.92	116,552.42	169,048.57	178,795.77	19,915.01	158,880.76	-	178,795.77
Fulford Elementary	23,686.66	25,170.75	26,811.99	22,045.42	2,132.58	19,912.84	-	22,045.42
Golden Glades Elementary	3,649.45	37,772.41	29,719.88	11,701.98	10,347.12	1,354.86	-	11,701.98
Bob Graham Education Center	51,261.54	163,650.33	154,786.75	60,125.12	35,273.93	24,851.19	-	60,125.12

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2008

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Ernest R Graham Elementary	42,754.35	347,207.74	345,923.21	44,038.88	26,495.24	17,543.64	-	44,038.88
Greynolds Park Elementary	34,634.50	290,358.16	300,643.29	24,349.37	14,268.57	10,080.80	-	24,349.37
Barbara J. Hawkins Elementary	18,768.33	58,299.16	59,729.97	17,337.52	8,806.24	7,434.60	1,096.68	17,337.52
Hialeah Gardens Elementary	23,913.11	416,012.28	404,397.87	35,527.52	28,725.00	6,802.52	-	35,527.52
Hibiscus Elementary	35,329.66	31,755.68	45,026.17	22,059.17	6,788.27	15,270.90	-	22,059.17
Dr. Robert B. Ingram Elementary	14,556.74	13,166.18	16,909.20	10,813.72	920.47	9,893.25	-	10,813.72
Madie Ives Elementary	37,702.35	58,496.25	62,336.90	33,861.70	6,838.54	27,023.16	-	33,861.70
Lake Stevens Elementary	19,905.57	20,441.94	24,655.60	15,691.91	11,795.25	3,896.66	-	15,691.91
Miami Gardens Elementary	7,282.64	25,584.50	27,001.06	5,866.08	891.95	4,974.13	-	5,866.08
Miami Lakes K-8 Center	16,185.80	303,686.96	297,976.69	21,896.07	15,705.23	6,190.84	-	21,896.07
Norland Elementary	11,427.39	49,350.22	54,110.00	6,667.61	485.64	6,181.97	-	6,667.61
North Beach Elementary	53,581.54	534,206.95	529,501.79	58,286.70	23,397.04	34,889.66	-	58,286.70
North County Elementary	12,614.13	82,264.45	76,722.31	18,156.27	10,068.13	8,088.14	-	18,156.27

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2008

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
North Dade Ctr. For Modern Languages	22,639.44	39,468.29	34,876.58	27,231.15	10,768.94	16,462.21	-	27,231.15
North Glade Elementary	31,743.30	21,440.91	19,255.79	33,928.42	20,368.53	13,559.89	-	33,928.42
Norwood Elementary	39,909.86	19,253.83	28,089.03	31,074.66	17,482.57	13,592.09	-	31,074.66
Ojus Elementary	27,594.91	76,716.78	79,136.03	25,175.66	7,886.12	17,289.54	-	25,175.66
Palm Lakes Elementary	17,118.42	61,974.88	64,361.36	14,731.94	4,781.87	9,950.07	-	14,731.94
Palm Springs North Elementary	43,005.46	86,948.21	99,547.88	30,405.79	2,612.81	27,792.98	-	30,405.79
Rainbow Park Elementary	8,064.15	28,375.65	27,284.18	9,155.62	7,783.94	1,371.68	-	9,155.62
Scott Lake Elementary	17,435.55	75,625.43	81,974.21	11,086.77	4,224.50	6,862.27	-	11,086.77
Skyway Elementary	18,727.78	29,888.25	33,246.34	15,369.69	2,692.16	12,677.53	-	15,369.69
South Pointe Elementary	49,626.60	189,882.30	187,534.67	51,974.23	30,577.54	21,396.69	-	51,974.23
Treasure Island Elementary	66,947.41	53,973.73	75,955.25	44,965.89	7,462.80	37,503.09	-	44,965.89
Twin Lakes Elementary	21,514.83	30,555.64	30,615.59	21,454.88	1,028.17	20,426.71	-	21,454.88
Nathan B. Young Elementary	6,055.32	23,537.38	24,509.00	5,083.70	3,334.55	1,749.15	-	5,083.70
Lawton Chiles Middle School	50,937.97	64,131.77	64,714.14	50,355.60	44,255.83	6,099.77	-	50,355.60
Country Club Middle	27,097.18	81,305.84	80,286.00	28,117.02	17,797.35	10,319.67	-	28,117.02

Miami-Dade County Public Schools

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2008

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Jose Marti Middle	41,584.28	157,975.40	155,349.39	44,210.29	14,362.96	29,847.33	-	44,210.29
Miami Lakes Middle	91,778.13	73,408.74	71,831.26	93,355.61	25,801.28	67,554.33	-	93,355.61
Nautilus Middle	50,978.75	163,714.36	138,062.07	76,631.04	53,137.34	23,493.70	-	76,631.04
Norland Middle	79,277.53	228,589.90	238,890.86	68,976.57	27,186.61	41,789.96	-	68,976.57
Palm Springs Middle	67,521.89	167,388.44	168,728.08	66,182.25	34,192.76	31,989.49	-	66,182.25
Parkway Middle	30,126.22	35,730.09	41,613.00	24,243.31	5,084.53	19,158.78	-	24,243.31
American Senior	267,102.32	591,892.21	634,724.74	224,269.79	29,786.43	194,483.36	-	224,269.79
Barbara Goleman Senior	295,949.42	1,057,604.59	1,044,784.01	308,770.00	23,741.58	285,028.42	-	308,770.00
Dr. Michael M. Krop Senior	334,566.17	1,232,018.93	1,273,474.11	293,110.99	1,043.89	292,067.10	-	293,110.99
American Adult Education Center	298,849.71	950,056.54	917,097.58	331,808.67	31,225.72	300,582.95	-	331,808.67
Hialeah-Miami Lakes Ad. Ed. Ctr.	265,193.80	167,686.41	162,485.13	270,395.08	31,948.80	238,446.28	-	270,395.08
Miami Beach Adult Ed. Center	193,471.39	414,832.45	420,598.02	187,705.82	23,638.63	164,067.19	-	187,705.82
Miami Lakes Ed. Center (HS)	154,335.51	322,316.02	339,661.57	136,989.96	17,114.16	119,875.80	-	136,989.96

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2008

Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Miami Lakes Ed. Center (Ad./Voc.)	437,056.91	1,778,422.57	1,739,892.41	475,587.07	78,756.62	161,830.45	235,000.00	475,587.07
Miami Douglas MacArthur No.	56,465.77	40,615.74	44,484.24	52,597.27	11,710.75	40,886.52	-	52,597.27
Jan Mann Opportunity School	10,844.80	33,674.38	35,699.96	8,819.22	6,932.23	1,886.99	-	8,819.22
Total	\$6,148,296.50	\$18,434,736.86	\$18,423,991.26	\$6,159,042.10	\$1,275,088.93	\$4,627,064.46	\$256,888.71	\$6,159,042.10


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

Notwithstanding the conditions and findings reported herein, at 68 of the 69 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2007-08 fiscal year, on the cash basis of accounting. At Rainbow Park Elementary, because of the matter of the former bookkeeper's misappropriation of funds and check forgery disclosed in the school's interim audit report for the 2007-08 fiscal year up to November 30, 2007; which was published in May 2008, and which affected the 2007-08 fiscal year up to November 2007, the financial statement of the internal funds of the school does not fairly present the changes in fund balances arising from cash transactions during the 2007-08 fiscal year, on the cash basis of accounting.

As of June 30, 2008, 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 aforementioned 11 schools; and the matter of the former bookkeeper's misappropriation of funds and check forgery at Rainbow Park Elementary, as discussed in the aforementioned paragraph.

As of June 30, 2008, for all schools reported herein, total combined receipts and disbursements amounted to \$18,434,737 and \$18,423,991, respectively; while total combined cash and investments amounted to \$6,159,042.

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 *with* audit exceptions are as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>South Regional Center Schools</u>							
William Lehman Elementary		✓			✓		Likely to impact operations
Frank C. Martin K-8 Center		✓			✓		Likely to impact operations
Pine Villa Elementary		✓			✓		Likely to impact operations
South Miami Heights Elementary		✓			✓		Likely to impact operations
Redland Middle		✓			✓		Likely to impact operations
Homestead Senior		✓			✓		Likely to impact operations
South Dade Senior		✓			✓		Likely to impact operations
<u>North Central Regional Center Schools</u>							
John I. Smith Elementary		✓			✓		Likely to impact operations
Thomas Jefferson Middle		✓			✓		Likely to impact operations
Miami Northwestern Senior		✓			✓		Likely to impact operations
North Miami Adult Ed. Ctr.		✓			✓		Likely to impact operations

INTERNAL CONTROLS RATING

Internal controls' ratings of the schools reported *without* audit exceptions are as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>South Regional Center Schools</u>							
Elementary Schools							
Norma Butler Bossard Elementary	✓			✓			Not Likely to impact
Dr. Edward L. Whigham Elementary	✓			✓			Not Likely to impact
Middle School							
Centennial Middle	✓			✓			Not Likely to impact
Adult Education Centers							
Miami Sunset Adult Ed. Ctr.	✓			✓			Not Likely to impact
Robert Morgan Ed. Center	✓			✓			Not Likely to impact
<u>North Regional Center Schools</u>							
Elementary Schools							
Biscayne Elementary	✓			✓			Not Likely to impact
V. Boone Highland Oaks Elementary	✓			✓			Not Likely to impact
Brentwood Elementary	✓			✓			Not Likely to impact
Ruth K. Broad/Bay Harbor K-8 Center	✓			✓			Not Likely to impact
-							

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Carol City Elementary	✓			✓			Not Likely to impact
Gertrude K. Edelman/ Sabal Palm El.	✓			✓			Not Likely to impact
Fienberg/Fisher K-8 Center	✓			✓			Not Likely to impact
Fulford Elementary	✓			✓			Not Likely to impact
Golden Glades Elementary	✓			✓			Not Likely to impact
Bob Graham Education Ctr.	✓			✓			Not Likely to impact
Ernest R Graham Elementary	✓			✓			Not Likely to impact
Greynolds Park Elementary	✓			✓			Not Likely to impact
Barbara J. Hawkins Elementary	✓			✓			Not Likely to impact
Hialeah Gardens Elementary	✓			✓			Not Likely to impact
Hibiscus Elementary	✓			✓			Not Likely to impact
Dr. Robert B. Ingram Elementary	✓			✓			Not Likely to impact
Madie Ives Elementary	✓			✓			Not Likely to impact
Lake Stevens Elementary	✓			✓			Not Likely to impact
Miami Gardens Elementary	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Miami Lakes K-8 Center	✓			✓			Not Likely to impact
Norland Elementary	✓			✓			Not Likely to impact
North Beach Elementary	✓			✓			Not Likely to impact
North County Elementary	✓			✓			Not Likely to impact
No. Dade Ctr. For Modern Languages	✓			✓			Not Likely to impact
North Glade Elementary	✓			✓			Not Likely to impact
Norwood Elementary	✓			✓			Not Likely to impact
Ojus Elementary	✓			✓			Not Likely to impact
Palm Lakes Elementary	✓			✓			Not Likely to impact
Palm Springs North Elementary	✓			✓			Not Likely to impact
Rainbow Park Elementary			✓			✓	Impacted operations
Scott Lake Elementary	✓			✓			Not Likely to impact
Skyway Elementary	✓			✓			Not Likely to impact
South Pointe Elementary	✓			✓			Not Likely to impact

Note:

◆ An interim audit report for the 2007-08 fiscal year up to November 30, 2007 was published in May 2008, as the result of the former bookkeeper's misappropriation of funds and check forgery. Opinion on internal controls and financial statement presentation not issued until fiscal year was completed. No other control deficiencies were disclosed after November 2007. Refer to qualified opinion on pages 2 and 16, and Summary Schedule of Audit Findings on page 25.

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Treasure Island Elementary	✓			✓			Not Likely to impact
Twin Lakes Elementary	✓			✓			Not Likely to impact
Nathan B. Young Elementary	✓			✓			Not Likely to impact
Middle Schools							
Lawton Chiles Middle School	✓			✓			Not Likely to impact
Country Club Middle	✓			✓			Not Likely to impact
Jose Marti Middle	✓			✓			Not Likely to impact
Miami Lakes Middle	✓			✓			Not Likely to impact
Nautilus Middle	✓			✓			Not Likely to impact
Norland Middle	✓			✓			Not Likely to impact
Palm Springs Middle	✓			✓			Not Likely to impact
Parkway Middle	✓			✓			Not Likely to impact
Senior High Schools							
American Senior	✓			✓			Not Likely to impact
Barbara Goleman Senior	✓			✓			Not Likely to impact
Dr. Michael M. Krop Senior	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Adult Education Centers							
American Adult Ed. Center	✓			✓			Not Likely to impact
Hialeah-Miami Lakes Adult Ed. Center	✓			✓			Not Likely to impact
Miami Beach Adult Ed. Center	✓			✓			Not Likely to impact
Miami Lakes Ed. Center	✓			✓			Not Likely to impact
Alternative Education Centers							
Miami Douglas MacArthur No.	✓			✓			Not Likely to impact
Jan Mann Opportunity School	✓			✓			Not Likely to impact

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT FINDINGS

Summary of findings at schools reported herein with audit exceptions:

Work Loc. No.	Schools	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
<u>South Regional Center Schools</u>					
2891	William Lehman Elementary	1	▪ Financial Mgt.	None	
3101	Frank C. Martin K-8 Center	1	▪ Field Trip	3	▪ Disbursements ▪ P-Card ▪ School Site IT
4461	Pine Villa Elementary	1	▪ Payroll	1	▪ Payroll
5281	South Miami Heights Elementary	2	▪ Payroll ▪ Title I Program	None	
6761	Redland Middle	1	▪ Payroll	None	
7151	Homestead Senior	2	▪ Prior Year Follow-Up ▪ Payroll	4	▪ Financial Mgt. ▪ Disbursements ▪ Yearbook ▪ Student Activities
7701	South Dade Senior	1	▪ School Site IT	None	
<u>North Central Regional Center Schools</u>					
5101	John I. Smith Elementary	2	▪ Financial Mgt. ▪ FTE - SPED	None	
6281	Thomas Jefferson Middle	1	▪ EESAC Expenditures	1	▪ FTE - SPED
7411	Miami Northwestern Senior	4	▪ Athletic Fund Expenditures ▪ Production Shops ▪ Title I – Eq. Purchases ▪ Title I - CIS	7	▪ Payroll ▪ Payroll Distribution ▪ Title I – Payroll ▪ Title I – Eq. Purchases ▪ Title I – Budget ▪ Disbursements ▪ Property
7592	North Miami Adult Ed. Ctr.	1	▪ Financial Mgt.	None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT FINDINGS

Summary of findings at schools reported herein without audit exceptions:

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
<u>South Regional Center</u>					
0125	Norma Butler Bossard Elementary	None		2	▪ FTE – ESE ▪ FTE – ELL
5981	Dr. Edward L. Whigham El.	None		None	
6081	Centennial Middle	None		None	
7532	Miami Sunset Adult Ed. Ctr.	None		None	
7371/ 8911	Robert Morgan Educational Center (H.S. and Adult/Voc.)	None		None	
<u>North Regional Center</u>					
0321	Biscayne Elementary	None		1	▪ FTE – ESE
2441	V. A. Boone/Highland Oaks El.	None		None	
0461	Brentwood Elementary	None		3	▪ Misappropriation ▪ Disbursements ▪ Payroll
0241	Ruth K. Broad/Bay Harbor K-8 Center	None		None	
0681	Carol City Elementary	None		None	
4801	Gertrude K. Edelman/Sabal Palm Elementary	None		None	
0761	Fienberg/Fisher K-8 Center	None		None	
2081	Fulford Elementary	None		None	
2161	Golden Glades Elementary	None		3	▪ Misappropriation ▪ Disbursements ▪ Payroll
0091	Bob Graham Education Center	None		1	▪ FTE - ESE
5051	Ernest R Graham Elementary	None		None	
2281	Greynolds Park Elementary	None		None	
3781	Barbara J. Hawkins Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT FINDINGS

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
2111	Hialeah Gardens Elementary	None		None	
2401	Hibiscus Elementary	None		None	
4121	Dr. Robert B. Ingram Elementary	None		None	
2581	Madie Ives Elementary	None		None	
2801	Lake Stevens Elementary	None		None	
3241	Miami Gardens Elementary	None		None	
3281	Miami Lakes K-8 Center	None		None	
3701	Norland Elementary	None		None	
3741	North Beach Elementary	None		None	
3821	North County Elementary	None		None	
5131	North Dade Center For Modern Languages	None		None	
3861	North Glade Elementary	None		None	
4001	Norwood Elementary	None		None	
4061	Ojus Elementary	None		None	
4241	Palm Lakes Elementary	None		None	
4281	Palm Springs North Elementary	None		None	
4541	Rainbow Park Elementary	None		1	▪ Check Forgery & Misappropriation [#]
4881	Scott Lake Elementary	None		None	
5081	Skyway Elementary	None		None	
5091	South Pointe Elementary	None		None	
5481	Treasure Island Elementary	None		None	
5601	Twin Lakes Elementary	None		None	
5971	Nathan B. Young Elementary	None		None	

Note:

At Rainbow Park Elementary, this finding was cited in an interim audit report issued on May 2008 for the period July 1, 2007 to November 30, 2007. No other reportable conditions disclosed for the rest of the year.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT FINDINGS

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
6161	Lawton Chiles Middle	None		None	
6611	Country Club Middle	None		None	
6421	Jose Marti Middle	None		None	
6501	Miami Lakes Middle	None		None	
6541	Nautilus Middle	None		None	
6571	Norland Middle	None		None	
6681	Palm Springs Middle	None		None	
6721	Parkway Middle	None		None	
7011	American Senior	None		None	
7751	Barbara Goleman Senior	None		None	
7141	Dr. Michael M. Krop Senior	None		None	
7012	American Adult Ed. Center	None		None	
7132	Hialeah-Miami Lakes Adult Education Center	None		None	
7202	Miami Beach Adult Education Center	None		None	
7391/ 8901	Miami Lakes Educational Center (H.S. and Adult/Voc.)	None		None	
7254	Miami Douglas MacArthur North	None		None	
8101	Jan Mann Opportunity School	None		None	
TOTAL		17		27	

