

# MIAMI-DADE COUNTY PUBLIC SCHOOLS



## *Internal Audit Report Selected Schools*



*Most Financial Statements  
Were Fairly Stated;  
However, At 17 Schools,  
Controls In Selected Areas Need  
Improvement.  
Particularly At Two Schools, Principals  
Reported Misappropriation Of Funds  
And Non-Compliance With  
Disbursement Procedures.  
At Two Other Schools, The Audit  
Identified Discrepancies And  
Inadequate Recordkeeping  
Associated With Principal-Operated  
Before/After School Care Programs.*

*December 2012*

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

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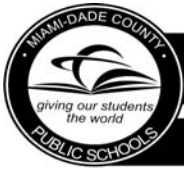
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# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Alberto M. Carvalho

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

**Miami-Dade County School Board**  
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Raquel A. Regalado

November 19, 2012

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

Ladies and Gentlemen:

This report includes the audit results of 61 schools/centers. These correspond to schools/centers currently reporting to the Education Transformation Office; and to the North Region, Central Region, South Region, and the Office of Adult/Vocational Education within School Operations. These results also include the audits of two entities that report to select offices within the District; as well as the closing audits of two alternative centers that concluded their internal fund operations during the 2011-2012 fiscal year. The audit period for 25 of the 61 schools/centers is two fiscal years ended June 30, 2012, while the audit period for the remaining 36 schools/centers and centers is one fiscal year ended June 30, 2012. At 30 schools/centers, there was a change of principal since the prior audit.

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

Our audits disclosed that the financial statements of most of the schools reported herein were fairly stated. At 44 of the 61 schools/centers, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for most schools reported herein were satisfactory.

At 17 schools, we found that controls over the bookkeeping function, the procedures for receipting and disbursing funds, the handling of certain school activities including the management of Principal-Operated Before/After School Care Programs, the reporting of payroll's time and attendance, controls over FTE procedures and records, the management of property, and certain aspects of school site data security needed improvement. Particularly at two of these 17 schools, the school principals reported and we corroborated a misappropriation of funds and non-compliance with disbursement procedures. Based on our findings, the authorities charged one of the treasurers criminally and her case is at the State Attorney's Office pending consideration of the charges. The other treasurer recently resigned from her employment, and her personnel records were flagged to prevent future re-employment with the school system. At another school, we identified discrepancies in the Before Care/After School Care Program records and the handling of collections; however, the responsible staff member would not admit to theft but to inadequate recordkeeping. The school did not re-hire this individual for the 2012-2013 fiscal year. We contacted the Office of Professional Standards and requested that this individual's personnel records be similarly flagged. At one other elementary school, we found that the management and recordkeeping of the After School Care Program during its first year of operation in 2011-2012 was inadequate.

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

Sincerely,

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

JFM:mtg



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## EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 61 schools/centers. These include 12 schools/centers that report to the North Region Office, 13 to the Central Region Office, nine to the South Region Office, 16 to the Educational Transformation Office (ETO), seven adult education centers that currently report to the Adult/Vocational Education Division within School Operations, Systemwide Business Industry Services and the Greater Miami Athletic Conference<sup>1</sup> that report to select District offices; as well as two alternative education centers that ceased operating their internal fund activities during the 2011-2012 fiscal year. At 30 of these schools/centers, there was a change of principal since the prior audit.

The 61 schools/centers comprise the audit results of 25 schools/centers with a two-fiscal year audit period ended June 30, 2012, and 36 schools/centers with a one-fiscal year audit period ended June 30, 2012.

