



# Internal Audit Report



## Selected Schools



*Financial Statements Were Fairly Stated; However, At One School, Controls In Selected Areas Need Improvement.*

September 2008

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

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Superintendent of Schools

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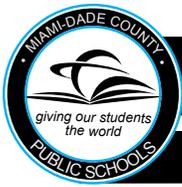
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# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Rudolph F. Crew, Ed.D.

**Miami-Dade County School Board**

Agustin J. Barrera, Chair

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August 28, 2008

Members of The School Board of Miami-Dade County, Florida  
Members of The School Board Audit Committee  
Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

This report includes the audit results of 43 schools and centers currently reporting to various Regional Centers and selected District departments. At the request of the Audit Committee, at one of these schools, Miami Southridge Senior, we completed the audit as a follow-up to prior year findings; and unqualified audit results are included herein. Additionally, we are including the audit results of nine schools and centers whose 2006-07 fiscal year audits were pending since last June 30th. Except for these nine schools, whose audit period is two years ended June 30, 2008, the audit period for remaining audits 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 and payroll records at all the schools. On a selected basis, we reviewed credit card purchases, aspects of data security, and FTE reporting and student records. Except for Miami Southridge Senior, whose property inventory was conducted during the summer as part of the audit follow-up and results are included in this report, property results for the remaining schools and centers will be reported at a later date.

Our audits disclosed that the financial statements of the schools and centers reported herein were fairly stated. At 42 of the 43 schools, we found general compliance with prescribed policies and procedures and site records were maintained in good order. However, at one school, we found that controls over disbursements need improvement.

The audit findings were discussed with school and District administration 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 conduct of these audits.

Sincerely,

Allen M. Vann, CPA

Chief Auditor

Office of Management and Compliance Audits

AMV:mtg

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## **At-A-Glance Audit Results**

- ◆ **Of 43 Schools, 28 Reviewed As A Result Of Change Of Principal**
- ◆ **Miami Southridge Senior Audit Conducted At The Request Of Audit Committee**
- ◆ **Nine School Audits Carried Over From Last Year (Two-Year Audits)**
- ◆ **42 Of 43 Schools Were In Compliance With Prescribed Policies.**

## **EXECUTIVE SUMMARY**

The Office of Management and Compliance Audits has completed the audits of 43 schools and centers. At 28 of the 43 schools, there was a change of principal since the prior audit. During the summer, at the request of the Audit Committee, we conducted a follow-up audit of Miami Southridge Senior High School, whose audit results are also included in this report. Additionally, we are including the audit results of nine schools and centers whose audits were carried over from the prior year. Except for these nine schools, where the audit period was two years ended June 30, 2008, the audit period for the remaining schools was one fiscal year ended June 30, 2008.

The audits disclosed that records were maintained in good order and in accordance with prescribed policies and procedures at 42 of the 43 schools reported herein. At Miami Southridge Senior High School, audit results disclosed that the school made significant improvement in their fiscal management, and previously reported deficiencies have been corrected. Any discrepancies found during the audit that we considered immaterial for reporting purposes were nevertheless discussed with the Principal and staff for corrective action.

- At The 500 Role Models Academy of Excellence, controls over the disbursement function and field trips need improvement.

Refer to Summary Schedule of Audit Findings on pages 17-18.

Notwithstanding the conditions and findings reported herein, at all 43 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions during the 2006-07 and/or 2007-08 fiscal years, depending on the school being audited, on the cash basis of accounting.

As of June 30, 2007, for nine schools and centers reported herein, total combined receipts and disbursements amounted to \$1,679,471 and \$1,915,796 respectively; while total combined cash and investments amounted to \$1,266,444.

As of June 30, 2008, for all 43 schools and centers reported herein, total combined receipts and disbursements amounted to \$8,380,864 and \$8,409,399 respectively; while total combined cash and investments amounted to \$2,597,874.

Also, 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 school.

### **INTERNAL FUNDS**

Of 43 schools, 42 were in compliance with the procedures established in the *Manual of Internal Fund Accounting*.

### **At-A-Glance Audit Results**

- ◆ During FY2006-07, Nine Schools Received And Disbursed \$1.68M And \$1.92M; \$1.27M Cash & Investments
  
- ◆ During FY2007-08, 43 Schools Received And Disbursed \$8.38M And \$8.41.M; \$2.60M Cash & Investments.

## At-A-Glance Audit Results

- ◆ Deficient Disbursement and Field Trip Procedures At The 500 Role Models Academy
- ◆ Payroll Function Proved Satisfactory At All Schools Reviewed
- ◆ Property Inventory Satisfactory At Miami Southridge Sr. Property Inventories For Remaining Schools Will Be Reported At A Later Date.

At The 500 Role Models Academy of Excellence, out-of-county field trip expenditures were improperly paid out of the Instructional Materials and Supplies (Fund 9) account. The corresponding field trip rosters revealed that some of the children who were listed as participants were not students at this school; and field trip approval signatures were either missing or questionable. In addition, documentation supporting school disbursements was incomplete, inappropriate, and/or questionable.

### **PAYROLL**

At all schools and centers, payroll rosters were adequately supported by Daily Payroll Attendance Sheets and leave cards as prescribed by the *Payroll Processing Procedures Manual*. Also, we found proper segregation of duties between the payroll preparation, authorization, and check distribution functions.

### **PROPERTY**

With the exception of Miami Southridge Senior, where a physical inventory of property items was conducted, the inventories at the remaining schools are currently in progress and results will be reported at a later date. At Miami Southridge Senior, the property inventory disclosed that the school was in general compliance with District policy. At the school, the total inventory amounted to \$2,075,133. In addition, losses reported through Plant Security Reports revealed only three items with a total value of \$3,360 and a depreciated value of \$2,415.

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

We reviewed the P-Card Program's procedures and records at the following 13 schools:

- Robert Renick Educational Center
- Parkview Elementary
- Spanish Lake Elementary
- Highland Oaks Middle
- Thena C. Crowder Elementary
- Earlington Heights Elementary
- Eugenia B. Thomas K-8 Center
- Miami Springs Middle
- Kendale Elementary
- Robert Russa Moton Elementary
- Perrine Elementary
- Jorge Mas Canosa Middle
- Miami Southridge Senior

Our review disclosed that all 13 schools listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*. Any minor discrepancies found during the audits were discussed with the principals and staff for corrective action.