LIST OF SCHOOL PRINCIPALS

Listed below are the names of the former and current principals, as applicable:

Work Loc. No.	Schools/Centers	Current Principal	Former Principal
<u>South Regional Center Schools</u>			
0125	Norma Butler Bossard Elementary	Ms. Charmyn M. Kirton	N/A-No Change of Principal Since P/Y Audit
2891	William Lehman Elementary	Ms. Maria C. Cruz	N/A-No Change of Principal Since P/Y Audit
3101	Frank C. Martin K-8 Center	Ms. Pamela F. Brown	N/A-No Change of Principal Since P/Y Audit
4461	Pine Villa Elementary	Ms. Tamela L. Brown	N/A-No Change of Principal Since P/Y Audit
5281	South Miami Heights Elementary	Dr. Maria D. Pabellon	N/A-No Change of Principal Since P/Y Audit
5981	Dr. Edward L. Whigham Elementary	Ms. Kimberly Y. Davis	N/A-No Change of Principal Since P/Y Audit
6081	Centennial Middle	Ms. Yamila M. Carballo	N/A-No Change of Principal Since P/Y Audit
6761	Redland Middle	Mr. Craig J. DePriest	N/A-No Change of Principal Since P/Y Audit
7151	Homestead Senior	Ms. Kerri A. Maysonet	Dr. Henry Crawford (Through October 2007; Principal at Charles R. Drew Middle School)
7701	South Dade Senior	Ms. Alicia Hidalgo	Ms. Janice B. Reineke (Through September 2007; resigned)
7532	Miami Sunset Adult Ed. Center	Dr. Dulce Maria De Villa	N/A-No Change of Principal Since P/Y Audit
7371/8911	Robert Morgan Educational Center (HS & Ad./Voc.)	Mr. Gregory Zawyer	N/A-No Change of Principal Since P/Y Audit
<u>North Central Regional Center Schools</u>			
5101	John I. Smith Elementary	Ms. Gwendolyn C. Hines	N/A-No Change of Principal Since P/Y Audit
6281	Thomas Jefferson Middle	Ms. Maria C. Fernandez	N/A-No Change of Principal Since P/Y Audit
7411	Miami Northwestern Senior	Mr. Charles E. Hankerson	N/A-No Change of Principal Since P/Y Audit
7592	North Miami Adult Ed. Center	Mr. Jean C. Ridore	N/A-No Change of Principal Since P/Y Audit

Note: Name highlighted identifies the *Principal During Audit Period*.

LIST OF SCHOOL PRINCIPALS

Work Loc. No.	Schools/Centers	Current Principal	Former Principal
<u>North Regional Center Schools</u>			
0321	Biscayne Elementary	Dr. Maria T. Rodriguez	N/A-No Change of Principal Since P/Y Audit
2441	Virginia Boone/Highland Oaks Elementary	Dr. Kim S. Rubin	N/A-No Change of Principal Since P/Y Audit
0461	Brentwood Elementary	Dr. Sharon D. Jackson	N/A-No Change of Principal Since P/Y Audit
0241	Ruth K. Broad/Bay Harbor K-8 Center	Ms. Jordana C. Schneider	Ms. Arlene C. Ortenzo (Through April 2009; retired)
0681	Carol City Elementary	Ms. Patricia L. Bloodworth	N/A-No Change of Principal Since P/Y Audit
4801	Gertrude K. Edelman/Sabal Palm Elementary	Ms. Susan G. Blount	N/A-No Change of Principal Since P/Y Audit
0761	Fienberg/Fisher K-8 Center	Ms. Olga M. Figueras	N/A-No Change of Principal Since P/Y Audit
2081	Fulford Elementary	Ms. Rhonda S. Turner	N/A-No Change of Principal Since P/Y Audit
2161	Golden Glades Elementary	Mr. Theron A. Clark	N/A-No Change of Principal Since P/Y Audit
0091	Bob Graham Education Center	Dr. Robin P. Behrman	N/A-No Change of Principal Since P/Y Audit
5051	Ernest R Graham Elementary	Ms. Mayra Alfaro	N/A-No Change of Principal Since P/Y Audit
2281	Greynolds Park Elementary	Dr. Eduardo R. Rivas	N/A-No Change of Principal Since P/Y Audit
3781	Barbara Hawkins Elementary	Ms. Evelyn C. Harrison	N/A-No Change of Principal Since P/Y Audit
2111	Hialeah Gardens Elementary	Ms. Ivette Bernal-Pino	N/A-No Change of Principal Since P/Y Audit
2401	Hibiscus Elementary	Dr. Dyona S. McLean	N/A-No Change of Principal Since P/Y Audit
4121	Dr. Robert B. Ingram Elementary	Dr. Susan T. Trauschke-McEachin	N/A-No Change of Principal Since P/Y Audit
2581	Madie Ives Elementary	Dr. Tanya R. Brown-Major	N/A-No Change of Principal Since P/Y Audit
2801	Lake Stevens Elementary	Ms. Stephanie D. Goree	N/A-No Change of Principal Since P/Y Audit
3241	Miami Gardens Elementary	Ms. Johnnie P. Brown	N/A-No Change of Principal Since P/Y Audit

Note: Name highlighted identifies the *Principal During Audit Period*.

LIST OF SCHOOL PRINCIPALS

Work Loc. No.	Schools/Centers	Current Principal	Former Principal
3281	Miami Lakes K-8 Center	Ms. Rosa L. Calvo	N/A-No Change of Principal Since P/Y Audit
3701	Norland Elementary	Ms. Karen S. Powers	N/A-No Change of Principal Since P/Y Audit
3741	North Beach Elementary	Dr. Alice F. Quarles	N/A-No Change of Principal Since P/Y Audit
3821	North County Elementary	Dr. Lucille E. Collins	N/A-No Change of Principal Since P/Y Audit
5131	N. Dade Ctr. For Modern Lang	Dr. Maria A. Castaigne	N/A-No Change of Principal Since P/Y Audit
3861	North Glade Elementary	Dr. Thomas W. Frederick	N/A-No Change of Principal Since P/Y Audit
4001	Norwood Elementary	Ms. Frances A. Daddario	N/A-No Change of Principal Since P/Y Audit
4061	Ojus Elementary	Dr. Marta M. Mejia	N/A-No Change of Principal Since P/Y Audit
4241	Palm Lakes Elementary	Ms. Alina Q. Iglesias	N/A-No Change of Principal Since P/Y Audit
4281	Palm Springs North Elementary	Dr. Manuel Sanchez III	N/A-No Change of Principal Since P/Y Audit
4541	Rainbow Park Elementary	Ms. Robin T. Armstrong	N/A-No Change of Principal Since P/Y Audit
4881	Scott Lake Elementary	Ms. Valerie B. Ward	N/A-No Change of Principal Since P/Y Audit
5081	Skyway Elementary	Ms. Linda M. Harrison	N/A-No Change of Principal Since P/Y Audit
5091	South Pointe Elementary	Ms. Melanie B. Fishman	N/A-No Change of Principal Since P/Y Audit
5481	Treasure Island Elementary	Ms. Gloria P. Barnes	N/A-No Change of Principal Since P/Y Audit
5601	Twin Lakes Elementary	Ms. Maria L. de León	N/A-No Change of Principal Since P/Y Audit
5971	Nathan B. Young Elementary	Ms. Apryle L. Kirnes	N/A-No Change of Principal Since P/Y Audit
6161	Lawton Chiles Middle School	Mr. John Messersmith	N/A-No Change of Principal Since P/Y Audit
6611	Country Club Middle	Mr. Jose Bueno	N/A-No Change of Principal Since P/Y Audit
6421	Jose Marti Middle	Mr. Jose Enriquez, Jr.	N/A-No Change of Principal Since P/Y Audit

Note: Name highlighted identifies the *Principal During Audit Period*.

LIST OF SCHOOL PRINCIPALS

Work Loc. No.	Schools/Centers	Current Principal	Former Principal
6501	Miami Lakes Middle	Mr. Joaquin P. Hernandez	N/A-No Change of Principal Since P/Y Audit
6541	Nautilus Middle	Dr. Allyn Bernstein-Sachtleben	N/A-No Change of Principal Since P/Y Audit
6571	Norland Middle	Ms. Cheryl W. Nelson	N/A-No Change of Principal Since P/Y Audit
6681	Palm Springs Middle	Ms. Melissa C. Wolin	N/A-No Change of Principal Since P/Y Audit
6721	Parkway Middle	Ms. Paulette Covin-Fredrik	N/A-No Change of Principal Since P/Y Audit
7011	American Senior	Mr. Luis E. Diaz	N/A-No Change of Principal Since P/Y Audit
7751	Barbara Goleman Senior	Mr. Carlos Artime	N/A-No Change of Principal Since P/Y Audit
7141	Dr. Michael M. Krop Senior	Mr. Matthew J. Welker	N/A-No Change of Principal Since P/Y Audit
7012	American Adult Ed. Center	Mr. Alan J. Bashaw	N/A-No Change of Principal Since P/Y Audit
7132	Hialeah-Miami Lakes Adult Ed. Ctr.	Dr. Nilda L. Diaz	N/A-No Change of Principal Since P/Y Audit
7202	Miami Beach Adult Ed. Center	Ms. Shirley A. Velasco	N/A-No Change of Principal Since P/Y Audit
7391/8901	Miami Lakes Education Center	Mr. James V. Parker	N/A-No Change of Principal Since P/Y Audit
7254	Miami Douglas MacArthur No.	Mr. Marion L. Rogers	N/A-No Change of Principal Since P/Y Audit
8101	Jan Mann Opportunity School	Ms. Deborah A. Carter	N/A-No Change of Principal Since P/Y Audit

Note: Name highlighted identifies the *Principal During Audit Period*.

PROPERTY SCHEDULES

Property inventory results are as follows:

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
South Regional Center Schools								
0125	Norma Butler Bossard Elementary	560	\$ 727,178	None	-	-	None	-
0861	Colonial Drive Elementary ♦	102	248,788	1	\$ 1,069	-	None	-
2891	William Lehman Elementary	92	220,994	None	-	-	None	-
3101	Frank C. Martin K-8 Center	185	417,787	None	-	-	None	-
4461	Pine Villa Elementary	161	289,939	2	3,205	\$ 1,070	None	-
5281	South Miami Heights Elementary	126	295,739	None	-	-	None	-
5981	Dr. Edward L. Whigham Elementary	150	350,155	None	-	-	None	-
6081	Centennial Middle	360	645,105	None	-	-	None	-
6761	Redland Middle	516	954,677	None	-	-	None	-
7151	Homestead Senior	677	1,679,694	None	-	-	3	\$ 8,502
7701	South Dade Senior	706	2,350,443	None	-	-	None	-
7781	Felix Varela Senior ♦	1,286	3,163,391	None	-	-	None	-
7532	Miami Sunset Adult Ed. Center	108	178,455	None	-	-	None	-
7371/8911	Robert Morgan Educational Center	1,494	4,280,909	None	-	-	None	-
7631	Miami Douglas MacArthur South ♦	200	428,934	None	-	-	None	-
8131	Dorothy Wallace COPE Center South ♦	133	280,152	None	-	-	None	-

Note:

- ♦ Schools whose audit results (except property) were previously reported to the Audit Committee (4 Schools)

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
North Central Regional Center Schools								
5101	John I. Smith Elementary	164	392,973	None	-	-	None	-
6281	Thomas Jefferson Middle	142	328,585	None	-	-	None	-
7411	Miami Northwestern Senior	766	1,808,126	None	-	-	34	66,142
7592	North Miami Adult Education Center	61	121,469	None	-	-	None	-
North Regional Center Schools								
0321	Biscayne Elementary	188	349,763	None	-	-	None	-
2441	Virginia A. Boone/Highland Oaks Elementary	182	317,677	None	-	-	None	-
0461	Brentwood Elementary	337	610,224	None	-	-	None	-
0241	Ruth K. Broad/Bay Harbor Elementary	175	376,704	None	-	-	None	-
0681	Carol City Elementary	119	225,360	None	-	-	None	-
4801	Gertrude K. Edelman/Sabal Palm El.	72	174,370	None	-	-	None	-
0761	Fienberg/Fisher K-8 Center	229	423,795	None	-	-	None	-
2081	Fulford Elementary	82	217,900	None	-	-	None	-
2161	Golden Glades Elementary	83	196,049	None	-	-	None	-
0091	Bob Graham Education Center	236	505,108	None	-	-	None	-
5051	Ernest R Graham Elementary	345	703,137	None	-	-	None	-
2281	Greynolds Park Elementary	283	562,214	None	-	-	None	-

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
3781	Barbara Hawkins Elementary	136	235,332	None	-	-	None	-
2111	Hialeah Gardens Elementary	113	279,619	None	-	-	None	-
2401	Hibiscus Elementary	166	314,860	None	-	-	None	-
4121	Dr. Robert B. Ingram Elementary	95	274,142	None	-	-	None	-
2581	Madie Ives Elementary	184	362,796	None	-	-	None	-
2801	Lake Stevens Elementary	71	172,813	None	-	-	None	-
3241	Miami Gardens Elementary	61	124,993	None	-	-	None	-
3281	Miami Lakes K-8 Center	246	605,362	None	-	-	None	-
3701	Norland Elementary	384	590,153	None	-	-	None	-
3741	North Beach Elementary	123	289,075	None	-	-	None	-
3821	North County Elementary	91	152,188	None	-	-	None	-
5131	N. Dade County Center for Modern Lang.	37	86,069	None	-	-	None	-
3861	North Glade Elementary	116	245,129	None	-	-	None	-
4001	Norwood Elementary	170	314,327	None	-	-	None	-
4061	Ojus Elementary	171	302,384	None	-	-	None	-
4241	Palm Lakes Elementary	188	363,667	None	-	-	None	-
4281	Palm Springs North Elementary	139	331,172	None	-	-	None	-
4541	Rainbow Park Elementary	126	268,043	None	-	-	None	-

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
4881	Scott Lake Elementary	143	269,652	None	-	-	None	-
5081	Skyway Elementary	106	253,683	None	-	-	None	-
5091	South Pointe Elementary	78	166,381	None	-	-	None	-
5481	Treasure Island Elementary	142	254,896	None	-	-	None	-
5601	Twin Lakes Elementary	122	286,305	None	-	-	None	-
5971	Nathan B. Young Elementary	211	311,842	None	-	-	None	-
6161	Lawton Chiles Middle	812	1,280,714	None	-	-	None	-
6611	Country Club Middle	358	704,412	None	-	-	None	-
6421	Jose Marti Middle	506	1,098,998	None	-	-	None	-
6501	Miami Lakes Middle	312	621,935	1	2,499	-	None	-
6541	Nautilus Middle	277	643,417	None	-	-	None	-
6571	Norland Middle	280	626,379	None	-	-	None	-
6681	Palm Springs Middle	624	1,199,057	None	-	-	None	-
6721	Parkway Middle	152	423,316	None	-	-	None	-
7011	American Senior	659	1,469,186	None	-	-	None	-
7751	Barbara Goleman Senior	885	1,841,970	None	-	-	None	-
7141	Dr. Michael M. Krop Senior	1,050	2,276,615	None	-	-	None	-
7012	American Adult Education Center	201	337,215	None	-	-	None	-

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7132	Hialeah-Miami Lakes Adult Ed. Center	74	155,625	None	-	-	None	-
7202	Miami Beach Adult Ed. Center	228	410,704	None	-	-	None	-
7391/8901	Miami Lakes Education Center	1,794	5,761,448	None	-	-	None	-
7254	Miami Douglas MacArthur North	207	573,447	None	-	-	None	-
8101	Jan Mann Opportunity School	135	285,041	None	-	-	None	-
	TOTAL	22,293	\$ 50,390,156	4	\$ 6,773	\$ 1,070	37	\$ 74,644

PROPERTY SCHEDULES

Analysis of Plant Security Reports for the schools included herein follows:

Work	Schools	No. Of Plant Security Reports	Total Items	Total Amount At Cost	CATEGORY (AT COST)			Total Depreciated Value
					Computers	Audio Visual	Other	
South Regional Center								
6761	Redland Middle	1	1	\$ 1,129	\$ 1,129	-	-	\$ 828
7151	Homestead Senior	1	1	1,355	1,355	-	-	294
8911	Robert Morgan Educational Center (Ad./Voc.)	1	3	3,975	3,975	-	-	3,510
North Regional Center								
2111	Hialeah Gardens Elementary	1	1	1,049	1,049	-	-	533
2401	Hibiscus Elementary	1	1	1,166	-	\$ 1,166	-	-
3281	Miami Lakes K-8 Center	3	4	4,935	3,344	1,591	-	2,899
3701	Norland Elementary	1	1	1,038	1,038	-	-	709
3821	North County Elementary	1	1	2,332	2,332	-	-	-
4281	Palm Springs North Elementary	1	1	1,349	1,349	-	-	-
4541	Rainbow Park Elementary	1	1	1,285	1,285	-	-	750
5091	South Pointe Elementary	1	1	1,940	1,940	-	-	1,440
5971	Nathan Young Elementary	1	1	1,242	1,242	-	-	849
6541	Nautilus Middle	1	1	2,977	-	-	\$ 2,977	233
6571	Norland Middle	3	3	4,603	3,284	-	1,319	-
6681	Palm Springs Middle	1	3	3,111	3,111	-	-	2,058
7141	Dr. Michael M. Krop Senior	2	2	3,368	1,499	1,869	-	2,533
8901	Miami Lakes Educational Center (Ad./Voc.)▼	3	7	21,065	2,930	2,816	15,319	5,465
8101	Jan Mann Opportunity School	1	1	1,419	1,419	-	-	698
	TOTAL	25	34	\$ 59,338	\$ 32,281	\$ 7,442	\$ 19,615	\$ 22,799

Notes:

▼ Refer to page 115 of Appendix--Memorandum from principal providing explanation for these losses.