The audits disclosed that 44 of the 61 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The 17 schools/centers with audit findings and the affected areas are as follows:

School/Center	Region Office	Total	Bookkeeping/ Deposits	Disburse- ments	Fundraisers/ Yearbook	BSC/ASC Program	Athletic Tickets	Payroll	Property	FTE	Data Security
1. Oak Grove Elementary	North	1	√ Misapp. of Funds								
2. Fienberg/Fisher K-8 Center	North	1		√							
3. W. J. Bryan Elementary	North	1						√			
4. Palm Springs Elementary	North	1								√	
5. West Hialeah Gardens El.	North	1								√	
6. Andover Middle	North	2						√		√	
7. Jose Marti MAST 6-12 Academy	North	1			√						
8. Sweetwater Elementary	Central	1				√					
9. Citrus Grove Elementary	Central	1				√					
10. Auburndale Elementary	Central	1						√			
11. Edison Park K-8 Center	Central	1		√							
12. Gloria Floyd Elementary	South	1								√	
13. Frank C. Martin K-8 Center	South	2	√ PY follow-up							√	√ PY follow-up
14. Irving & Beatrice Peskoe K-8 Center	South	1								√	
15. Hammocks Middle	South	2						√		√	
16. Southwood Middle	South	1		√							
17. Miami Central Senior	ETO	4		√	√		√		√		

<sup>1</sup> Refer to pages 131-132 for background information regarding these two entities.

Audit findings cited control deficiencies over the internal funds' bookkeeping function, the procedures for receipting and disbursing funds, the handling of certain school activities (including inventories of athletic tickets and athletic-related game reports), the recordkeeping and oversight of Principal-Operated Before/After School Care Programs, the reporting of payroll's time and attendance, controls over FTE procedures and records, the management of property, and certain aspects of school site data security (as a follow-up to a condition noted during a prior audit).

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools in this report is presented on pages 22-25. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 36-123); and in the Appendix section in memorandum format (Pages 134-179).

*Notwithstanding the conditions and findings reported herein, at 58 of the 61 schools/centers, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools/centers during the 2010-2011 and/or 2011-2012 fiscal year(s), on the cash basis of accounting, and depending on the school audited. At Oak Grove Elementary, due to the conditions cited in the individual school audit report and in pages 36-47 of this report, which include the misappropriation of funds and the circumvention of controls over the receipting, depositing and disbursing of funds during the 2010-2011 and 2011-2012 fiscal years, the financial statements of the internal funds of the school do not fairly present the results of its operations on the cash basis of accounting. At Sweetwater Elementary school, except for the activity in the Community School Fund during the 2010-2011 fiscal year, as disclosed in the findings of the individual school audit report and in pages 73-76 of this report, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-2011 fiscal year, on the cash basis of accounting. Notwithstanding the exceptions in the individual audit report of Sweetwater Elementary school, the financial statement of the internal funds of the school for the 2011-2012 fiscal year presents fairly, in all material respects, the changes in fund balances arising from cash transactions, on the cash basis of accounting. At Citrus Grove Elementary school, except for the activity in the Community School Fund during the 2011-2012 fiscal year, as disclosed in the findings of the individual school audit report and in pages 77-82 of this report, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-2012 fiscal year, on the cash basis of accounting. Notwithstanding the exceptions in the individual audit report of Citrus Grove Elementary school, the financial statement of the internal funds of the school for the 2010-2011 fiscal year presents fairly, in all material respects, the changes in fund balances arising from cash transactions, on the cash basis of accounting.*

*As of June 30, 2011, for 25 of the 61 schools/centers reported herein, total combined receipts and disbursements amounted to \$5,748,839 and \$5,725,548, respectively; while total combined cash and investments amounted to \$3,291,567 (Pages 10-11).*

*As of June 30, 2012, for all 61 schools/centers reported herein, total combined receipts and disbursements amounted to \$10,919,262 and \$10,892,338, respectively; while total combined cash and investments amounted to \$5,161,243 (Pages 12-16).*

*Notwithstanding the conditions and findings reported herein, as of June 30, 2012, the internal control structure at 58 of 61 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the*