## **At-A-Glance Audit Results**

- ◆ **P-Card Program Procedures Reviewed At 13 Schools**
  
- ◆ **All 13 Schools Generally Compliant With P-Card Procedures.**

## At-A-Glance Audit Results

- ◆ **Data Security: Access To Student Grade Changes Was Restricted To Principal, Assistant Principal, And Registrar At All 14 Schools Reviewed**
- ◆ **Verification of School Site IT Security Audit Checklist disclosed that the IT function compliant with District policy At Two Schools Reviewed.**

## DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY AUDIT CHECKLIST

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at 14 schools. Furthermore, at two of these schools, we physically verified the information provided by the schools on the *School Site Information Technology (IT) Security Audit Checklist*.

- Robert Renick Educational Center
- Spanish Lake Elementary
- Eugenia B. Thomas K-8 Center
- West Hialeah Gardens Elementary
- Miami Springs Middle
- Miami Edison Senior
- Marjory S. Douglas Elementary
- Joe Hall Elementary
- **Jane S. Roberts K-8 Center\***
- Miami Coral Park Senior
- Young Womens Preparatory Academy
- **Robert Russa Moton Elementary\***
- Jorge Mas Canosa Middle
- Miami Southridge Senior

Our review disclosed that all schools generally complied with the review of the report and with the requirements for granting access to system applications. Minor discrepancies found during the IT reviews were discussed with the principals for immediate corrective action.

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\* *School-site IT Security Audit Checklist* reviewed at these schools. At Robert Russa Moton Elementary, prior year findings in this area have been corrected.

## FULL-TIME-EQUIVALENT (FTE) FUNDING

The following four schools were selected for these audits:

School	FTE Funding Reported
Poinciana Park Elementary	\$ 966,527
Coral Park Elementary	2,194,558
Miami Coral Park Senior	8,024,857
Miami Southridge Senior	7,399,158
<b>Total FTE Funding</b>	<b>\$ 18,585,100</b>

The total FTE funding amounted to approximately \$18.6 million for all four schools combined. FTE records corresponding to the 2007-08 fiscal year FTE Survey Period 3 (February 2008 FTE activity) were reviewed.

Our reviews disclosed that all four schools were generally compliant with District policy. Any discrepancies found during the reviews that were deemed immaterial for reporting purposes were nevertheless discussed with school management for corrective action.

## AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments *as of June 30, 2007 for nine schools reported herein (2-year audits); and as of June 30, 2008 for all 43 schools and centers included herein.* It also provides the audit opinion regarding the schools' financial statements:

## At-A-Glance Audit Results

- ◆ FTE Audits At Four Schools: Poinciana Park Elementary, Coral Park Elementary, Miami Coral Park Senior & Miami Southridge Sr.
- ◆ Total Combined Funding Of Almost \$18.6 Million
- ◆ 2007-08, Survey Period 3 Records Reviewed
- ◆ All Four Schools Generally Compliant With FTE Policy.

## CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS

Condensed Annual Financial Reports And Total Cash And Investments As Of June 30, 2007:

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
<b><u>Alternative Education Centers</u></b>								
The 500 Role Models Academy Of Excellence	\$ 8,734.21	\$ 38,814.73	\$ 32,942.95	\$ 14,605.99	\$ 14,605.99	\$ -	\$ -	\$ 14,605.99
Juvenile Justice Center	2,551.95	4,474.31	5,584.96	1,441.30	1,441.30	-	-	1,441.30
<b><u>Other Centers</u></b>								
Athletics and Activities (G.M.A.C.)	236,204.63	108,587.81	168,272.22	176,520.22	64,278.86	112,241.36	-	176,520.22
S. Business Industry Services Center	1,045,962.83	206,303.79	413,147.43	839,119.19	64,853.20	774,265.99	-	839,119.19
<b><u>Special Education Centers</u></b>								
Neva King Cooper Ed. Center	22,283.83	37,923.09	39,019.58	21,187.34	16,074.65	5,112.69	-	21,187.34
Robert Renick Ed. Center	23,048.82	62,664.10	58,139.57	27,573.35	8,318.80	19,254.55	-	27,573.35
<b><u>North Central Regional Center Schools (Formerly Regional Center III Schools)</u></b>								
Eugenia B. Thomas K-8 Center	33,319.96	804,321.33	799,281.78	38,359.51	8,585.23	29,774.28	-	38,359.51
Miami Springs Middle	50,139.51	161,821.76	147,325.13	64,636.14	24,843.78	39,792.36	-	64,636.14

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS**

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
D. A. Dorsey Ed. Center	80,524.11	254,559.86	252,082.54	83,001.43	45,524.58	37,476.85	-	83,001.43
<b>Total</b>	<b>\$ 1,502,769.85</b>	<b>\$ 1,679,470.78</b>	<b>\$ 1,915,796.16</b>	<b>\$ 1,266,444.47</b>	<b>\$ 248,526.39</b>	<b>\$ 1,017,918.08</b>	<b>\$ -</b>	<b>\$ 1,266,444.47</b>

**Condensed Annual Financial Reports And Total Cash And Investments As Of June 30, 2008:**

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
<b><u>Alternative Education Centers</u></b>								
The 500 Role Models Academy Of Excellence	\$ 14,605.99	\$ 37,330.19	\$ 31,921.48	\$ 20,014.70	\$ 20,014.70	\$ -	\$ -	\$ 20,014.70
C.O.P.E. Center - North	47,506.33	65,420.69	65,177.77	47,749.25	5,283.51	42,465.74	-	47,749.25
Juvenile Justice Center	1,441.30	10,457.45	8,525.61	3,373.14	3,373.14	-	-	3,373.14
<b><u>Other Centers</u></b>								
Athletics and Activities (G.M.A.C.)	176,520.22	104,946.14	138,832.54	142,633.82	49,976.41	92,657.41	-	142,633.82
S. Business Industry Services Center	839,119.19	175,439.47	120,684.43	893,874.23	42,154.12	851,720.11	-	893,874.23
<b><u>Special Education Centers</u></b>								
Neva King Cooper Ed. Center	21,187.34	36,384.93	42,942.33	14,629.94	9,270.56	5,359.38	-	14,629.94

## CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
Robert Renick Ed. Ctr.	27,573.35	39,218.62	46,252.10	20,539.87	2,609.34	17,930.53	-	20,539.87
<b><u>North Regional Center Schools</u></b>								
Bunche Park Elementary	16,612.03	26,076.71	22,605.86	20,082.88	8,444.15	11,638.73	-	20,082.88
Crestview Elementary	13,587.75	73,294.98	72,942.26	13,940.47	4,862.09	9,078.38	-	13,940.47
John G. Dupuis Elementary	33,043.41	224,759.08	226,319.06	31,483.43	11,203.93	20,279.50	-	31,483.43
Parkview Elementary	11,630.83	25,211.53	26,244.83	10,597.53	6,497.18	4,100.35	-	10,597.53
Spanish Lake Elementary	-	62,829.57	45,154.29	17,675.28	17,675.28	-	-	17,675.28
Highland Oaks Middle	86,512.63	505,429.31	518,792.22	73,149.72	9,323.79	63,825.93	-	73,149.72
North Dade Middle	22,327.15	34,296.24	37,779.71	18,843.68	3,234.83	15,608.85	-	18,843.68
<b><u>North Central Regional Center Schools</u></b>								
Thena C. Crowder Elementary	5,064.37	7,351.08	7,004.84	5,410.61	2,553.47	2,857.14	-	5,410.61
Charles R. Drew Elementary	13,598.09	24,687.39	23,529.53	14,755.95	6,799.62	7,956.33	-	14,755.95

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS**

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
Earlington Heights Elementary	15,871.41	17,486.34	20,849.41	12,508.34	3,502.52	9,005.82	-	12,508.34
Poinciana Park Elementary	6,412.61	22,029.48	20,772.06	7,670.03	4,670.01	3,000.02	-	7,670.03
Shadowlawn Elementary	25,569.18	13,628.78	27,977.73	11,220.23	4,919.17	6,301.06	-	11,220.23
Eugenia B. Thomas K-8 Center	38,359.51	864,871.34	870,130.88	33,099.97	6,719.36	26,380.61	-	33,099.97
West Hialeah Gardens Elementary	-	189,801.00	177,687.91	12,113.09	12,113.09	-	-	12,113.09
Miami Springs Middle	64,636.14	124,225.16	138,886.63	49,974.67	8,262.18	41,712.49	-	49,974.67
Westview Middle	31,432.85	46,422.53	48,509.88	29,345.50	17,916.60	11,428.90	-	29,345.50
Miami Edison Senior	123,157.74	156,189.99	175,908.59	103,439.14	23,334.47	80,104.67	-	103,439.14
D. A. Dorsey Ed. Center	83,001.43	261,922.67	225,425.22	119,498.88	80,213.65	39,285.23	-	119,498.88
<b><u>South Central Regional Center Schools</u></b>								
Coral Park Elementary	39,188.93	468,025.00	467,845.01	39,368.92	17,756.88	21,612.04	-	39,368.92
Marjory S. Douglas Elementary	26,146.29	540,157.76	540,693.73	25,610.32	4,169.48	21,440.84	-	25,610.32
Flagami Elementary	28,179.21	24,996.43	26,400.27	26,775.37	3,431.41	23,343.96	-	26,775.37

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS**

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
Joe Hall Elementary	34,137.84	327,487.15	321,712.43	39,912.56	22,899.55	17,013.01	-	39,912.56
Ludlam Elementary	28,053.09	232,910.55	235,977.65	24,985.99	4,729.51	20,256.48	-	24,985.99
Jane S. Roberts K-8 Center	54,632.62	464,655.91	462,331.27	56,957.26	15,776.34	41,180.92	-	56,957.26
Royal Palm Elementary	14,909.98	274,173.92	276,308.88	12,775.02	1,557.39	11,217.63	-	12,775.02
Jose de Diego Middle	46,087.59	36,290.62	47,357.32	35,020.89	133.34	34,887.55	-	35,020.89
Miami Coral Park Senior	258,505.27	795,634.73	806,949.50	247,190.50	9,025.82	238,164.68	-	247,190.50
Young Women's Preparatory Academy	15,941.70	38,171.88	34,982.15	19,131.43	19,131.43	-	-	19,131.43
<b><u>South Regional Center Schools</u></b>								
Coral Reef Elementary	16,470.14	352,289.80	349,031.81	19,728.13	11,156.54	8,571.59	-	19,728.13
Kendale Elementary	31,218.59	275,279.91	279,358.09	27,140.41	1,663.48	25,476.93	-	27,140.41
Robert Russa Moton Elementary	19,273.74	68,516.50	75,999.31	11,790.93	3,850.76	7,940.17	-	11,790.93
Perrine Elementary	14,946.50	237,299.30	237,802.41	14,443.39	1,998.92	12,444.47	-	14,443.39

## CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS

Schools/Centers	Beginning Balance	Receipts	Disbursements	Ending Balance	Cash	Investments	Other	Total Cash and Investments
Pinecrest Elementary	33,614.45	156,869.82	149,791.06	40,693.21	26,561.70	14,131.51	-	40,693.21
Jorge Mas Canosa Middle	-	174,845.56	139,382.66	35,462.90	35,462.90	-	-	35,462.90
Richmond Heights Middle	78,909.02	127,657.20	151,868.15	54,698.07	4,769.79	49,928.28	-	54,698.07
Miami Southridge Sr.	167,422.38	635,891.28	664,749.73	138,563.93	10,742.66	127,821.27	-	138,563.93
<b>Total</b>	<b>\$ 2,626,408.19</b>	<b>\$ 8,380,863.99</b>	<b>\$ 8,409,398.60</b>	<b>\$ 2,597,873.58</b>	<b>\$ 559,745.07</b>	<b>\$ 2,038,128.51</b>	<b>\$ -</b>	<b>\$2,597,873.58</b>

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

The financial statements of the schools in this audit report present fairly, in all material respects, the changes in fund balances arising from cash transactions of the internal funds of the schools during the 2006-07 and/or 2007-08 fiscal year, depending on the school being audited, on the cash basis of accounting.