Schools not reporting Plant Security Reports are excluded from this schedule.

FINDINGS AND RECOMMENDATIONS

INTERNAL FUNDS

1. Inadequate Safeguarding Of Internal Funds Records *William Lehman Elementary*

Section V, Chapter 2 of the *Manual of Internal Fund Accounting* requires that all financial records associated with Internal Fund activities be safeguarded and retained for audit purposes.

According to the school, on February 4, 2009, a box said to contain various internal funds records and documents was found missing from the main office closet.

- 1.1. Our verification of the inventory of prenumbered forms prepared by the school disclosed that 38 of the 52 Official Teacher's Receipt Books [FM-0976] in inventory were missing. The books contained 100 receipts each, and were used during the fiscal year. Missing records included the distribution log for these receipt books, student registration cards corresponding to the Pre-K and V-PK programs, books used to record the sale of school pictures and memory books, as well as the bids for these activities. The school pictures vendor faxed copies of the bid at our request.
- 1.2. We reviewed the activities associated with the missing books and records using ancillary records and reports. Our extensive review did not disclose any significant discrepancies or irregularities related to the monies collected or disbursed.

RECOMMENDATION

- 1. Ensure that records associated with internal fund activities are stored in a safe and secure area with no access to unauthorized personnel.**

Person(s) Responsible: Principal, Assistant Principal, Secretary/Treasurer and
Community School Specialist

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure strict compliance with Board policies and procedures regarding the retention of internal fund records.

The Principal reviewed Section V, Chapter 2 of the *Manual of Internal Fund Accounting* with the Secretary/Treasurer, Community School Specialist, and Assistant Principal that requires all financial records associated with Internal Fund activities be safeguarded and retained for audit purposes. The Principal directed the Secretary/Treasurer to accurately label and store all boxes of Internal Fund records related to each audit cycle. Additionally, the Principal personally reorganized the internal fund records from prior years stored in the main office storage closet in a sequential format for identification purposes. All of the school's financial records have been secured in the vault located in the main office storage closet.

The Principal processed a work order to re-key both the main office storage closet and vault in order to restrict access to the school's financial records. Access by any staff member to any stored internal fund documents are now required to be under the supervision of the Principal and/or Assistant Principal.

The Principal directed all staff responsible for the collection of funds to sign for receipt books from the Secretary/Treasurer in the presence of either the Principal or Assistant Principal. The Principal also directed the Secretary/Treasurer to ensure that any records identified for disposal must be verified by the Principal.

The Principal and the Secretary/Treasurer will review all financial documents on a monthly basis to ensure adequate controls are maintained for the safe keeping of all records associated with Internal Fund activities. In addition, the Principal will request staff from the Office of Internal Fund Accounting to periodically review the school's financial records. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

**2. Out-Of-State School Sponsored Field Trip
Activity Not Accounted Through
Internal Funds
*Frank C. Martin K-8 Center***

According to Section IV, Chapter 1 of the *Manual of Internal Fund Accounting*, the financial activity associated with school-sponsored field trips must be accounted for through the internal funds of the school. Accordingly, all money collected from students and/or revenue generated from student club activities to fund school-sponsored activities must be accounted for through the internal funds of the school, and submitted to the school treasurer to be deposited in the school's checking account. In addition, Section II, Chapter 4 of the *Manual* establishes the bid requirements that must be observed when making purchases to be paid from internal funds revenue.

Our review of the financial records associated with an out-of-state field trip conducted during the 2007-08 fiscal year disclosed the following discrepancies:

- 2.1. A total of 136 Fifth Grade students and chaperones traveled to Philadelphia during April 16-19, 2008, as part of a school-sponsored field trip. According to the field trip application approved by the regional center, the purpose of the trip was to advance and enrich Fifth Grade curriculum. However, only \$2,925, which consisted of bus transportation costs to and from the airport, was processed through the school's internal funds. Upon our inquiries and after contacting the travel agent, we found that payments associated with the field trip amounting to \$114,185 were made directly to the vendor, thus circumventing the internal funds of the school. We contacted the vendor to verify that all payments had been received and there were no outstanding liabilities from this activity.
- 2.2. We were unable to determine the propriety of the bidding and vendor selection process since the disbursement was neither processed nor documented through the internal funds of the school.
- 2.3. During our audit, we found that similar out-of-county travel arrangements for a school sponsored field trip conducted during the 2008-09 were directly made with the vendor.

RECOMMENDATIONS

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

2.2. Going forward, strengthen accountability over collections and disbursements related to school sponsored activities, and rescind from engaging in school sponsored activities whose financial transactions circumvent the recordkeeping procedures established in the *Manual*.

Person(s) Responsible: Principal, Assistant Principal, Treasurer, and Data Input Specialist

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of field trips and the collection of funds.

The Principal met with the Assistant Principal, the Treasurer and the Data Input Specialist to review the audit findings as well as Section IV, Chapter 1-1 of the *Manual of Internal Fund Accounting* and the Miami-Dade County Public Schools Field Trip Handbook. The principal emphasized the procedures for record keeping, collections, and disbursements of funds related to field trips as detailed in the *Manual of Internal Fund Accounting*, Section IV, Chapter 1. The Principal directed the Treasurer to ensure that school sponsored field trips be accounted for through internal funds.

The Principal reviewed with all affected staff, the procedures, guidelines and requirements for field trips and school sponsored events including the accurate receipting of funds collected and disbursed as a result of these events. At the inception and conclusion of each fundraising activity and/or field trip, the Principal, Treasurer, and Activity Sponsor will review the collection and receipting of funds and the accurate completion of all required documentation as detailed in the *Manual of Internal Fund Accounting*. Through the school's monthly newsletter and at a recent meeting of the school's PTA Executive Board, the Principal informed both the community and the PTA that school sponsored field trips must be processed through internal funds. The Principal will no longer authorize field trips when the cost per student may be excessive and/or exclusionary and ensure that funds are available to cover field trip costs for those students unable to pay.

The Principal and Treasurer will meet monthly to review and verify the school's Monthly Financial Report as well as all collections and disbursements related to school sponsored activities. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence. The Principal will also periodically review the posting of receipts to ensure that all internal fund accounting policies and procedures have been implemented and completed in a timely manner.

**3. Follow-Up On Prior Year Findings
Disclosed Improvements;
However, Additional
Improvements
Needed
*Homestead Senior***

During the prior year, the school received audit findings regarding the preparation of the prenumbered forms inventory, inadequate controls over certain school sponsored activities and the yearbook activity. The discrepancies included: errors and omissions in the various reports and supporting documentation, and the school's inability to conduct a sales campaign capable of generating sufficient funds to pay for yearbook costs in full.

Under new administration, marked progress was made when implementing our previous recommendations. At the closing of the 2007-08 fiscal year, the school had raised sufficient funds to pay for the associated yearbook costs. However, our follow-up review still disclosed some of the conditions previously cited, which require further attention.

Prenumbered Forms Inventory

According to the guidelines in Section V, Chapter 2 of the *Manual of Internal Fund Accounting*, internal funds records that must be maintained include the Inventory of Prenumbered Forms. This report must be completed at the end of the fiscal year to provide an accounting of all official forms associated with internal funds activities that were used throughout the year, as well as those forms on-hand by year-end.

- 3.1. During the prior audit, the report contained errors. At that time, we had discussed the preparation of this report with *the new principal and the treasurer (who is no longer employed at the school)*. Similarly for the 2007-08 fiscal year, the Inventory of Prenumbered Forms was incorrectly prepared. We discussed the procedures for completing the report with the *new treasurer* and provided a revised copy of this report to the school.

Yearbook Activity

Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* establishes the procedures over the yearbook activity. Additionally, and according to School Board Rule 6Gx13-6A-1.25 *Authorized Student Fees in Secondary Schools*, the yearbook is optional and can be sold to those students desiring a copy. In senior high schools, the sale price *should be as near the average net price cost of the book as possible*.

According to procedures in the *Manual*, the responsibility for maintaining the yearbook documents rest with the yearbook sponsor. Required documentation includes but it is not limited to: Record of Yearbook Advertising Sold [FM-1028] (to document ad sales), Monthly Operating Reports [FM-1030] (to report monthly activity), and Distribution Report [FM-1031] (to summarize the distribution and year-end inventory of yearbooks).

- 3.2. As result of the prior year audit and at our recommendation, the school contacted the yearbook publisher to reduce the number of yearbooks to be published and the associated costs. We found that, although yearbook costs were lowered, causing the individual cost of the yearbooks to decrease to approximately \$59, the sales price to students was not similarly adjusted. Of 135 yearbooks sold, 101 were sold for \$75 each, or \$16 above cost.
- 3.3. A detailed invoice did not support the final yearbook payment. One was obtained at our request to verify the accuracy of the payment.
- 3.4. There were errors in the preparation of the Distribution Report and the June 2008 Monthly Operating Report. Also, the school did not maintain a Record of Yearbook Advertising Sold.

This was the first full year of yearbook activity for the yearbook sponsor. There was a change of principal at this school in October 2007 (refer to page 27 of this report).

Gradnite and Senior Prom Activities

Section IV, Chapters 2 and 7 of the *Manual of Internal Fund Accounting* provide the guidelines for conducting student sponsored activities. According to the guidelines, upon completion of a fundraiser or a student activity (such as Gradnite and Senior Prom), a Student Operating Report must be prepared, reviewed and verified for accuracy. Also, items issued as complimentary must be documented via signed complimentary lists.

- 3.5. The Student Operating report for Gradnite was not provided; while complimentary admissions to the Senior Prom were not documented via a signed complimentary list. We verified the monies collected for these activities. We were unable to conduct a follow-up review of the Gradnite and Senior Prom activities for the 2008-09 fiscal year, since they had not taken place as of the completion of this audit.

RECOMMENDATIONS

- 3.1. **Ensure that staff understands and adheres to the procedures for preparing the Inventory of Prenumbered Forms. Prior to filing, review the Prenumbered Forms inventory with the Treasurer to ensure its completeness and accuracy.**
- 3.2. **Ensure that staff understands and adheres to the procedures for documenting all yearbook-related processes and for pricing yearbooks.**
- 3.3. **Continue to periodically meet with the yearbook sponsor to monitor the profitability of the activity and make adjustments as needed.**

3.4. Ensure that staff completes and files Student Activity Operating Reports, as well as any complimentary lists related to student activities.

Person(s) Responsible:

Principal, Principal's Designee, Treasurer,
Yearbook Sponsor, Activities Director

Management Response:

3.1 The Principal directed the Treasurer to review procedures for the accurate completion of the Prenumbered Forms Inventory (FM-3564) with the Regional Center's Business Manager as well as the preparation of the Serialized Forms and Ticket Distribution Log (FM-0990).

Prior to filing, the Treasurer has been directed by the Principal to review the Prenumbered Forms Inventory for completeness and accuracy with the Principal's Designee.

The Principal and Designee will review both the Prenumbered Forms Inventory and the Serialized Forms and Ticket Distribution Log on a monthly basis for accuracy and completion.

3.2 The Principal reviewed Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* that establishes the procedures over the yearbook activity with the Yearbook Sponsor, Activity Director, Principal's Designee and Treasurer.

3.3 The Principal will meet periodically with the Yearbook Sponsor, Treasurer and Principal's Designee to ascertain the financial status of the yearbook fund-raising activity and make required adjustments to ensure the cost of the yearbook is appropriate.

The Principal directed the Yearbook Sponsor to maintain required documentation including, but not limited to: Bid Tabulation Form (FM-1024); Committee Appraisal-Yearbook Printing Form (FM-1025); Monthly Operating Reports (FM-1030); and Distribution Report (FM-1031) on file at the school for audit purposes.

3.4 As part of the monitoring process, the Principal will meet with the Yearbook Sponsor, Treasurer, and Principal's Designee bi-weekly to ascertain the financial status of the yearbook fund-raising activity, the yearbook sales campaign, and make adjustments, as necessary. The Principal will randomly review all documentation required for yearbook sales including, but not limited to: the Student Activity Operating Report as well as any complimentary lists. The Principal, Treasurer and Activities Director will meet quarterly to monitor all Student Activity Operating Reports. The Principal will also randomly monitor all documentation required for all fundraisers including but not limited to Gradnite and the Senior Prom.

**4. Inadequate Oversight Over
Deposits And Financial
Records
*John I. Smith Elementary***

Section II, Chapters 3 and Section V, Chapter 1 of the *Manual of Internal Fund Accounting* establish that a running checkbook balance must be maintained to prevent overdrawing the available balance in the checking account and improve controls over the checking account balances. A daily balance is recommended. Similarly, according to the procedures in Section V, Chapter 1 of the *Manual*, the MSAF system should be updated by posting all adjustments and charges during the monthly reconciliation process. Documents such as: canceled checks revealing the endorsement and validated deposit slips should be received by the school as part of the internal fund documentation. According to Section II, Chapter 3 of the *Manual*, the school must request from the bank a form of deposit confirmation if the bank does not return validated slips.

Our review of the school's financial records disclosed the following discrepancies:

- 4.1. During the months of September and October 2007, the school's treasurer accidentally utilized bank deposit slips from a recently closed checking account to prepare Internal Fund deposits. As a result, four deposits totaling \$9,406 were deposited into the wrong checking account. The school did not detect the error until contacted by the former bank. Funds were returned to the school via cashier checks, which were deposited in the school's current checking account. Based on our review of deposit packages, we determined that the error went unnoticed as a result that validated deposit slips were not always reviewed and attached to the deposit packages, or not received.
- 4.2. The school had not maintained a running checkbook balance since April 2008. This condition was discussed with the school administration for immediate corrective action.
- 4.3. The school was not receiving the reverse side of canceled checks. These were obtained by the school administration at our request.
- 4.4. Reconciling monthly adjusting entries were not posted to the MSAF System in a timely manner. We noticed posting delays of 1 to 2 months.
- 4.5. In various instances, Recap of Collections were incomplete and official receipts were not always issued for individual collections of \$15 or more.

RECOMMENDATIONS

- 4.1. Strengthen the review of deposits and monitor bank balances closely.
- 4.2. Discuss with staff the procedures for completing the deposit packages to ensure understanding of the requirements.
- 4.3. Discuss with staff the procedures for maintaining the checking account balance up-to-date, the preparation of accurate monthly reconciliations and receipt of canceled checks.
- 4.4. Periodically review the documents to ensure records are complete and compliant with the requirements.

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

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

The principal met and reviewed with secretary/treasurer the *Manual of Internal Fund Accounting*, Section II, Chapters 3 and Section V, Chapter 1, identifying the proper procedures for monitoring account balances, maintaining current checkbook balance, timely postings and noting adjustments during the monthly reconciliation.

The principal will monitor, view on-line banking and verify deposit slips weekly. Additionally, the principal will monitor the checkbook balance on a weekly basis and will review the preparation of the monthly reconciliation to ensure receipt of cancelled checks, timely postings of all J.V. entries of bank charges and interest to the current month before submitting to district.

The principal will review with principal's designees the documents to ensure records are complete and compliant with the requirements. Any discrepancies will be addressed and corrected immediately.

5. EESAC Expenditures Not Properly Approved Or Approval Not Documented
Thomas Jefferson Middle

The Miami-Dade County's *Educational Excellence School Advisory Council (EESAC) Resource Guide* addresses the fiscal responsibility of the EESAC Committee. Specifically, it refers to the guidelines issued by the Controller for Miami-Dade County Public Schools regarding the use of EESAC funds for making small purchases through the school's internal fund. According to the memorandum from the Office of the Controller issued on February 4, 2005, later updated on October 3, 2008, internal funds purchases made with EESAC funds are limited to small food purchases and incentives otherwise not allowed through Fund 9, the P-Card or district purchasing guidelines. Furthermore, and pursuant to the memorandum, the amount to be accessed through internal funds is a single yearly transaction that cannot be higher than \$2,999 per fiscal year.

Committee decisions and directions regarding the use of these monies must be made *at the beginning of the school year* and must clearly be documented in the EESAC minutes. A majority voting members of the council shall constitute a quorum; and a quorum must be present before a vote may be taken.

The EESAC Committee is a public body subject to the requirements of Florida's Government-in-the-Sunshine. This requires public access to the EESAC and to its public records. Accordingly, the members cannot meet and/or vote in secret--all votes must be made publicly, recorded in the minutes, and members of the EESAC may not discuss privately any issue that will come before the EESAC for a vote.

Our review of the expenditures related to EESAC disclosed the following discrepancies:

- 5.1. Close to the end of December 2007, the school transferred \$2,999 from the District to the Trust Fund-EESAC account; however, committee approval for this funds transfer could not be traced to any of the archived official committee meeting minutes. At our request, the principal provided a copy of what appeared to be minutes of an EESAC meeting held on October 25, 2007, where it appears that financial decisions were made by the committee. However, amounts and details captured in these minutes did not match amounts transferred and spent, and spending details were not specific.
- 5.2. Expenditures posted to the Trust Fund-EESAC account included pizza purchases and musical entertainment totaling approximately \$1,050, as well as a reimbursement to a staff member for \$1,861. A review of the documentation supporting this disbursement disclosed that purchase orders were approved after-the-fact for various hospitality and food items that were purchased throughout the year, between August 2007 and May 2008. Purchases included

50 gift cards of \$5-\$20 denomination from a toy store and a popular food establishment and two digital music players with an individual cost of approximately \$39 that were apparently issued to students, but for which a complimentary signed list was not provided. Similarly, \$91 was transferred from this account to a locks account to pay for student locks that were apparently given as incentives.

- 5.3. EESAC expenditures processed through the Fund 9 account included a disbursement for student trophies for the End of the Year Awards Ceremony with a total cost of \$1,410; however, the committee never publicly convened to approve and vote on this last expense. According to documentation provided, funds were needed to cover the expense, which due to its timing, could not wait until May 13 for the committee to meet and approve. Instead, the EESAC Chair addressed a letter to the EESAC Committee explaining the urgency of the request and soliciting their approval by initialing the document.