*individual schools/centers. At Oak Grove Elementary, as noted in the findings cited in the individual school audit report, the internal control structure at the school was not generally functioning as designed by the school administration. At Sweetwater Elementary, except for the activity in the Community School Fund associated with the 2010-2011 fiscal year, as disclosed in the findings of the individual school audit report, the internal control structure was otherwise functioning as designed by the school administration. At Citrus Grove Elementary, except for the activity in the Community School Fund associated with the 2011-2012 fiscal year, as disclosed in the findings of the individual school audit report, the internal control structure was otherwise functioning as designed by the school administration.*

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

## **INTERNAL FUNDS**

Internal funds records and procedures were reviewed at all 61 schools/centers. Of this total, 52 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following nine schools/centers we found the following:

- At Oak Grove Elementary, the former treasurer misappropriated approximately \$43,000. To accomplish the theft, she forged the signatures of the school principal or her administrative designee, and/or the signature of the payee in nearly 100 internal fund checks. Payees consisted of relatives, friends and co-workers. Regarding those checks issued to relatives and friends, she told us the individuals would cash the checks and give the monies back to her. Concerning those checks issued to co-workers, we found that she processed them as “employee reimbursements” by fraudulently endorsing and cashing from the school collections. The total amount misappropriated also included monies that she collected from the sale of school pictures and field trip admissions, and that we could not trace to any internal fund account or the bank. We worked this case in collaboration with M-DCPS Police. On November 9, 2012, the authorities charged the former treasurer with grand theft and uttering forged instruments, and she was booked and jailed. At the present time, the case is at the State Attorney’s Office for further consideration of the charges (Pages 36-47).
- At Fienberg /Fisher K-8 Center, the Principal reported an incident to M-DCPS School Police where it was alleged that the former treasurer had made several unauthorized purchases for the school’s music program without the Principal’s knowledge and consent, and for the possible benefit of the music teacher at the school who is her spouse. Our review of disbursement records confirmed that the purchases were made without the authorization of the principal. However, we could not conclude that they were made for the personal benefit of the teacher, since the purported items did not bear any distinctive markings that would set them apart from similar items stored in the music room (Pages 48-54).
- At Jose Marti MAST 6-12 Academy, our review of fundraising activities disclosed that the associated forms and reports were not properly completed; a sponsor inappropriately paid a vendor for fundraising merchandise directly from the cash collections; a purchase of student awards was split into several purchases of less than \$1,000 each (which would preclude the school from obtaining written quotations); and the financial activity corresponding to a school field trip was not properly documented (Pages 69-72).

- At Sweetwater Elementary, our review of a sample of 2010-2011 fiscal year records disclosed that the school could not account for BSC/ASC Program collections of approximately \$2,900. The BSC/ASC Program's former secretary was responsible for the recordkeeping and handling of these records and the collections. We interviewed this individual, who admitted to recordkeeping errors, but would not admit to a misappropriation of funds. At the present time, she is no longer employed at the school or with the school system. Based on our findings, we requested the Office of Professional Standards to flag the individual's personnel records in the event of future re-employment attempts with the school system. Our similar review of 2011-2012 fiscal year BSC/ASC program records, which were under the responsibility of a different individual, did not disclose similar recordkeeping and/or monetary discrepancies (Pages 73-76).
- At Citrus Grove Elementary, the 2011-2012 fiscal was the school's first year of operations of a Principal-Operated, Fee-Based Before/After School Care Program. Our review of the program's records and procedures up to September 2012 disclosed that the program's recordkeeping was inadequate, as the records were disorganized, incomplete, and contained numerous errors. In addition, the school failed to consistently submit monthly attendance reports to the child care agency responsible for subsidizing a portion of the participants' program fees and forfeited approximately \$3,700 in child care fee reimbursements. We also found that the operation was unable to raise sufficient funds to cover hourly payroll related to the program; and the hourly payroll account closed the year with a deficit balance. Prior to this audit, staff from the Office of Community Education and Before/After School Care Programs had visited the school on a few occasions and had reported to the school similar conditions as those identified during our audit (Pages 77-82).
- At Edison Park K-8 Center, during the 2011-2012 fiscal year, our review of expenditures associated with a grant disclosed that the school did not follow the proper procedures to purchase a sound and projection system for the school cafeteria. The system, which required electrical installation, was split into several purchases totaling approximately \$7,500. The vendor payment was to be partly covered with monies from a grant received by the school for healthy initiatives, and the remainder to be covered with funds from the school's district budgeted funds. According to the school, the split was done to accommodate the purchasing of the system as funds became available (Pages 85-89).
- At Frank C. Martin K-8 Center, the auditor observed during the audit visit that staff from the After School Care Program had placed the day's deposit bag in a basket near the treasurer's desk in anticipation of the armored car pick-up service. This area, although restricted from traffic, is not secured under lock and key. In addition, the inventory of prenumbered forms was incomplete and contained several errors. This issue had been discussed with the former school administration during the past two audits (Pages 93-96).
- At Southwood Middle, under the tenure of the former school administration, the school ordered the purchase of stage curtains for the auditorium. However, the purchase did not comport with District guidelines since the school failed to obtain approvals from the appropriate Region and District offices prior to commencing this improvement project; and did not follow the current District's procurement procedures. At our request, School Facilities conducted an inspection of said curtains and verified that the items in question complied with flame retardant and fire safety codes (Pages 108-111).