As of June 30, 2007, for nine of the 43 schools reported herein as identified in the tables above, total combined receipts and disbursements amounted to \$1,679,471 and \$1,915,796 respectively; while total combined cash and investments amounted to \$1,266,444. As of June 30, 2008, for all 43 schools reported herein, total combined receipts and disbursements amounted to \$8,380,864 and \$8,409,399 respectively; while total combined cash and investments amounted to \$2,597,874.

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 school. 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/centers reported herein are depicted as follows:

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<b><u>Alternative Education Centers</u></b>							
The 500 Role Models Academy Of Excellence		✓			✓		<i>Likely to impact operations</i>
C.O.P.E. Center - North	✓			✓			Not Likely to impact
Juvenile Justice Center	✓			✓			Not Likely to impact
<b><u>Other Centers</u></b>							
Athletics And Activities (G.M.A.C.)	✓			✓			Not Likely to impact
S. Business Industry Services Ctr.	✓			✓			Not Likely to impact
<b><u>Special Education Centers</u></b>							
Neva King Cooper Ed. Ctr.	✓			✓			Not Likely to impact
Robert Renick Ed. Center	✓			✓			Not Likely to impact
<b><u>North Regional Center Schools</u></b>							
<b><u>Elementary Schools</u></b>							
Bunche Park Elementary	✓			✓			Not Likely to impact
Crestview Elementary	✓			✓			Not Likely to impact
John G. Dupuis Elementary	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Parkview Elementary	✓			✓			Not Likely to impact
Spanish Lake Elementary	✓			✓			Not Likely to impact
<b>Middle Schools</b>							
Highland Oaks Middle	✓			✓			Not Likely to impact
North Dade Middle	✓			✓			Not Likely to impact
<b><u>North Central Regional Center Schools</u></b>							
<b>Elementary Schools</b>							
Thena C. Crowder Elementary	✓			✓			Not Likely to impact
Charles R. Drew El.	✓			✓			Not Likely to impact
Earlington Heights Elementary	✓			✓			Not Likely to impact
Poinciana Park Elementary	✓			✓			Not Likely to impact
Shadowlawn Elementary	✓			✓			Not Likely to impact
Eugenia B. Thomas K-8 Ctr.	✓			✓			Not Likely to impact
West Hialeah Gardens Elementary	✓			✓			Not Likely to impact
<b>Middle Schools</b>							
Miami Springs Middle	✓			✓			Not Likely to impact
Westview Middle	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<b>Senior High School</b>							
Miami Edison Senior	✓			✓			Not Likely to impact
<b>Adult Education Center</b>							
D. A. Dorsey Educational Center	✓			✓			Not Likely to impact
<b><u>South Central Regional Center</u></b>							
<b>Elementary Schools</b>							
Coral Park Elementary	✓			✓			Not Likely to impact
Marjory S. Douglas Elementary	✓			✓			Not Likely to impact
Flagami Elementary	✓			✓			Not Likely to impact
Joe Hall Elementary	✓			✓			Not Likely to impact
Ludlam Elementary	✓			✓			Not Likely to impact
Jane S. Roberts K-8 Center	✓			✓			Not Likely to impact
Royal Palm Elementary	✓			✓			Not Likely to impact
<b>Middle School</b>							
Jose de Diego Middle	✓			✓			Not Likely to impact
<b>Senior High Schools</b>							
Miami Coral Park Senior	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Young Women's Prep. Academy	✓			✓			Not Likely to impact
<b><u>South Regional Center Schools</u></b>							
<b>Elementary Schools</b>							
Coral Reef Elementary	✓			✓			Not Likely to impact
Kendale Elementary	✓			✓			Not Likely to impact
Robert Russa Moton Elementary	✓			✓			Not Likely to impact
Perrine Elementary	✓			✓			Not Likely to impact
Pinecrest Elementary	✓			✓			Not Likely to impact
<b>Middle Schools</b>							
Jorge Mas Canosa Middle	✓			✓			Not Likely to impact
Richmond Heights Middle	✓			✓			Not Likely to impact
<b>Senior High School</b>							
Miami Southridge Senior	✓			✓			Not Likely to impact

## SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at schools/centers reported herein are as follows:

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
<b><u>Alternative Education Centers</u></b>					
8119	The 500 Role Models Academy	2	<ul style="list-style-type: none"> <li>▪ Fund 9</li> <li>▪ Disbursements</li> </ul>	None	
8121	C.O.P.E. Center - North	None		None	
8141	Juvenile Justice Center	None		1	▪ Fin Mgt./Fund 9
<b><u>Other Centers</u></b>					
9723	Athletics And Activities (GMAC)	None		None	
8018	S. Business Industry Serv. Ctr.	None		None	
<b><u>Special Education Centers</u></b>					
0921	Neva King Cooper Ed. Ctr.	None		None	
8151	Robert Renick Ed. Center	None		1	▪ P-Card
<b><u>North Regional Center Schools</u></b>					
0641	Bunche Park Elementary	None		None	
1161	Crestview Elementary	None		None	
1481	John G. Dupuis Elementary	None		None	
4301	Parkview Elementary	None		None	
2191	Spanish Lake Elementary	None		N/A –First Year Audit	
6241	Highland Oaks Middle	None		None	
6591	North Dade Middle	None		None	
<b><u>North Central Regional Center Schools</u></b>					
2531	Thena C. Crowder Elementary	None		None	
1401	Charles R. Drew Elementary	None		None	
1561	Earlington Heights Elementary	None		None	
4501	Poinciana Park Elementary	None		None	
4961	Shadowlawn Elementary	None		None	