RECOMMENDATIONS

- 5.1. **Provide the EESAC Committee with a copy of the Miami-Dade County's Educational Excellence School Advisory Council (EESAC) Resource Guide and discuss with them for awareness and understanding of the procedures.**
- 5.2. **Ensure that the official committee minutes include clear and accurate description as to the use of the funds and the corresponding approval prior to making any expenditure.**
- 5.3. **Ensure that committee members understand that decisions for spending monies must be approved for in a public meeting, pursuant to the requirements of Florida's Government-in-the-Sunshine. As such, any decisions of the committee must be recorded in the minutes, and members of the EESAC may not discuss privately any issue that will come before the EESAC for a vote.**

Person(s) Responsible: Principal, Assistant Principal, Treasurer and EESAC Chairperson

Management Response: In order to ensure that requirements for the disbursement of internal funds are properly adhered to, the principal will implement the following corrective actions and preventive strategies regarding the disbursement of internal funds.

The principal convened a meeting with the assistant principal and the treasurer to review the audit findings and the requirements for the disbursement of EESAC expenditures.

The principal will provide copies of, and review, Miami-Dade County's Educational Excellence School Advisory Council (EESAC) Resource Guide at the school's next scheduled EESAC meeting on May 8, 2009, to ensure a better understanding that decisions for spending monies must be approved in a public meeting pursuant to the requirements of Florida's Government-in-the-Sunshine-Law and that limitations and restrictions to the EESAC funds must be adhered.

The principal and the EESAC Chairperson will ensure that all EESAC minutes will include clear and accurate descriptions and corresponding approvals of all expenditures.

The principal and treasurer will ensure that all purchase orders are completed and approved prior to the purchase of any items. The principal will ensure that the receipts for reimbursements are given in a timely manner. Additionally, any complementary items given will be itemized on the Complimentary Items-Recipient List form.

The principal and designated assistant principal will continue to monitor internal funds disbursement procedures on a monthly basis to ensure adherence to all required procedures.

**6. Inadequate Oversight Over
Athletic Fund Expenses
Miami Northwestern Senior**

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

At this school, results from the 2006-07 fiscal year audit included non-compliance with bidding and other disbursement procedures related to Athletic Fund expenses. These expenses included the purchase of letterman jackets that were given as awards to staff and students and that, pursuant to award cost thresholds established by School Board Rule 6Gx13-3C-1.18¹ and the Manual, should have received prior approval of the School Board.

For the 2007-08 fiscal year, at the June 18, 2008 School Board meeting, School Board Agenda Item C-70 was brought before the School Board to request approval for the purchase of 75 letterman jackets with a total cost of \$11,625. These would be given as awards to student members of the 2007 State and National Championship Football Team of Miami Northwestern Senior High School.

Our follow-up to the prior year findings disclosed the following:

- 6.1. On July 31, 2008, after the closing of the year, the school paid \$18,730 for the purchase of 118 letterman jackets. However, according to the agenda item approved by the School Board, the approval was limited to the purchase of 75 jackets for the football team players with a total cost of \$11,625. As a result, this purchase exceeded amounts approved by 43 jackets and \$7,105.
- 6.2. At June 30, 2008, the Athletic Fund closed the year with a deficit balance of (\$16,213). Even though funds were not available to cover the expense, the school charged the jackets' expense to this Fund. Consequently, at July 31, 2008, the Athletic Fund balance's deficit increased to (\$35,278). The school's checking account did not incur a deficit since it included additional funds from other internal fund accounts.
- 6.3. Pursuant to the complimentary signed list provided by the school, 115 jackets were distributed to football players and coaches, as well as administrative and support staff. During the audit visit, we verified that two jackets remained in

¹ According to School Board Rule 6Gx13-3C-1.18 *Expenditures for Awards and Incentives*, prior School Board approval is required for all monetary awards and non-monetary awards where the unit cost of the award exceeds \$40.00.

storage, while one jacket could not be accounted for. Similar to the prior year, sales tax of \$1,311 was not paid for this purchase.

RECOMMENDATIONS

- 6.1. **Ensure that funding is available before approving expenditures.**
- 6.2. **Strengthen the controls and monitoring over the Athletic Fund balances to prevent excessive spending and deficit balances.**
- 6.3. **Adhere to School Board expenditure thresholds and approvals.**

Person(s) Responsible: Principal, Assistant Principal for Athletics, Treasurer, Athletic Business Manager and Athletic Director

Management Response: The Principal met with the Athletic Director, Assistant Principal for Athletics, Athletic Business Manager, and Treasurer to review the audit findings.

In order to prevent future audit exceptions in this area, the Principal reviewed and discussed Chapter 1, Section III of the *Manual of Internal Fund Accounting* pertaining to athletic program expenditures. Additionally, the Principal reviewed with the designated staff the School Board Rule 6GX13-3C-1.18, which pertains to the threshold amount allowed under Board Rule for Student and Staff awards. The Principal provided designated staff with a copy of this Board Rule as a reminder that School Board expenditure thresholds and approvals must be observed in future purchases.

The Principal instructed the Assistant Principal for Athletics to monitor the Athletic Fund balances by reviewing the accounts on a monthly basis with the Treasurer, Athletic Business Manager and Athletic Director.

The Principal established the following guidelines for the Athletic Department to follow regarding expenditures of Athletic funds. A copy of the available balance screen must be included with the request for Principal signature on any expenditure that exceeds \$1,000.00. The approval signatures of the Athletic Director, Athletic Business Manager, Assistant Principal for Athletics and the Treasurer must be present prior to submitting for final approval by the Principal.

The Principal instructed staff not to make purchases if the availability of funds is not evident. The Principal instructed the Treasurer and Athletic Director and Athletic Business Manager to supply a financial report of all Athletic accounts and outstanding expenditures on a monthly basis. The Principal will not sign any checks where funds are not readily available at the time of processing. The Principal instructed the Athletic Director, Athletic Business Manager and Treasurer not to accept any merchandise prior to verifying the purchase protocol as outlined by the Principal.

The Principal instructed the Athletic Director, Athletic Business Manager and Treasurer not to purchase items for any individuals other than student athletes for any athletic team. Additionally, any orders needing School Board approval will be carefully monitored to ensure full compliance of the approval. The Principal instructed the Purchasing Clerk to review all athletic merchandise orders with him for approval before processing.

**7. Inadequate Recordkeeping
Of Production Shops And
Service Activities
*Miami Northwestern Senior***

Section IV, Chapter 16 of the *Manual of Internal Fund Accounting* and the *Adult and Applied Technology Education Procedures Manual* establish the policies and procedures for conducting the financial activities of production shops in senior high schools. Vocational type shops where a tangible item is produced are referred to as “Productions Shops”, whereas service oriented activities, such as child care services, food production and cosmetology, are referred to as “Service Activities”.

Production shop and service activities should be conducted similar to those found in business and private industry, where tangible items or services are provided for a fee.

Schools operating a child care instructional program must comply with the policies and procedures applicable to community school child care programs. Consequently, the school must maintain and update student registration cards and attendance rosters as part of the program records.

Pursuant to the *Manual of Internal Fund Accounting*, collections generated by these activities should not be handled by the shop instructor or student cashier, *except in unusual cases where the function is an integral part of the program, or where the physical location makes office payments impractical.*

Our review of the school’s production shops and service activities disclosed the following discrepancies:

Child Care Production

- 7.1. Similar conditions were discussed with the current and former administration during the prior two audits. During the current audit visit, Child Care program records could not be located. Records subsequently submitted for our review revealed that the information on the registration cards was incomplete and attendance rosters were missing.

Cosmetology

- 7.2. The Cosmetology department uses a Cosmetology Work Order [FM-0483] to receipt monies for services rendered. The prices are pre-printed on these work orders for the types of services offered to the public. Our review of the cosmetology work orders disclosed that prices charged for services rendered differed from the prices printed on the form. We found that the school was following a price list not approved by the district, and customers were being overcharged according to district guidelines. We also found that the school was using outdated forms. Subsequent to our inquiries, the administration provided

staff with written procedures regarding district pricing limitations for cosmetology services.

Food Production/Culinary Arts

- 7.3. At the Food Production and Culinary Arts department, the cash register was not working properly at the time of audit. According to the instructor, the cash register had not been programmed to charge the correct prices. Additionally, Monthly Operating and Inventory Reports were not being prepared and work orders reviewed contained errors.

RECOMMENDATIONS

- 7.1. **Discuss with staff procedures for completing the child care attendance rosters and student registration cards.**
- 7.2. **Review cosmetology's advertising/promotional material prior to printing and distribution to ensure prices reflected agree with district pricing guidelines.**
- 7.3. **Ensure that the cash register is in working order; and discuss with staff the procedures for completing the work orders and the Monthly Inventory and Operating Statements.**
- 7.4. **Strengthen the review over the production shop and service activities records and safeguard records against loss.**

Person(s) Responsible:

Principal, Assistant Principal, Treasurer,
Cosmetology Instructor,
Culinary Arts Instructor,
Child Care Instructor

Management Response: The Principal reviewed and discussed the findings with the Assistant Principal, Cosmetology Instructor, Culinary Arts Instructor, and Child Care Instructor, referring to the Manual of Internal Fund, Section IV, Chapter 16 Production Shop and Service Activities.

The Principal reviewed with the new Child Care Instructor the procedures and guidelines including attendance and student registration cards governing the participation of children attending the Child Care program. The Assistant Principal over curriculum will review all child care registration cards which were completed by the child care teacher for completeness and accuracy. The Principal will meet with the Treasurer and Child Care Teacher on a monthly basis to review all financial transactions for accountability and accuracy. Any discrepancy as related to these items will be addressed and corrected immediately.

The Principal established the following procedures governing promotional materials prior to printing by the Cosmetology Department. All materials must be reviewed by the Assistant Principal prior to being submitted to the Principal for approval. The Principal reinstated the exclusive use of the District approved pricing lists as related to services rendered by the Cosmetology Department. The Principal will meet with the Cosmetology teacher on a monthly basis to review guidelines governing the policy for production sales. The Assistant Principal will meet with the Treasurer and Cosmetology teacher on a monthly basis to review production sales and receipts. The Assistant Principal will provide the Principal copies of the documents reviewed for monitoring compliance.

The Principal, Assistant Principal and Culinary Arts Instructor met to review and discuss procedures for the repair of equipment necessary to operate the culinary arts division of the school's curriculum. The Principal reviewed with the Culinary Arts instructor the documentation needed to repair or replace inoperable equipment. The Principal also reviewed and provided the Culinary Arts Instructor with the District approved, pre-numbered work order forms to be utilized for the operation of the Culinary Arts Department Production and Services Activities.

The use of a daily production log must be maintained to verify the work and distribution of materials and services. The Principal established monthly meetings inclusive of the Assistant Principal, Treasurer and all production personnel to review records of production and distribution for accuracy and compliance.

**8. Inadequate Controls Over
Deposits, Checking Account
Balances And Checks
North Miami Adult Education Center**

According to Section II, Chapter 3 of the *Manual of Internal Fund Accounting*, when substantial afternoon or evening collections are made subsequent to the regular daily deposit, money collected must be verified by at least two designated persons authorized by the principal, and placed in a safe or other secure area pending deposit.

Chapter 1 of this same section states that deposits in any one depository (bank) are limited to the extent of insurance provided by the Federal Deposit Insurance Corporation (FDIC) and/or Federal Savings and Loan Corporation (\$100,000).

In addition to the *Manual of Internal Fund Accounting*, prior to the end of the fiscal year, the Internal Fund Accounting Section from the Office of the Controller holds a workshop to review the internal fund's closing of the year instructions with school staff and administration. Pursuant to the 2007-08 fiscal year's instructions, any transfers of funds between the checking account and the District's Money Market Pool Fund must be made *at least ten working days before the fiscal year's closing date of June 27, 2008*, to afford the district sufficient time for processing the related transactions.

According to Chapter 4 of the *Adult and Applied Technology Education Procedures Manual*, the primary cash register at an adult education center is the registration cash register. Consequently, all collections, including those recorded in subsidiary bookstore or concession cash registers must be processed through the main cash register.

Regarding the checking account and related supporting documentation, the guidelines require that all cancelled checks be maintained on file for audit purposes. As a result that most banks send images of cancelled checks (in lieu of originals), schools should make every effort to obtain copies of the front and reverse of the cancelled checks.

Prior to the start of this audit, the Principal at North Miami Adult Education Center contacted our office to report the loss of a deposit bag said to contain \$2,537 in cash collections. Similarly, during the prior audit, the Principal had reported an incident where monies collected from a student could not be traced to a deposit. Details of this year's incident follow:

- 8.1. According to the allegation in the corresponding incident report filed with M-DCPS Police, on August 26, 2008, the main campus cashier prepared the \$2,537 cash deposit, and stored the money bag in a drawer instead of in the school safe. On August 27, 2008, the employee responsible for handing the deposit bags to the armored car pick up service discovered that the bag was missing.

- 8.2. Our investigation was unable to identify the parties responsible for the theft since several individuals had access to the location of the money bag and the safe. Based on the results of our interviews of staff members involved in the process, and the incident narrative prepared by the police, there is conflicting information as to whether the cashier placed the deposit bag inside the safe or left the bag inside the cash register's cabinet drawer. Nevertheless, based on these facts, we determined that school staff neglected to follow the proper procedures for observing the cashier placing the bags inside the safe and safeguarding the monies awaiting pick-up.

In addition to this incident, we also found other discrepancies regarding the checking account and related financial records:

- 8.3. During the audit, we found that a total of 30 internal funds checks corresponding to a bank account closed earlier this current fiscal year were missing. We contacted the bank and found that an attempt had been made by someone to fraudulently cash one of these checks for \$2,100; however, the bank refused to honor it because the account had been previously closed.
- 8.4. Between June 18 and June 27, 2008, the checking account balance was over \$100,000; however, it was not until June 30 that the school requested a transfer from the checking account to the Money Market account to lower the balance. This transfer, which the District processed on July 3, 2008, was posted to the MSAF system prior to the transaction processing date; therefore, the year-end MSAF checking account balance was understated, while the Money Market account was overstated by the amount of the transfer. The account balances reported herein have been adjusted to reflect actual amounts in the accounts at the end of the year.
- 8.5. One cash deposit for \$136 consisting of I.D. fees collected at the satellite location on August 25, 2008 was not processed through the main cashier. We verified that the monies were deposited in the checking account.
- 8.6. The bank discontinued sending copies of cancelled checks on August 2008. At our request, the bank was contacted to request copies of the front and back of the cancelled checks.

RECOMMENDATIONS

- 8.1. **Ensure that staff understands and is aware of the requirements for safeguarding the deposits and the processing of all transactions through the main cash register.**
- 8.2. **Strengthen the oversight over the safeguarding of deposits and the recordkeeping of monies collected and disbursed and the supporting documentation.**

Person(s) Responsible:

Principal, Vice-Principal and Treasurer

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

In compliance with the *Manual of Internal Funds Accounting*, Section II, Chapter 2, the Principal has instructed the Vice-Principal to train all Cashiers on procedures regarding processing monies through the main cash register. All Cashiers have been provided with a Daily Procedures Checklist to be followed explicitly. Cashier and the VACS poster will be transferred out of the Treasurer's office to ensure security of money transactions. The Principal established a restricted location in order to secure the checkbook and deposit slips. The Treasurer will secure daily deposits in the established location and the Vice-Principal will verify all deposits on a daily basis.

8.3. Ensure that all serialized forms are properly accounted for, and that any checks in inventory are properly stored.

Person(s) Responsible:

Principal, Vice-Principal, and Treasurer

Management Response: In order to prevent the recurrence of future audits and ensure strict compliance is maintained with Internal Funds, corrective and preventative strategies have been implemented. In addition, serialized forms are properly accounted for and stored.

The Treasurer will review and inventory the unused checks monthly. The Vice-Principal and Principal will verify the inventory. The Treasurer and Vice-Principal will review the cancelled checks on a monthly basis. The Principal will verify cancelled checks upon signing the monthly reports.

8.4. Review the monthly checking account bank statement with the Treasurer to ensure the appropriateness of bank balances and receipt of the cancelled checks. Going forward, review bank balances periodically to prevent exceeding FDIC limits and authorize the transfers of funds to the Money Market account as needed.

Person(s) Responsible:

Principal, Vice-Principal, and Treasurer

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

Under the supervision of the Principal, the Vice-Principal will review the bank reconciliation, bank statements and checkbook monthly with the Treasurer and ensure that the documents are being properly maintained and fraudulent checks have not been posted.

To avoid exceeding the FDIC limits, the Treasurer will review the checking account monthly. Excess money will be transferred to the Money Market as necessary.

The Principal will randomly review documents for accuracy and completion on a monthly basis.

PAYROLL

9. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll *Pine Villa Elementary*

The Payroll Processing Procedures Manual establishes the procedures for documenting, recording, and reporting payroll. According to the *Manual*, reasonable efforts should be made to obtain employees signatures on leave cards. Exceptions should be made only where employees are reported on extended sick leave and similar circumstances. Where these types of exceptions do not apply, the employee and administrator should sign the leave cards. In addition, the *Manual* states that the Final Attendance Rosters must be signed by the employee that prepares the payroll, as well as the administrator that approves it.

Weekly Briefing No. 2446, dated June 28, 2007 provides the instructions for recording the attendance of Temporary Instructors (substitute teachers). According to the instructions, the schools must complete the Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] every pay period upon the receipt of the regular Daily Payroll Attendance Sheets. Each time a Temporary Instructor works in the pay period, they must sign-in upon arrival and sign-out upon departure, on the appropriate day. The Payroll Clerk at the work location will indicate "F" for full-day and "H" for half-day in the form, and must record the employee number of the absent teacher, or the Position Authorization Control (PAC) number (if it is an Open Position), and/or Charge Location/Program, for each day worked. If the Temporary Instructor is to be charged to a specific structure (due to a workshop, etc.), the appropriate documentation must be maintained with the payroll records.