- At Miami Central Senior, the newly appointed principal and athletic department administration requested an audit of the athletic tickets. The audit could not verify the fidelity of the ticket inventory since the associated records, including most of the athletic game reports, could not be located in the school files. In addition, during the 2011-2012 fiscal year, the former athletic department administration did not report to the authorities an incident of counterfeit tickets discovered during one of the school’s athletic events. Additionally, our review of disbursements disclosed that several expenditures did not comport with District guidelines; and the yearbook activity/sale disclosed several discrepancies (Pages 112-120).

## PAYROLL

We reviewed current payroll records and procedures at the following 35 schools/centers:

School Name	Region	School Name	Region	School Name	Region
W. J. Bryan Elementary	North	Academy For Community Education <sup>2</sup>	Central	Santa Clara El.	ETO
Fienberg/Fisher K-8 Center	North	Juvenile Justice Center <sup>2</sup>	Central	Lenora B. Smith El. <sup>2</sup>	ETO
Lake Stevens Elementary <sup>2</sup>	North	Gloria Floyd Elementary <sup>2</sup>	South	Brownsville Middle <sup>2</sup>	ETO
Andover Middle <sup>2</sup>	North	Frank C. Martin K-8 Center <sup>2</sup>	South	Charles R. Drew Middle <sup>2</sup>	ETO
Henry H. Filer Middle <sup>2</sup>	North	Robert R. Moton Elementary <sup>2</sup>	South	Parkway Middle <sup>2</sup>	ETO
Norland Middle <sup>2</sup>	North	Irving & Beatrice Peskoe K-8 Center <sup>2</sup>	South	Miami Central Senior <sup>2</sup>	ETO
Maya Angelou Elementary <sup>2</sup>	Central	Hammocks Middle <sup>2</sup>	South	North Miami Beach Sr. <sup>2</sup>	ETO
Auburndale Elementary <sup>2</sup>	Central	Southwood Middle <sup>2</sup>	South	George T. Baker Aviation School	Adult Ed.
Henry M. Flagler Elementary <sup>2</sup>	Central	Medical Academy Science & Technology Sr. (MAST@ Homestead) <sup>2</sup>	South	Coral Gables Adult Education Center <sup>2</sup>	Adult Ed.
Lakeview Elementary <sup>2</sup>	Central	Dorothy M. Wallace C.O.P.E Center <sup>2</sup>	South	Miami Coral Park Adult Education Center	Adult Ed.
South Miami Middle <sup>2</sup>	Central	Frederick Douglass Elementary <sup>2</sup>	ETO	Miami Sunset Adult Education Center <sup>2</sup>	Adult Ed.
New World School Of The Arts Senior <sup>2</sup>	Central	Holmes Elementary <sup>2</sup>	ETO		

At 31 of 35 schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*.