## SUMMARY SCHEDULE OF 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
0071	Eugenia B. Thomas K-8 Ctr.	None		None	
2371	West Hialeah Gardens El.	None		N/A –First Year Audit	
6521	Miami Springs Middle	None		None	
6981	Westview Middle	None		None	
7301	Miami Edison Senior	None		None	
8139	D. A. Dorsey Ed. Center	None		None	
<b><u>South Central Regional Center Schools</u></b>					
1001	Coral Park Elementary	None		None	
1371	Marjory S. Douglas Elementary	None		None	
1841	Flagami Elementary	None		None	
2341	Joe Hall Elementary	None		None	
3061	Ludlam Elementary	None		None	
4691	Jane S. Roberts K-8 Center	None		None	
4761	Royal Palm Elementary	None		None	
6361	Jose de Diego Middle	None		2	<ul style="list-style-type: none"> <li>▪ FTE ESE</li> <li>▪ FTE ELL</li> </ul>
7271	Miami Coral Park Senior	None		None	
7055	Young Women’s Prep. Academy	None		None	
<b><u>South Regional Center Schools</u></b>					
1041	Coral Reef Elementary	None		None	
2641	Kendale Elementary	None		None	
3541	Robert Russa Moton El.	None		1	<ul style="list-style-type: none"> <li>▪ IT-Data Security</li> </ul>
4381	Perrine Elementary	None		None	
4421	Pinecrest Elementary	None		None	
6771	Jorge Mas Canosa Middle	None		N/A –First Year Audit	
6781	Richmond Heights Middle	None		None	
7731	Miami Southridge Senior	None		10	<ul style="list-style-type: none"> <li>▪ Grant (1)</li> <li>▪ Internal Funds (2)</li> <li>▪ Payroll</li> <li>▪ P-Card</li> <li>▪ Data Security</li> <li>▪ FTE (3)</li> <li>▪ Property</li> </ul>
<b>TOTAL</b>		<b>2</b>		<b>15</b>	

## LIST OF SCHOOL PRINCIPALS/SITE ADMINISTRATORS

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

Work Loc. No.	Schools/Centers	Current Principal/ Administrator	Former Principal
<b><u>Alternative Education Centers</u></b>			
8119	The 500 Role Models Academy of Excellence	Mr. Samuel L. Johnson	N/A - Two-Year Audit
8121	C.O.P.E. Center - North	Dr. Lillian K. Cooper	Ms. Mary M. Richards
8141	Juvenile Justice Center	Mr. Orlando B. Milligan	N/A - Two-Year Audit
<b><u>Other Centers</u></b>			
9723	Athletics and Activities	Ms. Cheryl M. Golden	N/A - Two-Year Audit
8018	S. Business Industry Services Ctr.	Mr. Nelson J. Perez	N/A - Two-Year Audit
<b><u>Special Education Centers</u></b>			
0921	Neva King Cooper Ed. Center	Dr. Alberto T. Fernandez	N/A - Two-Year Audit
8151	Robert Renick Ed. Center	Dr. Allison Harley	N/A - Two-Year Audit
<b><u>North Regional Center Schools</u></b>			
0641	Bunche Park Elementary	Dr. Viola E. Irons	Ms. Beryl James
1161	Crestview Elementary	Ms. Melissa M. Mesa	Ms. Dawn M. Baglos
1481	John G. Dupuis Elementary	Ms. Claudine Winsor	Ms. Angela H. Santos
4301	Parkview Elementary	Dr. Edith C. Hall	Dr. Rosa R. Simmons
2191	Spanish Lake Elementary	Ms. Jacqueline Arias-Gonzalez	N/A - New School
6241	Highland Oaks Middle	Ms. Dawn M. Baglos	Ms. Sally J. Alayon
6591	North Dade Middle	Mr. Lowell C. Crawford	Ms. Eunice J. Davis
<b><u>North Central Regional Center Schools</u></b>			
2531	Thena C. Crowder Elementary	Ms. Avis Y. Bemby	Ms. Elisa L. Perez
1401	Charles R. Drew Elementary	Ms. Cathy M. Williams	Ms. Rhonda Y. Williams
1561	Earlington Heights Elementary	Dr. Thalya Watkins	Ms. Gwendolyn L. Bryant Ms. Wandarece Ruan
4501	Poinciana Park Elementary	Ms. Kimberley F. Emmanuel	N/A – FTE Audit
4961	Shadowlawn Elementary	Ms. Cathleen A. McGinnis	Ms. Gladys G. Gimenez

## LIST OF SCHOOL PRINCIPALS/SITE ADMINISTRATORS

<b>Work Loc. No.</b>	<b>Schools/Centers</b>	<b>Current Principal/Administrator</b>	<b>Former Principal</b>
0071	Eugenia B. Thomas K-8 Center	Ms. Mayra B. Falcon	N/A - Two-Year Audit
2371	West Hialeah Gardens El.	Ms. Sharon M. Gonzalez	N/A - New School
6521	Miami Springs Middle	Ms. Maria C. Mason	Dr. Gail M. Quigley Two-Year Audit
6981	Westview Middle	Ms. Robin Y. Atkins	Ms. Lavette S. Hunter
7301	Miami Edison Senior	Ms. Lavette S. Hunter	Dr. Jean E. Teal
8139	D.A. Dorsey Ed. Center	Ms. Gloria E. Evans	N/A - Two-Year Audit
<b><u>South Central Regional Center Schools</u></b>			
1001	Coral Park Elementary	Ms. Maria F. Nuñez	N/A – FTE Audit
1371	Marjory S. Douglas Elementary	Mr. Rodolfo Rodriguez	Dr. Manuel C. Barreiro Dr. Grace Nebb
1841	Flagami Elementary	Dr. Kathleen P. Caballero	Ms. Myra E. Silverstein
2341	Joe Hall Elementary	Ms. Cathay S. Abreu	Dr. Fred M. Albion
3061	Ludlam Elementary	Ms. Pamela G. Sanders	Ms. Marisol Diaz
4691	Jane S. Roberts K-8 Center	Ms. Ana C. Othon	Ms. Ann Kinstler
4761	Royal Palm Elementary	Mr. Carlos E. Fernandez	Ms. Ana G. Driggs
6361	Jose de Diego Middle	Mr. Jerry J. Clay, Jr.	Ms. Concepcion I. Martinez
7271	Miami Coral Park Senior	Dr. Nicholas P. JacAngelo	N/A – FTE Audit
7055	Young Women's Preparatory Acad.	Ms. Concepcion I. Martinez	Ms. Maria C. Mason
<b><u>South Regional Center Schools</u></b>			
1041	Coral Reef Elementary	Dr. Fred M. Albion	Ms. Lucille Matthews
2641	Kendale Elementary	Dr. Jeanethe P. Thompson	Dr. Kristine O. Dittmar
3541	Robert Russa Moton Elementary	Mr. Todd W. Morrow	Ms. Rosbin E. Ivery
4381	Perrine Elementary	Ms. Maileen A. Ferrer	Mr. Andy J. Pierre-Louis
4421	Pinecrest Elementary	Ms. Marisol Diaz	Ms. Valerie H. Swanson
6771	Jorge Mas Canosa Middle	Dr. Pablo G. Ortiz	N/A - New School
6781	Richmond Heights Middle	Ms. Carol Y. Wright	Dr. Mona B. Jackson
7731	Miami Southridge Sr.	Mr. Martin T. Reid	N/A – Follow-Up Audit