During the prior audit, this school was audited as a result of a change of principal. A payroll finding cited in the prior year audit related to temporary instructional personnel (substitute teachers) that were being reported as working for teachers that were also reported in attendance. Pay periods where these conditions were found corresponded to payrolls approved by the former principal.

As a follow up to the prior year's payroll finding, we reviewed payroll records corresponding to the months of October and November 2008. Additionally, and during our review of payroll expenditures paid with Title I program funds during the 2007-08 fiscal year, we reviewed payrolls processed during September 2007, October 2007, February 2008 and March 2008. *At this school, the current principal was on leave from January through March 2008.*

Our review of payroll records found the following discrepancies:

- 9.1. Payroll records such as rosters and leave cards were missing signatures. Specifically, we found Final Rosters and leave cards corresponding to pay periods in October 2007 and March 2008 that were not signed by the employee, and/or the principal. This condition was found in some of the records approved by the current principal, as well as the principal on assignment during the principal's leave. Similarly, during the most current pay periods, we found instances where leave cards were not signed by the employees and/or the principal.
- 9.2. Our follow up to the prior year's finding disclosed three instances where substitute teachers were hired; however, the teacher being substituted for was reported in attendance. In addition, we found one instance where documentation showed that two substitutes had been hired to cover the same teacher on the same day.
- 9.3. The Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] were incomplete in that they did not include the absent employee information. Instead, this information was found on ancillary records (Substitute Sign-In Log) maintained by the school.

Payroll corrections were made to the documentation to accurately reflect employee absences and attendance.

RECOMMENDATIONS

- 9.1. **Review with staff the procedures for documenting leave, especially when substitutes are required to cover instructional personnel.**
- 9.2. **Enforce use of the Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] to document the attendance of substitute teachers.**
- 9.3. **Strengthen the overall review of payroll and all payroll records to ensure that documentation supports the payroll reported and that all records are signed by the principal and the employees.**

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

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of payroll records.

As part of the Opening of School meeting, the Principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, completing leave cards and submitting temporary duty forms. The Principal recently issued a written reminder for all staff detailing proper payroll reporting procedures.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Clerk and Assistant Principal emphasizing the procedures to record substitute teachers as well as all required support documentation for payroll reporting.

The Principal met with the Payroll Clerk and the Assistant Principal to instruct them in the preparation of the Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] to ensure the accurate reporting of substitute teachers.

In order to provide for the effective monitoring and recording of the payroll for substitutes, the Principal directed the Assistant Principal to review each payroll prior to approval by the Principal to ensure documentation supports the payroll reported and has been signed as required. Particular emphasis will be placed upon the verification of the Temporary Instructor's (substitute) Payroll to ensure the accurate reporting of time for substitutes and that signatures are provided as required by the substitutes, absent teachers and an administrator.

The Principal will meet with the Payroll Clerk prior to approving each final roster to verify payroll processing procedures have been properly implemented.

The Principal and Assistant Principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Processing Procedures Manual*. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

**10. Improper Recordkeeping,
Documenting, And
Reporting Of Payroll
For Temporary
Instructors
*South Miami Heights Elementary***

Weekly Briefing No. 2446, dated June 28, 2007 provides the instructions for recording the attendance of Temporary Instructors (substitute teachers). According to the instructions, the schools must complete the Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] every pay period upon the receipt of the regular Daily Payroll Attendance Sheets. Each time a Temporary Instructor works in the pay period, they must sign-in upon arrival and sign-out upon departure, on the appropriate day. The Payroll Clerk at the work location will indicate "F" for full-day and "H" for half-day in the form, and must record the employee number of the absent teacher, or the Position Authorization Control (PAC) number (if it is an Open Position), and/or Charge Location/Program, for each day worked. If the Temporary Instructor is to be charged to a specific structure (due to a workshop, etc.), the appropriate documentation must be maintained with the payroll records.

Our review of current payrolls dated during the months of October and November 2008 and January 2009 disclosed the following discrepancies in the reporting of payroll of temporary instructors:

- 10.1. In 11 instances, substitutes were hired and the name of the absent employee was not indicated on the Substitute Input Detail Report. Of these total, four corresponded to pool substitutes.
- 10.2. In eight other instances, substitutes were hired a full day to cover teachers that were reported absent for only half days. Of this total, three corresponded to pool substitutes.
- 10.3. In two instances, a substitute was reported as covering an absent teacher on the incorrect day; and in one other instance, the absent teacher was reported present on the Daily Payroll Attendance Sheet and Final Roster.

RECOMMENDATIONS

- 10.1. Review with appropriate staff the procedures for documenting leave, especially when substitutes are required to cover instructional personnel.
- 10.2. Strengthen the overall review of payroll and all payroll records to ensure that documentation supports the payroll reported.

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

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure the accurate documenting, reporting and approving of all payrolls with emphasis on the appropriate reporting of substitute time.

As a part of the Opening of School meeting, the Principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, the completion of leave cards and the submission of temporary duty forms. The Principal recently issued a written reminder and again reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, the completion of leave cards, and the submission of temporary duty forms prior to scheduled absences.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Secretary/Treasurer and Assistant Principal focusing upon the procedures to document leave, the reporting of substitutes and the process to approve payroll. A system has been established for the review of the Daily Payroll Attendance Sheet by both the Secretary/Treasurer and the Principal or Assistant Principal to ensure that all employees sign in/out on a daily basis and proper notations to document absences are accurately recorded on the Daily Payroll Attendance Sheet. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis.

The Principal directed the Assistant Principal to carefully review the daily payroll reporting of substitutes to ensure that the name of the absent teacher is recorded, the time reported for the substitute, i.e. half day or full day, matches that of the absent teacher, unless a memorandum documenting the reason for the discrepancy is available, that substitutes are accurately reported for each absent teacher including correct employee numbers, and finally, that substitute time is not reported for a teacher that is present. The Principal directed the Assistant Principal to immediately report any discrepancies in the reporting of payroll for substitutes for correction on a daily basis.

The Principal and Assistant Principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Procedures Manual* with particular emphasis placed upon areas of concern identified in the audit in order to prevent recurrence.

11. Inaccurate Reporting And Documenting Of Payroll Redland Middle

The *Payroll Processing Procedures Manual* and *Payroll Fall Highlights* published by the Payroll Department establish the procedures for documenting, recording and reporting the payroll.

During the 2005-06 fiscal year audit, the school was cited for the inaccurate reporting of time and attendance, and incomplete payroll records. During the 2006-07 fiscal year audit follow-up to these prior year conditions, we identified residual payroll issues; however, we determined they were not as significant as in the prior audit, and discussed them with the administration for their information and corrective action. This year, our review of three recent payrolls processed between the months of November 2008 and January 2009 revealed similar errors in the payroll records. At this school, the administration responsible for overseeing the payroll has been the same during the past two audits. Details of the conditions found are as follow:

- 11.1. We identified a total of 22 instances where 13 daily paid employees neglected to indicate their attendance on the Daily Payroll Attendance Sheets but were nevertheless reported present on the days in question. The employees and the principal claimed that they worked during those days.
- 11.2. In 25 instances, the time and attendance reported for hourly and daily paid employees did not agree with the attendance recorded on the Daily Payroll Attendance Sheets or the leave cards.
- 11.3. Daily Payroll Attendance Sheets corresponding to three pay periods disclosed that the cafeteria manager was recording time and attendance on behalf of the cafeteria employees. The principal claims that the manager had been advised not to do so.
- 11.4. In 53 instances, leave cards were not signed by the employee and/or by the administration.
- 11.5. In eight instances, the leave cards were not filed with the payroll records. Two of these cards were subsequently provided.

Errors were corrected by the school at the request of the auditor.

RECOMMENDATIONS

- 11.1. Review payroll procedures with school staff and administration, particularly as it relates to payroll reporting and recordkeeping.
- 11.2. Prohibit staff from recording attendance on behalf of other employees.
- 11.3. Strengthen the supervision over the payroll function and the review of the payroll records.

Person(s) Responsible:

Principal, Assistant Principal,
Payroll Clerk, Alternate Payroll Clerk

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of payroll records.

As a part of the Opening of School meeting, the Principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, completing leave cards and submitting temporary duty forms prior to scheduled absences. The Principal recently issued a written reminder for all staff detailing proper payroll reporting procedures.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Clerk, Alternate Payroll Clerk, and Assistant Principals, focusing upon the procedures to document, process, and approve payroll. A system was established to provide for the careful review of the Daily Payroll Attendance Sheet by both the Payroll Clerk and the Assistant Principal to ensure that all employees indicate their daily presence and/or hours worked on the Daily Payroll Attendance Sheet. The Principal directed the Assistant Principal and Payroll Clerk to verify leave cards on a daily basis and compare with the Daily Payroll Attendance Sheet to ensure a properly executed leave card is available to accurately document each employee absence. The Principal also convened a faculty meeting to review proper payroll procedures and the expressly prohibited practice of signing in or out for another employee.

The Principal directed the Payroll Clerk, Alternate Payroll Clerk, and Assistant Principal that staff may not be reported present when they have failed to sign in. The Principal issued a written reminder notifying all staff members that anyone who has failed to sign in will be notified in writing by the Principal to provide a written explanation and that failure to sign in may result in the reporting of leave without pay.

The Principal and Assistant Principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Processing Procedures Manual*. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

The Principal is scheduled to retire June 30, 2009. The Regional Center Superintendent and Regional Center Business/Personnel Director will ensure that all areas of concern identified in this audit as well as all corrective actions and preventive measures will be thoroughly reviewed with the incoming Principal in order to prevent recurrence.

**12. Payroll Records Not Properly Completed;
And Procedures For Granting And
Recording Compensatory
Time Not Followed
*Homestead Senior***

The *Payroll Processing Procedures Manual* establishes the guidelines for properly reporting and recording daily attendance, absences and compensatory time of employees.

According to the procedures, attendance/absences reported on Final Payroll rosters and Daily Payroll Attendance Sheets must be in agreement. Furthermore, leave cards must be completely filled out with all the necessary information, including explanation and/or supporting documentation justifying the leave taken, and must be signed by the employee and the supervising administrator.

Locations which choose to grant compensatory time in lieu of overtime must account for the hours using the Compensatory Time Report [FM-2378]. According to the guidelines, the supervising administrator must be in charge of the up-to-date maintenance of these forms, including the initialing of each entry to indicate approval. Compensatory time may be granted up to maximum balance of thirty (30) hours (i.e., 20 hours of employment at time and one-half) at any given time. Upon termination or assignment to a different position, or at the conclusion of the fiscal year, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year.

Our review of three sampled pay periods under the current principal disclosed the following discrepancies:

- 12.1. There were 61 instances where leave cards were incomplete. In most instances, the cards were missing the employee's signature. In some of these instances, we also found that cards were missing the supervisor's signature, the type of leave taken, an explanation of leave when required, or a combination thereof.
- 12.2. During FY 2007-08 up to the present, we found that compensatory time was being granted to four employees in lieu of overtime. A review of the Compensatory Time Reports [FM-2378] revealed that employees were allowed to accumulate compensatory time in excess of 30 hours at any given time. Consequently, staff was allowed to carry compensatory time balances over to the next fiscal year. In addition, these reports were not always initialed by the responsible supervising administrator to indicate approval.
- 12.3. There were five instances where employees neglected to indicate their presence on the Daily Payroll Attendance Sheets and were reported present according to the Final Rosters. The principal and the employees claimed that they worked during those days.

Corrections to the payroll records were made at our request. Of the three sampled pay periods, the most current pay period had disclosed marked improvement; and we found that the principal had assigned a new administrator to oversee the payroll function.

RECOMMENDATIONS

- 12.1. Ensure that staff understands and is aware of the reporting and recording payroll requirements, including the procedures for completing the leave cards; and strengthen the review of payroll.**
- 12.2. Ensure that the administrator responsible for granting and approving compensatory time understands and is aware of procedures for the up-to-date maintenance of the forms, and the limitations regarding the accrual and use of compensatory overtime.**
- 12.3. Ensure that employees use all compensatory time earned by the last pay period of the fiscal year.**

Person(s) Responsible: Principal, Principal's Designee, Payroll Clerk

Management Response:

12.1 The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Clerk and Principal's Designee, focusing on the procedures for accurately recording payroll and documenting leave. The Principal directed the Principal's Designee to review all payroll documents with the Payroll Clerk for accuracy including the signatures required prior to presentation to the Principal for approval.

The Principal also issued a written reminder to all staff detailing payroll reporting procedures emphasizing sign in/out procedures, completing leave cards and submitting temporary duty forms. The Principal directed the Principal's Designee and the Payroll Clerk to review all leave cards on a daily basis to ensure they are properly signed by all staff and administration as required.

12.2 The Principal directed the Principal's Designee to ensure compliance with the proper procedures for approving and documenting compensatory time. The Principal directed the Principal's Designee to establish a binder to maintain a log of all compensatory time that has been approved, earned, and used.

12.3 The Principal also reviewed the proper procedures for accruing compensatory time and the subsequent use of compensatory time with the Payroll Clerk. The Principal has directed the remaining four employees with a compensatory time balance to utilize this time prior to May 15, 2009. Going forward, the Principal has informed all staff that requests for compensatory time will not be granted.

The Principal and Principal's Designee will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Procedures Manual*. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

TITLE I PROGRAM PROCEDURES AND EXPENDITURES

13. Ineffective Monitoring Of Title I Expenditures Resulted In Deficit Balances in Hourly, Overtime And Budget Group 3 Accounts *South Miami Heights Elementary*

Part-time and overtime salary accounts must be budgeted to cover the related expenditures. In the event that actual expenditures may exceed initial budgeted amounts, available funds from other program account structures must be transferred to the hourly and overtime accounts to cover the expenditures. Furthermore, Title I programs closed in the prior year and not budgeted in the current year should not be used to charge expenditures. Ultimately, Title I program funds should be used to supplement and not supplant existing programs at the school.

Our review of expenditures posted to Title I Schoolwide program accounts disclosed the following:

- 13.1. Salary expenditures charged to the Hourly Employee account exceeded the budgeted amount by \$15,491. Aside from this hourly payroll, the school posted salary charges to the Overtime and Hourly Parental Involvement accounts in the amount of \$10,702 and \$4,437, respectively; however, the school had not budgeted funds to these accounts to cover the payroll charges.
- 13.2. The school had budgeted \$88,392 under various account structures for the procurement of goods and services. Goods and services allowed under Title I guidelines include: school supplies, field trips, travel, and computer equipment and peripherals, among others. However as of June 30, expenditures exceeded budgeted amounts by \$1,409.
- 13.3. For the 2007-2008 fiscal year, the school had allocated a budget of \$2,000 for in-county travel expenses. However, the school incorrectly charged in-county travel expenditures totaling \$1,141 to Title I program accounts closed during prior years. These expenditures were incurred by two employees. Contrary to Title I criteria, part of the expense, or \$739 was for in-county travel duties not directly associated to the Title I program.

The school did not have sufficient and available funds within the Title I Schoolwide program to offset the deficit balances cited above.

RECOMMENDATIONS

- 13.1. Strengthen the monitoring of account balances and request budget transfers, as needed, to cover total projected expenditures.**

13.2. Ensure that proper funding sources are used to cover expenditures.

Person(s) Responsible:

Principal, Assistant Principal,
Secretary/Treasurer

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of Title I funds.

The Principal has reviewed the 2008-2009 *Title I Handbook*, focusing upon the procedures to document, process and monitor the expenditure of Title I funds with the Assistant Principal and Secretary/Treasurer. The Principal will print and review the Cliff Report on a weekly basis and monitor all MSAF account balances to ensure that Title I expenditures do not exceed budgeted amounts.

In addition, the Principal will closely monitor the expenditures of all Title I funds and submit budget transfers as required to cover any negative balances and ensure that appropriate funding sources are utilized.

14. Title I Equipment Not Being Fully Utilized And Properly Identified
Miami Northwestern Senior

According to Section B of the *Title I Administration Handbook*, all purchases made using Title I grant funds must be made to directly support the improvement of academic achievement as reflected in the school's School Improvement Plan. Accordingly, budgeted funds should be used to supplement previously existing instructional programs at the school. This section also provides the accounting structures to use when charging salary and non-salary expenditures to the program, as well as a list of those expenditures deemed unauthorized. General guidelines also require the proper identification of assets that are purchased with Title I Program funds.

Results from the 2006-07 fiscal year included computer equipment purchased with Title I funds which had not been fully utilized and not properly identified. Our follow-up review for the 2007-08 fiscal year equipment purchases disclosed the following:

- 14.1. The school used Title I program funds to purchase 11 smart boards and peripheral equipment. This equipment, whose total cost was \$14,039, had been purchased and delivered over one year prior to the audit visit. Our physical verification of these items revealed that three boards remained unused and stored in their original boxes; while four could not be identified to any of the boards located throughout the campus. In addition, one of the boards was located in the school's conference room. At our request, this board was relocated to an instructional area for classroom use.
- 14.2. According to the school administration, three boards had not been installed because of a lack of funds to cover installation expenses; while four of the original boards had been returned to the vendor and replaced. However, the school could not provide any shipping documentation to support their replacement.
- 14.3. The smart boards were not identified with Title I labels. These were affixed to the equipment at our request.
- 14.4. As a follow-up to prior year audit findings regarding inventoried Title I equipment, we reviewed the procedures for maintaining inventory control over laptops and smart boards used by staff and students. We found that, although the school uses the email system to document and approve the assignment of this equipment; return of the equipment to inventory was not documented.
- 14.5. Copies of Title I purchase orders and invoices were not always maintained in the school files. We obtained these documents from district records.

RECOMMENDATIONS

- 14.1. The administration should plan the use of Title I funds to procure only those purchases necessary to fulfill the program's needs.
- 14.2. Ensure that all applicable Title I equipment is identified with Title I Program labels.
- 14.3. Ensure that purchase orders and invoices supporting all expenditures are maintained on file.
- 14.4. Strengthen controls over portable equipment by maintaining a log of equipment assigned/returned.