- At the following four schools: W. J. Bryan Elementary, Andover Middle, Auburndale Elementary, and Hammocks Middle, our review of sampled payrolls disclosed that the cafeteria manager, school administration, the payroll clerk or other staff had indicated the time in/out on the Daily Payroll Attendance Sheets on behalf of other hourly-paid employees. Other payroll discrepancies noted during our review were discussed with the school administration for their follow-up and corrective action (Pages 55-56, 64-65, 83-84 and 103-104).

<sup>2</sup> Change of Principal at this school/center (30 schools).

## PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 54 schools/centers. This total includes the property results of 39 of the 61 schools/centers in this report; and 15 that were pending publication from the previous audit report in September 2012. Property audits for 19 schools/centers could not be finalized in time to include in this report and will be reported at a later date this fiscal year. The following three centers: JRE Lee Opportunity School, 500 Role Model Academy of Excellence and Systemwide Business Services, will not be reporting inventory results, since the first two closed their doors in 2011 and the last is housed in a District location and does not have an inventory of its own to report.

At 54 schools/centers, Property Audits staff inventoried a total of 12,815 equipment items with a total approximate cost of \$39.3 million. Of the 54 schools/centers, 49 proved satisfactory. Results for the remaining 5 schools/centers disclosed a total of 49 equipment items with a depreciated value of approximately \$18,600 and a total approximate cost of \$89,800 that could not be located (refer to Property Schedules on pages 30-34).

At the school/center with the highest number of “unlocated” property being reported, Miami Central Senior, our most recent property inventory disclosed that 39 equipment items with an acquisition cost of \$78,042 and a depreciated value of \$18,641 could not be located. During the tenure of the former school administration, one of the buildings was demolished; and it appears that some of the missing items may have been destroyed with the building; however, there was no documentation on file to evidence their destruction. The whereabouts of the rest of the misplaced inventory remain unknown and their disappearance unexplained. We have cited this condition in the school’s audit report since the property loss materially exceeded the 0.33% threshold established for reporting “unlocated” property (Pages 121-123). Refer to the Property Schedule on page 33 where the individual school’s losses equate to 2.40% of the total cost of the school’s inventory at the time of the property audit.

Property inventories also include the review of property losses reported by the schools/centers through the Plant Security Report process. Our analysis of Plant Security Report losses reported by 14 schools/centers from this group disclosed that 23 items with a depreciated value of approximately \$8,000 and a total approximate cost of \$39,300 were reported missing (Page 35).

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

School Name	Region Office
▪ Fienberg/Fisher K-8 Center	▪ North
▪ David Lawrence, Jr. K-8 Center	▪ North
▪ Jose Marti MAST 6-12 Academy	▪ North
▪ Laura C. Saunders Elementary	▪ ETO
▪ Brownsville Middle	▪ ETO
▪ Miami Beach Adult Education Center	▪ Adult Education

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

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

The following 14 schools/centers were selected for these audits:

School Name	Region Office	Survey Period (SP)	FTE Funding
▪ Palm Springs Elementary	North	2011-2012 SP 3	\$ 1,403,337
▪ West Hialeah Gardens Elementary	North	2011-2012 SP 3	2,276,416
▪ Andover Middle	North	2011-2012 SP 3	2,158,411
▪ Henry H. Filer Middle	North	2011-2012 SP 3	2,138,984
▪ Sweetwater Elementary	Central	2011-2012 SP 3	1,659,210
▪ Gloria Floyd Elementary	South	2011-2012 SP 3	1,253,846
▪ Frank C. Martin K-8 Center	South	2011-2012 SP 3	2,113,069
▪ Irving & Beatrice Peskoe K-8 Center	South	2011-2012 SP 3	1,229,548
▪ Hammocks Middle	South	2011-2012 SP 3	2,125,531
▪ Southwood Middle	South	2011-2012 SP 3	2,605,272
▪ Caribbean Elementary	ETO	2011-2012 SP 3	1,169,845
▪ Santa Clara Elementary	ETO	2011-2012 SP 3	1,146,982
▪ Madison Middle	ETO	2011-2012 SP 3	1,044,159
▪ Westview Middle	ETO	2011-2012 SP 3	298,381
<b>Total FTE Funding</b>			<b>\$ 22,622,991</b>