## FINDINGS AND RECOMMENDATIONS

### INTERNAL FUNDS

#### **1. Inadequate Controls Over Expenditures Posted to the Instructional Materials and Supplies (Fund 9) Account *THE 500 ROLE MODELS ACADEMY OF EXCELLENCE***

Section III, Chapter 9 of the *Manual of Internal Fund Accounting* establishes the disbursement and account replenishment procedures regarding the Instructional Materials and Supplies (Fund 9) account. Specifically, the *Manual* identifies out-of-county field trip expenditures as one of several expenditures not allowed to be processed through this account. Additionally, and except for pre-approved field trips, Section IV, Chapter 1 of the *Manual* requires that out-of-county field trips be approved in writing by the Regional Center on the field trip form.

Our review of sampled Fund 9 expenditures disclosed the following:

- 1.1. During the 2006-07 fiscal year, two out-of-county field trips to a theme park were improperly paid through the Fund 9 account. A field trip with a total cost of \$3,800 took place earlier in July 15, 2006, while another for \$3,000 took place in June 30, 2007. No other similar out-of-county field trips took place during the 2007-08 fiscal year. According to the school, admission to these field trips was awarded to students who participated in the Florida's Comprehensive Assessment Test (FCAT).
- 1.2. A review of the field trip rosters disclosed that of the 90 students listed as participants, 12 students were not enrolled in this center. According to the sponsor of the activity, not all students who had been initially selected to participate on the trip attended; therefore, the available seats were filled with children that were related to some of the field trip chaperones.
- 1.3. The Field Trip Permission Request Form corresponding to the field trip taken in June 2007 did not have the signed approval of the Regional Center Assistant Superintendent. We also found that the trip sponsor signed the principal's signature on the approval form and the student rosters without the principal's knowledge and consent.

### **RECOMMENDATIONS**

- 1.1. Discuss Fund 9 and field trip procedures with the treasurer and staff and strengthen the accountability over the account and activities.**
- 1.2. Monitor all field trip activities to ensure compliance with District policy.**

**Person(s) responsible:**

**Principal, Assistant Principal and Treasurer**

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

The principal reviewed with the secretary/treasurer, alternate treasurer and assistant principal Section III, Chapter 9, and Section IV, Chapter 1 of the *Manual of Internal Fund Accounting* to discuss and have a thorough understanding of the general accounting policies and procedures regarding field trips (in-county and out-of-county) and the authorized utilization of Fund 9 revenues.

The principal further reviewed with the assistant principal, faculty and staff the established procedures for both, in-county and out-of-county field trips, the accurate completion of the *Field Trip Permission Request Form*, and the appropriate levels of approval prior to the proposed event.

The principal will closely monitor all future field trip activities to ensure full compliance with District policies and procedures. To effectively conduct this monitoring process, as part of the monthly review of disbursements, the principal will review with the treasurer disbursements related to field trips to ensure that allowable funding sources are being utilized to cover these expenditures, and that proper documentation is attached. The principal will not approve any related expenditures unless the field trip forms are complete and identified funding sources are appropriate for this purpose.

Full reimbursement will be sought from the chaperones of the field trips who invited children that were not enrolled in this center, and who were not part of the academy's events.

**2. Inadequate Controls Over  
Disbursement Function  
THE 500 ROLE MODELS ACADEMY OF EXCELLENCE**

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that all disbursements have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered, and must include the signature of the employee certifying that goods/services were received and payment is in order. In addition, before an order/purchase is made, the use of an Internal Fund Purchase Order (FM-1012), authorized by the principal is required for all purchases costing \$100 or more.

During the 2006-07 and 2007-08 fiscal years, the school disbursed a total of \$32,943 and \$31,921 for internal funds purchases. Of this total, we reviewed expenditures amounting to \$10,198 and \$9,230, which represent approximately 30% of all disbursements for both years. Our review disclosed the following discrepancies:

- 2.1. Of 30 invoices reviewed, the school provided photocopies or faxes in lieu of original invoices in 19 instances, while two invoices were not provided to support the expenditures. In addition, acknowledgment of receipt of goods was not being documented in any of these invoices, as well as in a few others reviewed. These amounted to approximately \$14,400 in expenditures disbursed through internal funds during both fiscal years.
- 2.2. A \$750 disbursement apparently made for the purchase of book bags and pencils was made payable to an individual; however, the invoice supporting the disbursement was from a catering business, was not itemized and did not have an acknowledgement of receipt of goods. Pursuant to our inquiries and after-the-fact, the school provided an itemized invoice from a different company to document this same disbursement. According to the Principal, the individual whose name appeared on the school's canceled check as the payee owns both business entities. This expenditure was also posted to the Fund 9 account. A complimentary list was not provided to identify the recipients of these items.
- 2.3. Purchase order requirements were not followed. One purchase order was not signed by an administrator and in five other instances purchase orders for purchases over \$100 were not provided.

**RECOMMENDATIONS**

- 2.1. **Discuss the disbursement procedures with the treasurer and staff and strengthen the monitoring over the disbursement process.**
- 2.2. **Prior to signing a check, ensure that an original itemized invoice with proper acknowledgement of receipt of goods accompanies the check requisition.**

**2.3. Ensure that, at a minimum, purchase orders are completed and processed for all purchases with a cost of \$100 or more.**

**Person(s) responsible:** Principal, Treasurer and Alternate Treasurer

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

The Principal reviewed with the treasurer, alternate treasurer, and assistant principal Section II, Chapters 4 and 5 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* the guidelines related to the proper documenting of disbursements and the processing of timely payments.