Person(s) Responsible: Principal, Assistant Principal over Title I, Treasurer, Computer Technicians, Purchasing Clerk, Property Control Manager

Management Response: The Principal reviewed and discussed the audit findings with the Assistant Principal for Title I, Computer Technicians and Property Control Manager.

The Principal will review with the Assistant Principal, Purchasing Clerk, and Treasurer on a monthly basis all transactions concerning expenditures as outlined by the *Title I Administration Handbook*. The Principal will develop a specific expenditure plan for the use of Title I funds, which will ensure the purposeful expenditure of allocated funds. The Principal will conduct monthly meetings with the Treasurer, Purchasing Clerk and Assistant Principal to review Title I funds, open Title I purchase orders, and the plan of expenditures. The Principal will direct the Property Control Manager to tag all Title I purchased property immediately upon arrival to the building with a copy going to the Purchasing Clerk for audit purposes.

The Principal established procedures to monitor the distribution, collection and disposal of all Title I property by the Property Control Manager. The Property Control Manager will maintain a log of property items as they are requested, assigned and returned. The Principal instructed the Property Control Manager and Purchasing Clerk to tag all Title I property upon arrival to building and before distribution. A copy of Title I property purchases must be kept on file by the Purchasing Clerk and Property Manager. The Principal will review quarterly inventory reports with the Property Manager to monitor the location and distribution of Title I property to ensure accountability of equipment. A spreadsheet of all property will be kept by the Principal, Property Control Manager, and Purchasing Clerk.

All portable Title I equipment will be collected and stored in the Computer Technician's storage room at the closing of the school year until it is reissued for the start of the new school year. Teachers who have Title I issued equipment for the year must sign off an equipment return receipt which the Property Manager for accounting documentation.

**15. Inadequate Recordkeeping Of Title I
Parental Involvement Documents By
Community Involvement Specialist
Miami Northwestern Senior**

Pursuant to Section F of the *Title I Administration Handbook*, Community Involvement Specialists (CIS) are hired at the schools to facilitate the implementation and administration of Title I programs. Their main responsibility is to maintain a close relationship between the school, the parents and the community.

Part of the CIS' duties includes maintaining the Parental Involvement Filing System, whose objective is to maintain adequate documentation of all parenting activities, as prescribed by Section 1118 of the *No Child Left Behind Act of 2001*. The documentation should include, at a minimum: weekly schedules, calendar of parental activities, monthly school reports, telephone contact logs, records of home visits, and school-parent compacts.

A school-parent compact is the written agreement between the school and the parents to identify those activities that parents, the school, and the students will be responsible for and will undertake to improve student academic achievement. These must be maintained on file by the CIS.

During the prior audit, we discussed with the administration that records maintained by two former CIS were incomplete and required improvement. During the 2007-08 fiscal year, the school hired two individuals to perform the CIS duties. Our follow-up to the prior year recordkeeping issues revealed similar discrepancies:

- 15.1. Weekly schedules for one of these individuals were not provided.
- 15.2. A total of 459 home visits were made; however, home visit forms were not properly completed. We found instances where home visits and telephone call information was handwritten on ISIS student information system screen print-outs. Additionally, telephone logs were incomplete or not provided.
- 15.3. Parents provide their input by submitting surveys; however, of 55 survey records reportedly received by the school, only four were on file. Similarly, of 367 student compacts reportedly returned to the school, only 319 were on file.
- 15.4. The August and September 2007 Parental Involvement Monthly School Report were not on file. We selected the March 2008 report for review and found that supporting documentation for the information reported did not agree or was not provided.
- 15.5. Attendance documentation for the Title I Orientation that took place during the school's Open House meeting held on September 17, 2007 was not presented for audit. Also, the DAC/PAC Representative Form [FM-6996] was not evident.

RECOMMENDATIONS

- 15.1. Review the responsibilities of the Community Involvement Specialist with appropriate staff to ensure an understanding of their duties and responsibilities.
- 15.2. Ensure that the CIS understands the recordkeeping requirements and request training from the District as needed.
- 15.3. Strengthen the review of the records maintained by the CIS.

Person(s) Responsible:

Principal, Assistant Principal,
Community Involvement Specialists

Management Response: The Principal, Assistant Principal, and Community Involvement Specialists met to review and discuss the audit findings. The Principal reviewed and discussed the job responsibilities of the Community Involvement Specialists as outlined in the *Title I Administration Handbook*.

The Principal established monthly review meetings with the Assistant Principal and Community Involvement Specialists to discuss and affirm the collection of Title I documentation as it pertains to: home visitations logs, parent involvement meetings, parent compacts and parent surveys.

The Principal will review with faculty and staff at the Opening of School meeting the requirements of being a Title I school and the accountability procedures that need to be followed by all stakeholders. The Principal will have all employees sign off on the training for Title I property and equipment usage as part of the Opening of School meeting.

FTE RECORDS AND PROCEDURES

16. Discrepancies In Special Education Student Records Resulted In FTE Funding Disallowances *John I. Smith Elementary*

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all special education 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.

We reviewed FTE records corresponding to FY 2008-09, Survey Period 2. A review of a sample of 21 special education (SPED) folders, which included four gifted, revealed the following discrepancies in seven student folders (33%):

- 16.1. We found six instances of discrepancies between the Matrix of Services form [FM-5582] and the Individual Educational Plan (IEP) [FM-4953]. Pursuant to our calculations, for two of these students, the errors generated a potential funding loss disallowance of \$12,762.
- 16.2. One Notification of Meeting [FM-4851] was not filed in student's folder and parents did not attend the meeting.

RECOMMENDATION

- 16.1. Ensure that all SPED folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated. Funding allocated should be properly supported by a Matrix of Services form and accurate information should be entered into Integrated Student Information System (ISIS) to reduce the probability of being out of compliance and the consequential funding disallowances that may result from documentation errors/omissions.**

Person(s) Responsible:

Principal, Assistant Principals,
LEA, SPED Chairperson

Management Response: In order to ensure all SPED folders contain current IEP/EPs and Matrix of Service forms which have been properly completed, reviewed and updated, the Principal has implemented the following immediate corrective actions and preventive strategies:

The Principal will review with SPED Teachers and SPED Chairperson all procedures and monitoring strategies required to ensure compliance with SPED guidelines. In addition, the Principal reviewed the Matrix of Services Handbook with the LEA and SPED Teachers to ensure understanding and compliance with all aspects of the Matrix of Services document (FM-5582). The LEA will utilize the SPED Standards Records Review form (FM-7069) to ensure SPED folders are in compliance with guidelines before they are filed. Additionally, the LEA will verify data entered in ISIS is consistent with the IEP and Matrix of services information. This will be reviewed with the Assistant Principal on a monthly basis.

The Principal will monitor all aspects of the financial records and SPED program guidelines to ensure the school is in compliance with established procedures

SCHOOL SITE IT SECURITY

17. IT Function At School Site Not Properly Monitored And Maintained *South Dade Senior*

We performed our Information Technology (IT) review to assess the condition of the IT school site function.² We found that IT controls and practices were deficient as detailed below:

- 17.1. We obtained and reviewed the most recent “Authorized Applications for Employees by Locations” (RACF) report and found that the payroll clerk had been given access to the computer applications that allow for inputting payroll information and approving payroll. However, according to Chapter 3 of the Payroll Processing Procedures Manual, only administrative personnel should be designated to approve the payroll; and the person responsible for inputting payroll data should not be approving payroll. We sampled six previous payroll periods and verified that this individual had not approved any of these payrolls. We also found that the most recent RACF report on file at the school dated back to October 2007.
- 17.2. The principal had not reviewed the MDCPS Network Security Standards (NSS) with the School Based Technician (SBT).
- 17.3. According to the District's management tool *BigFix*, three PC-based machines did not have district antivirus installed, while six PC-based machines were not members of the DADESCHOOLS domain. In addition, a physical inspection and interview with the SBT confirmed that about 30 MAC-based machines capable of joining the domain had not been bound.
- 17.4. The purpose of a disaster recovery and data backup policy is to provide for the continuity, restoration and recovery of critical data and systems; and to provide recourse in the event of unexpected data loss. We found that the school had not produced a disaster recovery plan; and there was no evidence of ongoing data backups. We inquired and the SBT confirmed that data backups were not taking place.

² This included the review of the evaluation document titled “School Site IT Security Audit Assessment” developed by the Office of Management and Compliance Audits, in collaboration with Information Technology Services (ITS). This self-assessment tool is completed every year by school sites to assess the quality of network security, compliance with the Network Security Standards (NSS), and district technology directives. Once completed, it is submitted to our office for review. Nine of the 21 items on the checklist completed and signed by the School Based Technician and the Principal were found to be non-compliant.

RECOMMENDATIONS

- 17.1. Obtain the monthly RACF report (ITS product number T0802E0101), review for proper staff authorizations, sign, and maintain on file. Immediately revoke payroll approval access to unauthorized personnel.
- 17.2. Review the Network Security Standards (NSS) with the School Based Technician (SBT) to ensure that staff directly responsible for maintaining technology infrastructure understand and are fully aware of requirements, district IT policies and directives.
- 17.3. Review all computers to ensure the presence of district mandated antivirus software; and ensure that all computers capable of being joined or bound are incorporated as members of the DADESCHOOLS domain.
- 17.4. Develop and document a disaster recovery plan and backup routine with the assistance of the SBT.

Person(s) Responsible:

Principal, Assistant Principal,
School Based Technician

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure that all IT Security Standards are met.

The Principal will print, review and sign the Authorized Applications for Employees by Locations report on a monthly basis to ensure that school personnel have access only to those applications required by their job duties. This report will be maintained on file in the principal's office. The Principal immediately revoked payroll approval access inadvertently given to unauthorized personnel.

The Principal convened a meeting with the Assistant Principals and the School Based Technician (SBT) to review the audit findings and the M-DCPS Network Security Standards to ensure that staff directly responsible for maintaining technology infrastructure understand and are fully aware of requirements, district IT policies and directives.

The Principal directed the SBT to print a BigFix Console report on a monthly basis for the Principal's review to ensure the presence of district mandated antivirus software; and that all computers capable of being joined or bound are incorporated as members of the DADESCHOOLS domain.

The Principal also directed the SBT to develop and document a disaster recovery plan and backup routine. A copy of the plan and backup routine will be maintained on file in the Principal's office as well as in the SBT's office. The plan and its locations has been shared with the Assistant Principals.

The Principal and the designated Assistant Principal will continue to monitor IT security procedures on a monthly basis to ensure adherence to all M-DCPS Network Security Standards. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

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, 2008, on the cash basis of accounting;
- evaluate compliance by the schools with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with current payroll procedures, as well as compliance with 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;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*;
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification;

While the scope of our audits generally covered operations during the period of July 1, 2007 through June 30, 2008, property inventories, payroll, purchasing credit card transactions, and information technology controls included current periods. FTE audits covered the October 2008 and February 2009 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 (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2008 was 3.79%.

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, 2008, the MDCPS-Money Market Pool Fund's interest rate was 3.79%.

PAYROLL

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

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

The process for distributing payroll checks and check advices has changed in 2009. Customarily, paper checks and check advices would be distributed at sites throughout the District by Treasury Management. Effective with the pay period which ended on March 5, 2009, *the district has changed payroll check distribution procedures in order to eliminate paper checks and check advices as a cost saving measure.* Employees who receive paper checks at the sites were requested to enroll in direct deposit for all payroll-related payments. Those employees who received check advices at the sites were directed to the Employee Portal located in the district's website to access their payroll information and print the payroll check advices. Although payroll check distribution at the sites has been greatly minimized, it has not been fully implemented, pending those employees who have not signed for direct deposit at this time.

PROPERTY

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

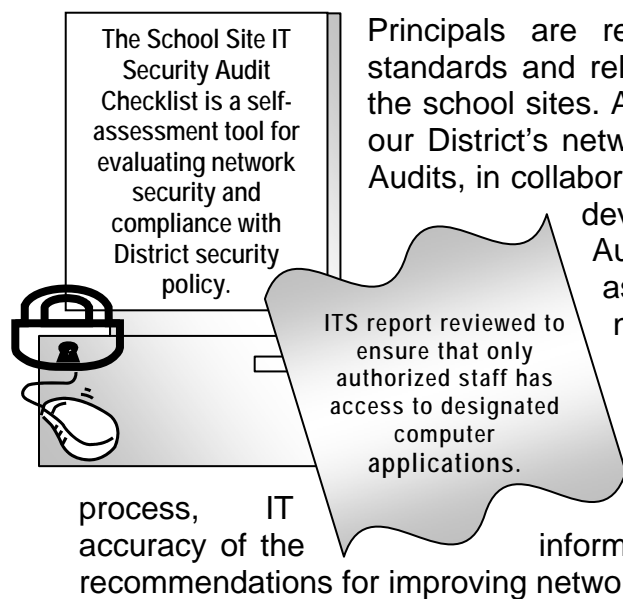
PURCHASING CREDIT CARD (P-CARD) PROGRAM

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



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 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.

TITLE I PROGRAM

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

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

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

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

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 2008-09 FY, months selected by the FDOE for these surveys are as follows:

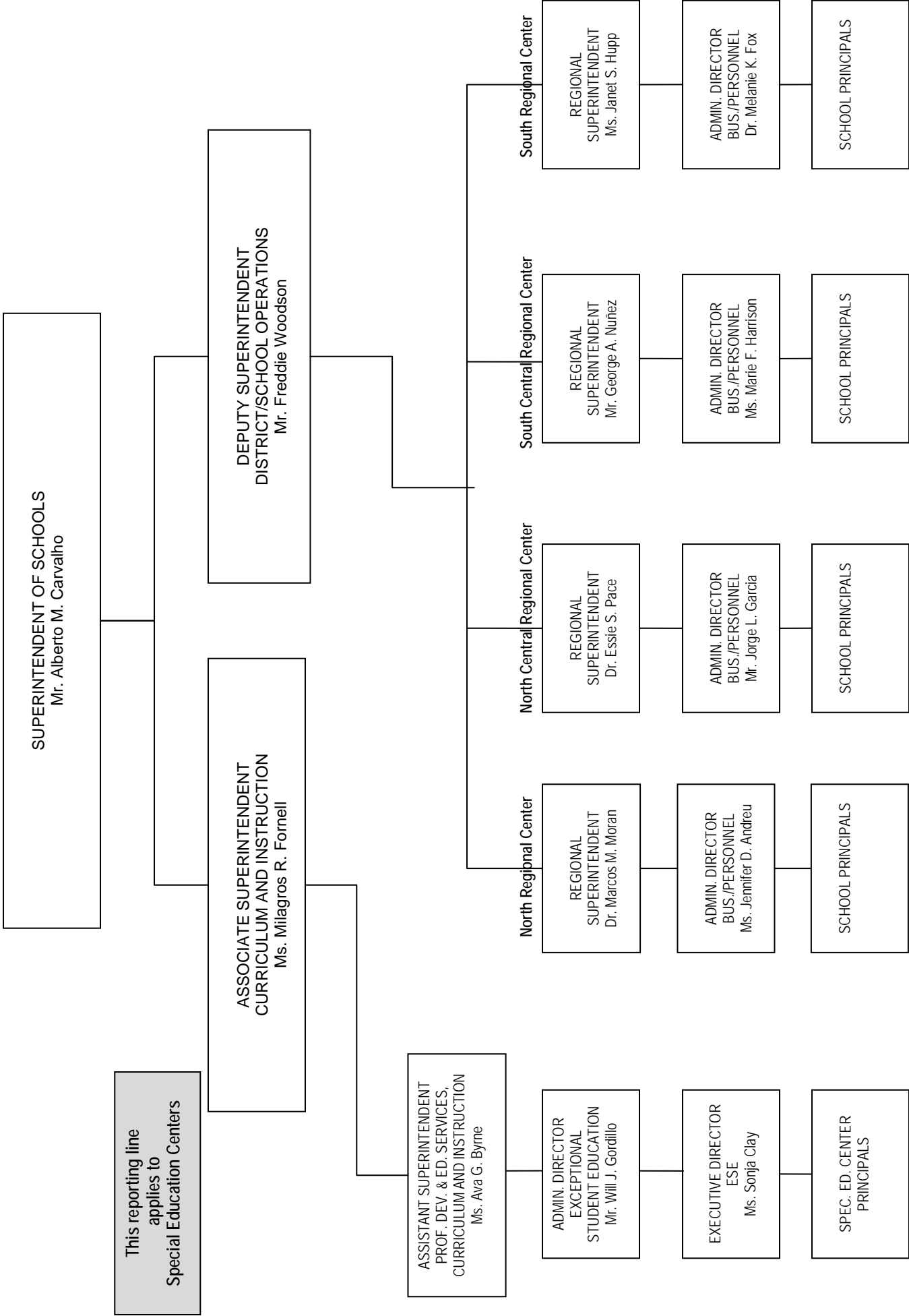
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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.

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

ORGANIZATIONAL CHART



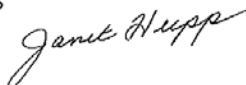
APPENDIX SECTION
MANAGEMENT'S RESPONSES


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent 
South Regional Center

BY: Ms. Maria C. Cruz, Principal 
William Lehman Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
WILLIAM LEHMAN ELEMENTARY SCHOOL

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

RECOMMENDATIONS

Internal Funds Records

1. Ensure that records associated with internal fund activities are stored in a safe and secure area with no access to unauthorized personnel.

Person(s) Responsible: Principal, Assistant Principal, Secretary/Treasurer and Community School Specialist

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure strict compliance with Board policies and procedures regarding the retention of internal fund records.