The total FTE funding amounted to approximately \$22.6 million for the 14 schools/centers combined. FTE records reviewed corresponded to the 2011-2012 fiscal year Survey Period 3 (February 2012). Our FTE reviews disclosed that seven of the 14 schools/centers were generally compliant with District policy.

- At the following six schools/centers: Palm Springs Elementary, West Hialeah Gardens Elementary, Andover Middle, Frank C. Martin K-8 Center, Irving & Beatrice Peskoe K-8 Center and Hammocks Middle, our review of a sample of ELL student folders disclosed several discrepancies in the documentation filed in the LEP student folders (Pages 57-59, 60-63, 66-68, 97-99, 100-102 and 105-107). Our sampled review of SPED records at Gloria Floyd Elementary disclosed similar discrepancies (Pages 90-92).
- The lapses in compliance with FTE requirements at these seven schools could have potentially generated a combined FTE funding disallowance to the District of approximately \$60,800.

## TITLE I PROGRAM EXPENDITURES AND PROCEDURES

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

School Name	Region Office	Total Expenditures
▪ Norland Middle	North	\$ 322,926
▪ Kensington Park Elementary	Central	341,907
▪ Brownsville Middle	ETO	312,729
<b>Total Title I Program Expenditures</b>		<b>\$ 977,562</b>

Total expenditures incurred under various Title I programs amounted to approximately \$978,000. Results of our audits disclosed that all three schools were generally compliant with the policies and procedures established by the *Title I Administration Handbook*. Minor discrepancies identified in this area were discussed with the school administration for their information and corrective action.

## DATA SECURITY

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

School Name	Region Office
▪ Fienberg/Fisher K-8 Center	North
▪ Norland Middle	North
▪ Jose Marti MAST 6-12 Academy <sup>3</sup>	North
▪ Auburndale Elementary	Central
▪ Citrus Grove Elementary	Central
▪ Frank C. Martin K-8 Center	South
▪ Medical Academy Science & Technology Sr. (MAST@ Homestead)	South
▪ Frederick Douglass Elementary	ETO
▪ Brownsville Middle	ETO
▪ Miami Central Senior <sup>3</sup>	ETO

Our review disclosed that nine of the ten schools/centers generally complied with the review of the report and with the requirements for granting access to system applications.

<sup>3</sup> More thorough review of the school site IT function (2 schools).

- At Frank C. Martin K-8 Center, the past audit disclosed that two employees in excess of those allowed under the guidelines were given access to WGBA (Electronic Grade Book Attendance Manager). We previously discussed this matter with the former school administration for corrective action. However, our follow-up to the prior year audit disclosed that one employee in excess of those allowed had access to the WGBA application. At our request, the school revoked access to the staff member in question (Pages 93-96).

At Jose Marti MAST 6-12 Academy and Miami Central Senior, our more in-depth review of selected aspects of the school's site IT function disclosed that IT equipment such as servers, switches and routers were properly located and safeguarded; and the school administration had generally informed staff of the requirements for backing-up critical data and the security of the network.