The principal will conduct weekly meetings with the treasurer and alternate treasurer to review all accounts and fiscal transactions. The assistant principal will act as the principal's backup during this process.

The principal will develop an internal requisition form which formulates an expenditure request signed by the sponsor and approved by the principal, prior to encumbering the funds. The treasurer will maintain all associated documentation attached to the corresponding check requisition and the invoice as part of the internal funds records. Additionally, to monitor the payment of expenditures, the principal will implement a journal system to record date of invoice, date of receipt and date of payment for all school expenditures. This journal will be maintained by the treasurer and reviewed by the principal on a weekly basis. Any discrepancies resulting from late payments or incomplete disbursement documentation will be discussed with staff for corrective action.

The Principal will require the use of purchase orders for all purchases, regardless of cost. Furthermore, the Principal will ensure that original, itemized invoices are obtained for all school purchases, and that proper acknowledgement of receipt of goods is indicated on the invoices. The Principal will make sure that all related disbursement documentation, including a purchase order, accompanies the check requisitions before signing any checks presented by the treasurer. Checks presented for payment with incomplete or inadequate documentation will be returned to staff for corrective action.

The 500 Role Models Academy of Excellence will strictly adhere to all policies and procedures delineated by the District. To accomplish this, the principal along with his staff, will observe all guidelines established by the District to avoid any recurrences of internal funds audit findings.

## OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2007 and/or June 30, 2008, depending on the individual school being audited, on the cash basis of accounting ;
- evaluate compliance by the schools with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with current payroll procedures, as well as compliance with the current purchasing credit card program procedures; and certain information technology controls;
- verify compliance by the schools with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification;

While the scope of our audits generally covered operations during the period of July 1, 2006 through June 30, 2007, and/or July 1, 2007 through June 30, 2008 (depending on whether the audit scope was one or two-year audit at the individual school being audited), payroll, purchasing credit card transactions, and information technology controls included current periods. FTE audits covered the February 2008 survey period.

Our procedures were as follows:

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

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

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

Our audits also included an assessment of applicable internal controls and compliance with the requirements of School Board rules and related policies and procedures that would satisfy our audit objectives.

## BACKGROUND

### INTERNAL FUNDS

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

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

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, 2007 and June 30, 2008 was 5.08% and 3.79% respectively.

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

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- ◆ Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process
- ◆ Each school administers their internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2007 and June 30, 2008, the MDCPS-Money Market Pool Fund's interest rate was 5.08% and 3.79%, respectively.

## PAYROLL

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

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

## PROPERTY

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

Our office conducts yearly inventories at each school of all property items with an individual value of \$1,000 or more. However, because these inventories are customarily scheduled after the first day of school, property inventory results of school audits conducted during the summer months of July and August will be conducted and published at a later date. In the case of Miami Southridge Senior, the inventory was conducted early this summer to follow-up on a prior year finding in the area of property management.

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

At the schools, principals administer the purchasing credit card program, which must comply with the guidelines established in the *Purchasing Credit Card Program Policies & Procedures Manual*.

The P-card program was designed to streamline the acquisition process by enabling employees at the schools to make small dollar purchases (less than \$1,000 per individual transaction) for materials and supplies. The program is managed by the Office of the Controller.

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

## DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY AUDIT CHECKLIST

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

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

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

Principals are also responsible for ensuring that only authorized school staff has access to designated computer applications. Information Technology Services (ITS) produces a quarterly report for each school location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this quarterly report to determine the appropriateness of computer applications approved for each school employee, as to whether they are required for his or her assigned duties; and to ensure that access to the computer application that allows for changes to students' academic grades is limited to a specific and restricted number of authorized personnel at their schools.

### FULL-TIME EQUIVALENT (FTE)

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

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

**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.

generated by multiplying the number of FTE students in each of the funded educational programs by a cost factor to obtain weighted FTEs.

Schools are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process.

The results of these surveys are FTE reports which allow schools to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2007-08 FY, months selected by the FDOE for these surveys are as follows:

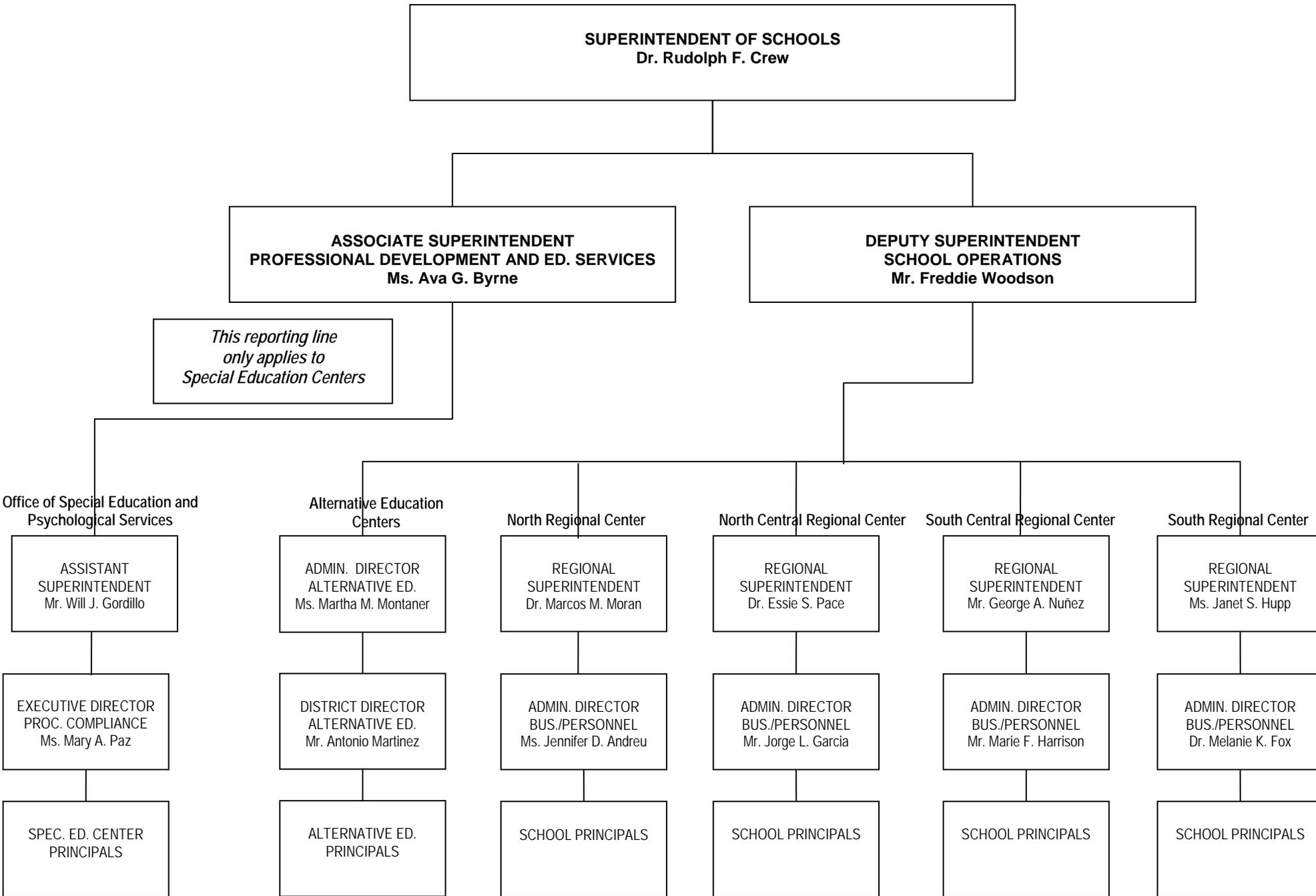
<b>Survey Period No.</b>	<b>Time Period of Survey</b>
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