The Principal reviewed Section V, Chapter 2 of the *Manual of Internal Fund Accounting* with the Secretary/Treasurer, Community School Specialist, and Assistant Principal that requires all financial records associated with Internal Fund activities be safeguarded and retained for audit purposes. The Principal directed the Secretary/Treasurer to accurately label and store all boxes of Internal Fund records related to each audit cycle. Additionally, the Principal personally reorganized the internal fund records from prior years stored in the main office storage closet in a sequential format for identification purposes. All of the school's financial records have been secured in the vault located in the main office storage closet.

The Principal processed a work order to re-key both the main office storage closet and vault in order to restrict access to the school's financial records. Access by any staff

APPENDIX-MANAGEMENT'S RESPONSE

member to any stored internal fund documents are now required to be under the supervision of the Principal and/or Assistant Principal.

The Principal directed all staff responsible for the collection of funds to sign for receipt books from the Secretary/Treasurer in the presence of either the Principal or Assistant Principal. The Principal also directed the Secretary/Treasurer to ensure that any records identified for disposal must be verified by the Principal.

The Principal and the Secretary/Treasurer will review all financial documents on a monthly basis to ensure adequate controls are maintained for the safe keeping of all records associated with Internal Fund activities. In addition, the Principal will request staff from the Office of Internal Fund Accounting to periodically review the school's financial records. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

Should you require additional information, please feel free to contact me at 305-273-2225.

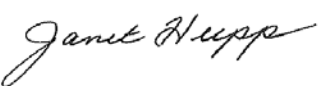
cc: Mr. Freddie Woodson
Dr. Melanie K. Fox
Ms. Cynthia Gracia


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent
South Regional Center 

BY: Ms. Pamela F. Brown, Principal 
Frank C. Martin K-8 Center

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
FRANK C. MARTIN K-8 CENTER

The following is a response to relevant findings in the school audit report of Frank C. Martin K-8 Center.

RECOMMENDATIONS

Field Trip

- 1.1. Discuss field trip procedures with staff and the community for awareness and understanding of the requirements related to school sponsored field trips.
- 1.2. Going forward, strengthen accountability over collections and disbursements related to school sponsored activities, and rescind from engaging in school sponsored activities whose financial transactions circumvent the recordkeeping procedures established in the *Manual*.

Person(s) Responsible: Principal, Assistant Principal, Treasurer, and Data Input Specialist

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of field trips and the collection of funds.

The Principal met with the Assistant Principal, the Treasurer and the Data Input Specialist to review the audit findings as well as Section IV, Chapter 1-1 of the *Manual of Internal Fund Accounting* and the Miami-Dade County Public Schools Field Trip Handbook. The principal emphasized the procedures for record keeping, collections, and disbursements of funds related to field trips as detailed in the *Manual of Internal Fund Accounting*, Section IV, Chapter 2. The Principal directed the Treasurer to ensure that school sponsored field trips be accounted for through internal funds.

The Principal reviewed with all affected staff, the procedures, guidelines and

APPENDIX-MANAGEMENT'S RESPONSE

requirements for field trips and school sponsored events including the accurate receipting of funds collected and disbursed as a result of these events. At the inception and conclusion of each fundraising activity and/or field trip, the Principal, Treasurer, and Activity Sponsor will review the collection and receipting of funds and the accurate completion of all required documentation as detailed in the *Manual of Internal Fund Accounting*. Through the school's monthly newsletter and at a recent meeting of the school's PTA Executive Board, the Principal informed both the community and the PTA that school sponsored field trips must be processed through internal funds. The Principal will no longer authorize field trips when the cost per student may be excessive and/or exclusionary and ensure that funds are available to cover field trip costs for those students unable to pay.

The Principal and Treasurer will meet monthly to review and verify the school's Monthly Financial Report as well as all collections and disbursements related to school sponsored activities. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence. The Principal will also periodically review the posting of receipts to ensure that all internal fund accounting policies and procedures have been implemented and completed in a timely manner.

Should you require additional information, please feel free to contact me at 305-255-7910.

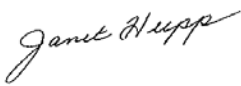
cc: Mr. Freddie Woodson
Dr. Melanie K. Fox
Ms. Cynthia Gracia


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent South Regional Center 

BY: Ms. Tamela Brown, Principal 
Pine Villa Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
PINE VILLA ELEMENTARY SCHOOL

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

RECOMMENDATIONS

Payroll

- 1.1. Review with staff the procedures for documenting leave, especially when substitutes are required to cover instructional personnel.
- 1.2. Enforce use of the Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] to document the attendance of substitute teachers.
- 1.3. Strengthen the overall review of payroll and all payroll records to ensure that documentation supports the payroll reported and that all records are signed by the principal and the employees.

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

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of payroll records.

As part of the Opening of School meeting, the Principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, completing leave cards and submitting temporary duty forms. The Principal recently issued a written reminder for all staff detailing proper payroll reporting procedures.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Clerk

APPENDIX-MANAGEMENT'S RESPONSE

and Assistant Principal emphasizing the procedures to record substitute teachers as well as all required support documentation for payroll reporting.

The Principal met with the Payroll Clerk and the Assistant Principal to instruct them in the preparation of the Temporary Instructor's Daily Payroll Attendance Sheets [FM-7090] to ensure the accurate reporting of substitute teachers.

In order to provide for the effective monitoring and recording of the payroll for substitutes, the Principal directed the Assistant Principal to review each payroll prior to approval by the Principal to ensure documentation supports the payroll reported and has been signed as required. Particular emphasis will be placed upon the verification of the Temporary Instructor's (substitute) Payroll to ensure the accurate reporting of time for substitutes and that signatures are provided as required by the substitutes, absent teachers and an administrator.

The Principal will meet with the Payroll Clerk prior to approving each final roster to verify payroll processing procedures have been properly implemented.

The Principal and Assistant Principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Processing Procedures Manual*. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

Should you require additional information, please feel free to contact me at 305-258-0446.

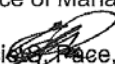
cc: Mr. Freddie Woodson
Dr. Melanie K. Fox
Ms. Cynthia Gracia


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 20, 2009

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

FROM:  Essie Lee, Regional Superintendent
North Central Regional Center

BY: Gwendolyn C. Hines, Principal 
John I. Smith Elementary School

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
JOHN I. SMITH ELEMENTARY SCHOOL**

The following is submitted in response to the Internal Audit Report of John I. Smith Elementary School.

RECOMMENDATIONS

Financial Records

- 1.1. Strengthen the review of deposits and monitor bank balances closely.
- 1.2. Discuss with staff the procedures for completing the deposit packages to ensure understanding of the requirements.
- 1.3. Discuss with staff the procedures for maintaining the checking account balance up-to-date, the preparation of accurate monthly reconciliations and receipt of canceled checks.
- 1.4. Periodically review the documents to ensure records are complete and compliant with the requirements.

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

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

The principal met and review with secretary/treasurer the *Manual of Internal Fund Accounting*, Section II, Chapters 3 and Section V, Chapter 1, identifying the proper procedures for monitoring account balances, maintaining current checkbook balance, timely postings and noting adjustments during the monthly reconciliation.

APPENDIX-MANAGEMENT'S RESPONSE

The principal will monitor, view on-line banking and verify deposit slips weekly. Additionally, the principal will monitor the checkbook balance on a weekly basis and will review the preparation of the monthly reconciliation to ensure receipt of cancelled checks, timely postings of all J.V. entries of bank charges and interest to the current month before submitting to district.

The principal will review with principal's designees the documents to ensure records are complete and compliant with the requirements. Any discrepancies will be addressed and corrected immediately.

FTE

- 2.1. **Ensure that all SPED folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated. Funding allocated should be properly supported by a Matrix of Services form and accurate information should be entered into Integrated Student Information System (ISIS) to reduce the probability of being out of compliance and the consequential funding disallowances that may result from documentation errors/omissions.**

Person(s) Responsible: Principal, Assistant Principals, LEA, SPED Chairperson

Management Response: In order to ensure all SPED folders contain current IEP/EPs and Matrix of Service forms which have been properly completed, reviewed and updated, the principal has implemented the following immediate corrective actions and preventive strategies:

The principal will review with SPED teachers and SPED Chairperson all procedures and monitoring strategies required to ensure compliance with SPED guidelines. In addition, the principal reviewed the Matrix of Services Handbook with the LEA and SPED teachers to ensure understanding and compliance with all aspects of the Matrix of Services document (FM-5582). The LEA will utilize the SPED Standards Records Review form (FM-7069) to ensure SPED folders are in compliance with guidelines before they are filed. Additionally, the LEA will verify data entered in ISIS is consistent with the IEP and Matrix of services information. This will be reviewed with the Assistant Principal on a monthly basis.

The principal will monitor all aspects of the financial records and SPED program guidelines to ensure the school is in compliance with established procedures

If any further information is needed, please contact me directly at 305.406-0220.

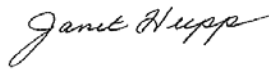
cc: Dr. Daniel Tosado
Mr. Jorge L. Garcia
Ms. Cynthia Gracia


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent 
South Regional Center

BY: Dr. Maria D. Pabellon, Principal 
South Miami Heights Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
SOUTH MIAMI HEIGHTS ELEMENTARY SCHOOL

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

RECOMMENDATIONS

Title I

- 1.1. Strengthen the monitoring of account balances and request budget transfers, as needed, to cover total projected expenditures.
- 1.2. Ensure that proper funding sources are used to cover expenditures.

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

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of Title I funds.

The Principal has reviewed the 2008-2009 *Title I Handbook*, focusing upon the procedures to document, process and monitor the expenditure of Title I funds with the Assistant Principal and Secretary/Treasurer. The Principal will print and review the Cliff Report on a weekly basis and monitor all MSAF account balances to ensure that Title I expenditures do not exceed budgeted amounts.

In addition, the Principal will closely monitor the expenditures of all Title I funds and submit budget transfers as required to cover any negative balances and ensure that appropriate funding sources are utilized.

Payroll

- 2.1. Review with appropriate staff the procedures for documenting leave, especially when substitutes are required to cover instructional personnel.

APPENDIX-MANAGEMENT'S RESPONSE

2.2. Strengthen the overall review of payroll and all payroll records to ensure that documentation supports the payroll reported.

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

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure the accurate documenting, reporting and approving of all payrolls with emphasis on the appropriate reporting of substitute time.

As a part of the Opening of School meeting, the Principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, the completion of leave cards and the submission of temporary duty forms. The Principal recently issued a written reminder and again reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, the completion of leave cards, and the submission of temporary duty forms prior to scheduled absences.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Secretary/Treasurer and Assistant Principal focusing upon the procedures to document leave, the reporting of substitutes and the process to approve payroll. A system has been established for the review of the Daily Payroll Attendance Sheet by both the Secretary/Treasurer and the Principal or Assistant Principal to ensure that all employees sign in/out on a daily basis and proper notations to document absences are accurately recorded on the Daily Payroll Attendance Sheet. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis.

The Principal directed the Assistant Principal to carefully review the daily payroll reporting of substitutes to ensure that the name of the absent teacher is recorded, the time reported for the substitute, i.e. half day or full day, matches that of the absent teacher, unless a memorandum documenting the reason for the discrepancy is available, that substitutes are accurately reported for each absent teacher including correct employee numbers, and finally, that substitute time is not reported for a teacher that is present. The Principal directed the Assistant Principal to immediately report any discrepancies in the reporting of payroll for substitutes for correction on a daily basis.

The Principal and Assistant Principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Procedures Manual* with particular emphasis placed upon areas of concern identified in the audit in order to prevent recurrence.

Should you require additional information, please feel free to contact me at 305-256-0347.

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


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 20, 2009

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

FROM: Essie B. Pace, Regional Superintendent
North Central Regional Center

BY: Maria C. Fernandez, Principal 
Thomas Jefferson Middle School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
THOMAS JEFFERSON MIDDLE SCHOOL

The following is in response to the findings in the Internal Audit Report for Thomas Jefferson Middle School.

RECOMMENDATIONS

EESAC Expenditures

- 1.1. Provide the EESAC Committee with a copy of the Miami-Dade County's Educational Excellence School Advisory Council (EESAC) Resource Guide and discuss with them for awareness and understanding of the procedures.
- 1.2. Ensure that the official committee minutes include clear and accurate description as to the use of the funds and the corresponding approval prior to making any expenditure.
- 1.3. Ensure that committee members understand that decisions for spending monies must be approved for in a public meeting, pursuant to the requirements of Florida's Government-in-the-Sunshine. As such, any decisions of the committee must be recorded in the minutes, and members of the EESAC may not discuss privately any issue that will come before the EESAC for a vote.

Person(s) Responsible: Principal, Assistant Principal, Treasurer and EESAC Chairperson

Management Response:

In order to ensure that requirements for the disbursement of internal funds are properly adhered to, the principal will implement the following corrective actions and preventive strategies regarding the disbursement of internal funds.

APPENDIX-MANAGEMENT'S RESPONSE

The principal convened a meeting with the assistant principal and the treasurer to review the audit findings and the requirements for the disbursement of EESAC expenditures.

The principal will provide copies of, and review, Miami-Dade County's Educational Excellence School Advisory Council (EESAC) Resource Guide at the school's next scheduled EESAC meeting on May 8, 2009, to ensure a better understanding that decisions for spending monies must be approved in a public meeting pursuant to the requirements of Florida's Government-in-the-Sunshine-Law and that limitations and restrictions to the EESAC funds must be adhered.

The principal and the EESAC Chairperson will ensure that all EESAC minutes will include clear and accurate descriptions and corresponding approvals of all expenditures.

The principal and treasurer will ensure that all purchase orders are completed and approved prior to the purchase of any items. The principal will ensure that the receipts for reimbursements are given in a timely manner. Additionally, any complementary items given will be itemized on the Complimentary Items-Recipient List form.

The principal and designated assistant principal will continue to monitor internal funds disbursement procedures on a monthly basis to ensure adherence to all required procedures.

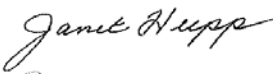
cc: Dr. Daniel Tosado
Mr. Jorge L. Garcia
Ms. Cynthia Gracia


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent 
South Regional Center

BY: Mr. Craig J. DePriest, Principal 
Redland Middle School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
REDLAND MIDDLE SCHOOL

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

RECOMMENDATIONS

Payroll

- 1.1. Review payroll procedures with school staff and administration, particularly as it relates to payroll reporting and recordkeeping.
- 1.2. Prohibit staff from recording attendance on behalf of other employees.
- 1.3. Strengthen the supervision over the payroll function and the review of the payroll records.

Person(s) Responsible: Principal, Assistant Principal, Payroll Clerk, Alternate Payroll Clerk

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure accurate monitoring and processing of payroll records.

As a part of the Opening of School meeting, the Principal reviewed payroll reporting procedures with the entire faculty and staff, emphasizing sign in/out procedures, completing leave cards and submitting temporary duty forms prior to scheduled absences. The Principal recently issued a written reminder for all staff detailing proper payroll reporting procedures.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Clerk, Alternate Payroll Clerk, and Assistant Principals, focusing upon the procedures to

APPENDIX-MANAGEMENT'S RESPONSE

document, process, and approve payroll. A system was established to provide for the careful review of the Daily Payroll Attendance Sheet by both the Payroll Clerk and the Assistant Principal to ensure that all employees indicate their daily presence and/or hours worked on the Daily Payroll Attendance Sheet. The Principal directed the Assistant Principal and Payroll Clerk to verify leave cards on a daily basis and compare with the Daily Payroll Attendance Sheet to ensure a properly executed leave card is available to accurately document each employee absence. The Principal also convened a faculty meeting to review proper payroll procedures and the expressly prohibited practice of signing in or out for another employee.

The Principal directed the Payroll Clerk, Alternate Payroll Clerk, and Assistant Principal that staff may not be reported present when they have failed to sign in. The Principal issued a written reminder notifying all staff members that anyone who has failed to sign in will be notified in writing by the Principal to provide a written explanation and that failure to sign in may result in the reporting of leave without pay.

The Principal and Assistant Principal will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Processing Procedures Manual*. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

The Principal is scheduled to retire June 30, 2009. The Regional Center Superintendent and Regional Center Business/Personnel Director will ensure that all areas of concern identified in this audit as well as all corrective actions and preventive measures will be thoroughly reviewed with the incoming Principal in order to prevent recurrence.

Should you require additional information, please feel free to contact me at 305-247-8332.

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

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent
South Regional Center



BY: Ms. Kerri A. Maysonet, Principal
Homestead Senior High School



**SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL 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.

RECOMMENDATIONS

Prior Year Follow-Up

- 1.1. Ensure that staff understands and adheres to the procedures for preparing the Inventory of Prenumbered Forms. Prior to filing, review the Prenumbered Forms inventory with the Treasurer to ensure its completeness and accuracy.
- 1.2. Ensure that staff understands and adheres to the procedures for documenting all yearbook related processes and for pricing yearbooks.
- 1.3. Continue to periodically meet with the yearbook sponsor to monitor the profitability of the activity and make adjustments as needed.
- 1.4. Ensure that staff completes and files Student Activity Operating Reports, as well as any complimentary lists related to student activities.

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

Management Response:

- 1.1 The Principal directed the Treasurer to review procedures for the accurate completion of the Prenumbered Forms Inventory (FM-3564) with the Regional Center's Business Manager as well as the preparation of the Serialized Forms and Ticket Distribution Log (FM-0990).

APPENDIX-MANAGEMENT'S RESPONSE

Prior to filing, the Treasurer has been directed by the Principal to review the Prenumbered Forms Inventory for completeness and accuracy with the Principal's Designee.

The Principal and Designee will review both the Prenumbered Forms Inventory and the Serialized Forms and Ticket Distribution Log on a monthly basis for accuracy and completion.

1.2 The Principal reviewed Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* that establishes the procedures over the yearbook activity with the Yearbook Sponsor, Activity Director, Principal's Designee and Treasurer.

1.3 The Principal will meet periodically with the Yearbook Sponsor, Treasurer and Principal's Designee to ascertain the financial status of the yearbook fund-raising activity and make required adjustments to ensure the cost of the yearbook is appropriate.

The Principal directed the Yearbook Sponsor to maintain required documentation including, but not limited to: Bid Tabulation Form (FM-1024); Committee Appraisal-Yearbook Printing Form (FM-1025); Monthly Operating Reports (FM-1030); and Distribution Report (FM-1031) on file at the school for audit purposes.

1.4 As part of the monitoring process, the Principal will meet with the Yearbook Sponsor, Treasurer, and Principal's Designee bi-weekly to ascertain the financial status of the yearbook fund-raising activity, the yearbook sales campaign, and make adjustments as necessary. The Principal will randomly review all documentation required for yearbook sales including, but not limited to: the Student Activity Operating Report as well as any complimentary lists. The Principal, Treasurer and Activities Director will meet quarterly to monitor all Student Activity Operating Reports. The Principal will also randomly monitor all documentation required for all fundraisers including but not limited to Gradnite and the Senior Prom.

Payroll

- 2.1 Ensure that staff understands and is aware of the reporting and recording payroll requirements, including the procedures for completing the leave cards; and strengthen the review of payroll.
- 2.2 Ensure that the administrator responsible for granting and approving compensatory time understands and is aware of procedures for the up-to-date maintenance of the forms, and the limitations regarding the accrual and use of compensatory overtime.
- 2.3 Ensure that employees use all compensatory time earned by the last pay period of the fiscal year.

APPENDIX-MANAGEMENT'S RESPONSE

Person(s) Responsible: Principal, Principal's Designee, Payroll Clerk

Management Response:

2.1 The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Clerk and Principal's Designee, focusing on the procedures for accurately recording payroll and documenting leave. The Principal directed the Principal's Designee to review all payroll documents with the Payroll Clerk for accuracy including the signatures required prior to presentation to the Principal for approval.

The Principal also issued a written reminder to all staff detailing payroll reporting procedures emphasizing sign in/out procedures, completing leave cards and submitting temporary duty forms. The Principal directed the Principal's Designee and the Payroll Clerk to review all leave cards on a daily basis to ensure they are properly signed by all staff and administration as required.

2.2 The Principal directed the Principal's Designee to ensure compliance with the proper procedures for approving and documenting compensatory time. The Principal directed the Principal's Designee to establish a binder to maintain a log of all compensatory time that has been approved, earned, and used.

2.3 The Principal also reviewed the proper procedures for accruing compensatory time and the subsequent use of compensatory time with the Payroll Clerk. The Principal has directed the remaining four employees with a compensatory time balance to utilize this time prior to May 15, 2009. Going forward, the Principal has informed all staff that requests for compensatory time will not be granted.

The Principal and Principal's Designee will continue to review payroll procedures with all staff as detailed in the school's faculty/staff handbook and the *Payroll Procedures Manual*. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

Should you require additional information, please feel free to contact me at 305-247-0927.

cc: Mr. Freddie Woodson
Dr. Melanie K. Fox
Ms. Cynthia Gracia
Dr. Henry Crawford
Mr. Julio Miranda

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 20, 2009

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

FROM: Essie S. Ponce, Regional Superintendent
North Central Regional Center

BY: Charles Hankerson, Principal *CH*
Miami Northwestern Senior High School

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

The following is in response to the findings in the Internal Audit Report for Miami Northwestern Senior High School

RECOMMENDATIONS

Athletic Fund Expenditures

- 1.1. Ensure that funding is available before approving expenditures.
- 1.2. Strengthen the controls and monitoring over the Athletic Fund balances to prevent excessive spending and deficit balances.
- 1.3. Adhere to School Board expenditure thresholds and approvals.

Person(s) Responsible: Principal, Assistant Principal for Athletics, Treasurer, Athletic Business Manager and Athletic Director

Management Response: The Principal met with the Athletic Director, Assistant Principal for Athletics, Athletic Business Manager, and Treasurer to review the audit findings.

In order to prevent future audit exceptions in this area, the Principal reviewed and discussed Chapter 1, Section III of the Manual of Internal Fund Accounting pertaining to athletic program expenditures. Additionally, the Principal reviewed with the designated staff the School Board Rule 6GX13-3C-1.18, which pertains to the threshold amount allowed under Board Rule for Student and Staff awards. The Principal provided designated staff with a copy of this Board Rule as a reminder that School Board expenditure thresholds and approvals must be observed in future purchases.

The Principal instructed the Assistant Principal for Athletics to monitor the Athletic Fund balances by reviewing the accounts on a monthly basis with the Treasurer, Athletic Business Manager and Athletic Director.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal established the following guidelines for the Athletic Department to follow regarding expenditures of Athletic funds. A copy of the available balance screen must be included with the request for Principal signature on any expenditure that exceeds \$1,000.00. The approval signatures of the Athletic Director, Athletic Business Manager, Assistant Principal for Athletics and the Treasurer must be present prior to submitting for final approval by the principal.

The Principal instructed staff not to make purchases if the availability of funds are not evident. The Principal instructed the Treasurer and Athletic Director and Athletic Business Manager to supply a financial report of all Athletic accounts and outstanding expenditures on a monthly basis. The Principal will not sign any checks where funds are not readily available at the time of processing. The Principal instructed the Athletic Director, Athletic Business Manager and Treasurer not to accept any merchandise prior to verifying the purchase protocol as outlined by the Principal.

The Principal instructed the Athletic Director, Athletic Business Manager and Treasurer not to purchase items for any individuals other than student athletes for any athletic team. Additionally, any orders needing School Board approval will be carefully monitored to ensure full compliance of the approval. The Principal instructed the Purchasing Clerk to review all athletic merchandise orders with him for approval before processing.

Title I Equipment

RECOMMENDATIONS

- 2.1. The administration should plan the use of Title I funds to procure only those purchases necessary to fulfill the program's needs.
- 2.2. Ensure that all applicable Title I equipment is identified with Title I Program labels.
- 2.3. Ensure that purchase orders and invoices supporting all expenditures are maintained on file.
- 2.4. Strengthen controls over portable equipment by maintaining a log of equipment assigned/returned.

Person(s) Responsible: Principal, Assistant Principal over Title 1, Treasurer, Computer Technicians, Purchasing Clerk, Treasurer, Property Control Manager

Management Response: The Principal reviewed and discussed the audit findings with the Assistant Principal for Title 1, Computer Technicians and Property Control Manager.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal will review with the Assistant Principal, Purchasing Clerk, and Treasurer on a monthly basis all transactions concerning expenditures as outlined by the *Title 1 Administration Handbook*. The Principal will develop a specific expenditure plan for the use of Title 1 funds, which will ensure the purposeful expenditure of allocated funds. The Principal will conduct monthly meetings with the Treasurer, Purchasing Clerk and Assistant Principal to review Title 1 funds, open Title 1 purchase orders, and the plan of expenditures. The Principal will direct the Property Control Manager to tag all Title 1 purchased property immediately upon arrival to the building with a copy going to the Purchasing Clerk for audit purposes.

The Principal established procedures to monitor the distribution, collection and disposal of all Title 1 property by the Property Control Manager. The Property Control Manager will maintain a log of property items as they are requested, assigned and returned. The Principal instructed the Property Control Manager and Purchasing Clerk to tag all Title 1 property upon arrival to building and before distribution. A copy of Title 1 property purchases must be kept on file by the Purchasing Clerk and Property Manager. The Principal will review quarterly inventory reports with the Property Manager to monitor the location and distribution of Title 1 property to ensure accountability of equipment. A spreadsheet of all property will be kept by the Principal, Property Control Manager, and Purchasing Clerk.

All portable Title 1 equipment will be collected and stored in the Computer Technician's storage room at the closing of the school year until it is reissued for the start of the new school year. Teachers who have Title 1 issued equipment for the year must sign off an equipment return receipt which the Property Manager for accounting documentation.

Community Involvement Specialist Recordkeeping

- 3.1. Review the responsibilities of the Community Involvement Specialist with the appropriate staff to ensure an understanding of their duties and responsibilities.**
- 3.2. Ensure that the CIS understands the recordkeeping requirements and request training from the District as needed.**
- 3.3. Strengthen the review of the records maintained by the CIS.**

Person(s) Responsible: Principal, Assistant Principal, Community Involvement Specialists

Management Response: The Principal, Assistant Principal, and Community Involvement Specialists met to review and discuss the audit findings. The Principal reviewed and discussed the job responsibilities of the Community Involvement Specialists as outlined in the *Title 1 Administration Handbook*.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal established monthly review meetings with the Assistant Principal and Community Involvement Specialists to discuss and affirm the collection of Title I documentation as it pertains to: home visitations logs, parent involvement meetings, parent compacts and parent surveys.

The Principal will review with faculty and staff at the Opening of School meeting the requirements of being a Title 1 school and the accountability procedures that need to be followed by all stakeholders. The principal will have all employees sign off on the training for Title 1 property and equipment usage as part of the Opening of School meeting.

Production Shops and Service Activities

- 4.1. Discuss with staff procedures for completing the child care attendance rosters and student registration cards.**
- 4.2. Review cosmetology's advertising/promotional material prior to printing and distribution to ensure prices reflected agree with district pricing guidelines.**
- 4.3. Ensure that the cash register is in working order; and discuss with staff the procedures for completing the work orders and the Monthly Inventory and Operating Statements.**
- 4.4. Strengthen the review over the production shop and service activities records and safeguard records against loss.**

Person(s) Responsible: Principal, Assistant Principal, Treasurer, Cosmetology Instructor, Treasurer, Culinary Arts Instructor, Child Care Instructor

Management Response: The Principal reviewed and discussed the findings with the Assistant Principal, Cosmetology Instructor, Culinary Arts Instructor, and Child Care Instructor, referring to the Manual of Internal Fund, Section IV, Chapter 16 Production Shop and Service Activities.

The Principal reviewed with the new Child Care Instructor the procedures and guidelines including attendance and student registration cards governing the participation of children attending the Child Care program. The Assistant Principal over curriculum will review all child care registration cards which were completed by the child care teacher for completeness and accuracy. The principal will meet with the Treasurer and Child Care Teacher on a monthly basis to review all financial transactions for accountability and accuracy. Any discrepancy as related to these items will be addressed and corrected immediately.

The Principal established the following procedures governing promotional materials prior to printing by the Cosmetology Department. All materials must be reviewed by the

APPENDIX-MANAGEMENT'S RESPONSE

Assistant Principal prior to being submitted to the Principal for approval. The Principal reinstated the exclusive use of the District approved pricing lists as related to services rendered by the Cosmetology Department. The Principal will meet with the Cosmetology teacher on a monthly basis to review guidelines governing the policy for production sales. The Assistant Principal will meet with the Treasurer and Cosmetology teacher on a monthly basis to review production sales and receipts. The Assistant Principal will provide the Principal copies of the documents reviewed for monitoring compliance.

The Principal, Assistant Principal and Culinary Arts Instructor met to review and discuss procedures for the repair of equipment necessary to operate the culinary arts division of the school's curriculum. The Principal reviewed with the Culinary Arts instructor the documentation needed to repair or replace inoperable equipment. The Principal also reviewed and provided the Culinary Arts Instructor with the District approved, pre-numbered work order forms to be utilized for the operation of the Culinary Arts Department Production and Services Activities.

The use of a daily production log must be maintained to verify the work and distribution of materials and services. The Principal established monthly meetings inclusive of the Assistant Principal, Treasurer and all production personnel to review records of production and distribution for accuracy and compliance.

Miami Northwestern Senior High School will continue to refine its procedures in an effort to be in compliance with all required guidelines. It is expected that after implementation of the above mentioned recommendations, future audit results will be satisfactory.

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

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 24, 2009

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

FROM: Mrs. Janet S. Hupp, Regional Superintendent *Janet Hupp*
South Regional Center

BY: Ms. Alicia Hidalgo, Principal *AH*
South Dade Senior High School

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

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

School Site IT Audit

RECOMMENDATIONS

- 1.1. Obtain the monthly RACF report (ITS product number T0802E0101), review for proper staff authorizations, sign, and maintain on file. Immediately revoke payroll approval access to unauthorized personnel.
- 1.2. Review the Network Security Standards (NSS) with the School Based Technician (SBT) to ensure that staff directly responsible for maintaining technology infrastructure understand and are fully aware of requirements, district IT policies and directives.
- 1.3. Review all computers to ensure the presence of district mandated antivirus software; and ensure that all computers capable of being joined or bound are incorporated as members of the DADESCHOOLS domain.
- 1.4. Develop and document a disaster recovery plan and backup routine with the assistance of the SBT.

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

Management Response:

The following corrective measures and preventive strategies have been instituted to ensure that all IT Security Standards are met.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal will print, review and sign the Authorized Applications for Employees by Locations report on a monthly basis to ensure that school personnel have access only to those applications required by their job duties. This report will be maintained on file in the principal's office. The Principal immediately revoked payroll approval access inadvertently given to unauthorized personnel.

The Principal convened a meeting with the Assistant Principals and the School Based Technician (SBT) to review the audit findings and the M-DCPS Network Security Standards to ensure that staff directly responsible for maintaining technology infrastructure understand and are fully aware of requirements, district IT policies and directives.

The Principal directed the SBT to print a BigFix Console report on a monthly basis for the Principal's review to ensure the presence of district mandated antivirus software; and that all computers capable of being joined or bound are incorporated as members of the DADESCHOOLS domain.

The Principal also directed the SBT to develop and document a disaster recovery plan and backup routine. A copy of the plan and backup routine will be maintained on file in the Principal's office as well as in the SBT's office. The plan and its locations has been shared with the Assistant Principals.

The Principal and the designated Assistant Principal will continue to monitor IT security procedures on a monthly basis to ensure adherence to all M-DCPS Network Security Standards. Particular emphasis will be placed upon areas of concern identified in the audit in order to prevent recurrence.

Should you require additional information, please feel free to contact me at 305-247-1160.


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


APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 20, 2009

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

FROM: Essie  Pace, Regional Superintendent
North Central Regional Center

BY: Jean C. Ridore, Principal 
North Miami Adult Education Center

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
North Miami ADULT EDUCATION CENTER

The following is submitted in response to the Internal Audit Report of North Miami Adult Education.

RECOMMENDATIONS

Financial Management

- 1.1. Ensure that staff understands and is aware of the requirements for safeguarding the deposits and the processing of all transactions through the main cash register.
- 1.2. Strengthen the oversight over the safeguarding of deposits and the recordkeeping of monies collected and disbursed and the supporting documentation.

Person(s) Responsible: Principal, Vice-Principal and Treasurer

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

In compliance with the *Manual of Internal Funds Accounting*, Section II, Chapter 2, the Principal has instructed the Vice-Principal to train all Cashiers on procedures regarding processing monies through the main cash register. All cashiers have been provided with a Daily Procedures Checklist to be followed explicitly. Cashier and the VACS poster will be transferred out of the Treasurer's office to ensure security of money transactions. The Principal established a restricted location in order to secure the checkbook and deposit slips. The Treasurer will secure daily deposits in the established location and the Vice-Principal will verify all deposits on a daily basis.

APPENDIX-MANAGEMENT'S RESPONSE

- 1.3. Ensure that all serialized forms are properly accounted for and that all checks in inventory are properly stored.**

Person(s) Responsible: Principal, Vice- Principal, and Treasurer

Management Response: In order to prevent the recurrence of future audits and ensure strict compliance is maintained with Internal Funds, corrective and preventative strategies have been implemented. In addition, serialized forms are properly accounted for and stored.

The Treasurer will review and inventory the unused checks monthly. The Vice-Principal and Principal will verify the inventory. The Treasurer and Vice-Principal will review the cancelled checks on a monthly basis. The Principal will verify cancelled checks upon signing the monthly reports.

- 1.4. Review the monthly checking account bank statement with the Treasurer to ensure the appropriateness of bank balances and receipt of the cancelled checks. Going forward, review bank balances periodically to prevent exceeding FDIC limits and authorize the transfers of funds to the Money Market account as needed.**

Person(s) Responsible: Principal, Vice-Principal, and Treasurer

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

Under the supervision of the Principal, the Vice-Principal will review the bank reconciliation, bank statements and checkbook monthly with the Treasurer and ensure that the documents are being properly maintained and fraudulent checks have not been posted.

To avoid exceeding the FDIC limits, the Treasurer will review the checking account monthly. Excess money will be transferred to the Money Market as necessary.

The Principal will randomly review documents for accuracy and completion on a monthly basis.

It is expected the above procedures will help with strengthening the internal controls in the Treasurer's office and prevent audit exceptions.

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

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

April 21, 2009

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

FROM: James V. Parker, Principal
Miami Lakes Educational Center

SUBJECT: 2008-2009 PROPERTY LOSS

During the 2008-2009 school year breaches within the security of Miami Lakes Educational Center have resulted in \$21,065 in equipment removed from the school. In all occurrences, the items were reported on Plant Security Reports. Several factors may have compromised the security at Miami Lakes Educational Center. For instance, over the last two years we have been in the process of two major construction projects which have necessitated non-school site personnel having access to numerous areas in the school. Additionally, in light of budgetary constraints, there have been a few occasions that the school has been restricted to only one custodian on the campus while there are several project workers on the campus. We have also had some challenges with the school's burglar alarm system. On numerous occasions, the school has had to by-pass certain sections of the burglar alarm system thus leaving areas unprotected.

Below are some of the measures taken to prevent additional loss of property:

- The burglar alarm has been reported and corrective measures have been taken.
- The school is conducting two internal property audits per year.
- New surveillance cameras are included within the scope of one of the school's construction projects.
- Maintenance is in the process of re-keying to school site keys all areas that are accessed by construction.
- School storage (items waiting to be taken to Richard's Warehouse) will be off master. Only site administrators and head custodian will have access to this room.
- Reminders regarding the control and monitoring of property controlled items will be reviewed at faculty and staff meetings.

Should you require additional information, please contact me directly at 305-557-4940.

xc: Marcos Moran, Regional Superintendent
Jennifer Andreu, Administrative Director
Maria T. Gonzalez, Asst. Chief Management & Compliance Audit



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 2009**



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