As of the 2007-08 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.

# SELECTED SCHOOLS AND CENTERS-ORGANIZATIONAL CHART



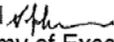
**APPENDIX-MANAGEMENT'S RESPONSE  
The 500 Role Models Academy of Excellence**

**M E M O R A N D U M**

August 22, 2008

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

**FROM:** Martha M. Montaner, Administrative Director   
School Operations/Office of Alternative Education

**BY:** Samuel L. Johnson, Principal   
The 500 Role Models Academy of Excellence

**SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT**

The principal of The 500 Role Models Academy of Excellence has thoroughly reviewed the audit findings presented by the Office of Management and Compliance Audits. The principal has met with the assistant principal and with the treasurer to develop strategies to avoid future occurrences.

**RECOMMENDATIONS:**

1. **INSTRUCTIONAL MATERIALS AND SUPPLIES (FUND 9) ACCOUNT**
- 1.1. **Discuss Fund 9 and field trip procedures with the treasurer and staff and strengthen the accountability over the account and activities.**
- 1.2. **Monitor all field trip activities to ensure compliance with District policy.**

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

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

The principal reviewed with the secretary/treasurer, alternate treasurer and assistant principal Section III, Chapter 9, and Section IV, Chapter 1 of the Manual of Internal Fund Accounting to discuss and have a thorough understanding of the general accounting polices and procedures regarding field trips (in-county and out of county) and the authorized utilization of Fund 9 revenues.

The principal further reviewed with the assistant principal, faculty and staff the established procedures for both, in-county and out-of-county field trips, the accurate completion of the Field Trip Permission Request Form, and the appropriate levels of approval, prior to the proposed event.

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The principal will closely monitor all future field trip activities to ensure full compliance with District policies and procedures. To effectively conduct this monitoring process, as part of the monthly review of disbursements, the principal will review with the treasurer disbursements related to field trips to ensure that allowable funding sources are been utilized to cover these expenditures, and that proper documentation is attached. The principal will not approve any related expenditures unless the field trip forms are complete and identified funding sources are appropriate for this purpose.

Full reimbursement will be sought from the chaperones of the field trips who invited children that were not enrolled in this center, and who were not part of the academy's events.

### **2. DISBURSEMENTS**

- 2.1. Discuss the disbursement procedures with the treasurer and staff and strengthen the monitoring over the disbursement process.**
- 2.2. Prior to signing a check, ensure that an original itemized invoice with proper acknowledgement of receipt of goods accompanies the check requisition.**
- 2.3. Ensure that, at a minimum, purchase orders are completed and processed for all purchases with a cost of \$100 or more.**

**Person(s) responsible: Principal, Treasurer, and Alternate Treasurer**

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

The Principal reviewed with the treasurer, alternate treasurer, and assistant principal Section II, Chapters 4 and 5 and Section III, Chapter 9 of the Manual of Internal Fund Accounting the guidelines related to the proper documenting of disbursements and the processing of timely payments.

The principal will conduct weekly meetings with the treasurer and alternate treasurer to review all accounts and fiscal transactions. The assistant principal will act as the principal's backup during this process.

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The principal will develop an internal requisition form which formulates an expenditure request signed by the sponsor and approved by the principal, prior to encumbering the funds. The treasurer will maintain all associated documentation attached to the corresponding check requisition and the invoice as part of the internal funds records. Additionally, to monitor the payment of expenditures, the principal will implement a journal system to record date of invoice, date of receipt and date of payment for all school expenditures. This journal will be maintained by the treasurer and reviewed by the principal on a weekly basis. Any discrepancies resulting from late payments or incomplete disbursement documentation will be discussed with staff for corrective action.

The Principal will require the use of purchase orders for all purchases, regardless of cost. Furthermore, the Principal will ensure that original, itemized invoices are obtained for all school purchases, and that proper acknowledgement of receipt of goods is indicated on the invoices. The Principal will make sure that all related disbursement documentation, including a purchase order, accompanies the check requisitions before signing any checks presented by the treasurer. Checks presented for payment with incomplete or inadequate documentation will be returned to staff for corrective action.

The 500 Role Models Academy of Excellence will strictly adhere to all policies and procedures delineated by the District. To accomplish this, the principal along with his staff, will observe all guidelines established to avoid any recurrences of internal funds audit findings.

For any questions, you may contact Ms. Martha M. Montaner, Administrative Director, School Operations/Alternative Education, at (305) 995-1270.

MM:jc

cc: Mr. Freddie Woodson

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  
SEPTEMBER 2008**



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