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

## **AUDIT OPINION**

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2011 and/or June 30, 2012 (depending on the school audited) for the 61 schools/centers included herein. It also provides the audit opinion regarding the schools' financial statements:

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

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2011 for the 25 of the 61 schools/centers reported herein are:

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>North Region Office Schools/Centers</u>									
0561	W. J. Bryan Elementary	\$ 20,359.85	\$ 114,110.84	\$ 109,370.53	\$ 25,100.16	\$ 8,823.34	\$ 16,276.82	\$ -	\$ 25,100.16
5005	David Lawrence, Jr. K-8 Center	34,052.88	261,760.86	272,527.20	23,286.54	13,185.67	10,100.87	-	23,286.54
4021	Oak Grove Elementary	12,977.66	68,339.10	69,819.20	11,497.56	9,057.73	-	2,439.83	11,497.56
4261	Palm Springs Elementary	17,029.64	48,513.20	52,873.94	12,668.90	8,561.19	4,107.71	-	12,668.90
4301	Parkview Elementary	12,883.23	17,820.28	18,906.95	11,796.56	7,533.78	4,262.78	-	11,796.56
2371	West Hialeah Gardens Elementary	24,571.04	279,888.31	279,657.54	24,801.81	23,301.81	1,500.00	-	24,801.81
6421/7291	Jose Marti MAST 6-12 Academy	40,451.10	99,826.39	95,462.48	44,815.01	12,748.86	32,066.15	-	44,815.01
<u>Central Region Office Schools/Centers</u>									
0121	Auburndale Elementary	21,377.55	229,169.08	233,104.25	17,442.38	238.91	17,203.47	-	17,442.38
0801	Citrus Grove Elementary	15,686.40	38,704.24	36,257.44	18,133.20	17,335.85	797.35	-	18,133.20
1601	Edison Park K-8 Center	12,501.90	24,471.44	22,131.50	14,841.84	10,699.26	4,142.58	-	14,841.84
2661	Kensington Park Elementary	13,206.12	215,818.34	217,128.23	11,896.23	7,840.04	4,056.19	-	11,896.23
5431	Sweetwater Elementary	30,158.58	175,861.91	184,046.44	21,974.05	865.54	-	21,108.51	21,974.05
8121	C. O.P.E. Center North	35,200.88	60,462.94	82,822.74	12,841.08	6,780.12	6,060.96	-	12,841.08
8141	Juvenile Justice Center	20,129.20	8,699.54	12,990.25	15,838.49	15,838.49	-	-	15,838.49



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

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<b>South Region Office Center</b>									
8131	Dorothy M. Wallace C.O.P.E Center	43,618.64	74,112.81	87,526.64	30,204.81	20,204.22	10,000.59	-	30,204.81
<b>Adult Education Centers</b>									
7801	George T. Baker Aviation School	153,578.63	1,201,790.19	1,173,846.74	181,522.08	17,418.42	164,103.66	-	181,522.08
8005	Lindsey Hopkins Technical Education Center	829,577.52	1,547,740.54	1,552,807.98	824,510.08	17,565.46	806,944.62	-	824,510.08
7202	Miami Beach Adult Education Center	291,478.66	467,009.27	420,046.74	338,441.19	66,975.48	271,465.71	-	338,441.19
7272	Miami Coral Park Adult Education Center	179,729.07	171,554.86	151,811.99	199,471.94	62,850.90	136,621.04	-	199,471.94
7432	Miami Palmetto Adult Education Center	170,476.38	89,414.32	94,081.74	165,808.96	21,229.27	144,579.69	-	165,808.96
7532	Miami Sunset Adult Education Center	166,228.73	161,202.62	168,234.31	159,197.04	29,057.46	130,139.58	-	159,197.04
<b>Alternative Education Centers</b>									
2861	YWAACD at JRE Lee Opportunity School	10,758.96	14,342.59	15,459.93	9,641.62	5,241.35	4,400.27	-	9,641.62
8119	The 500 Role Model Academy Of Excellence	17,399.04	10,118.52	9,491.11	18,026.45	12,999.21	5,027.24	-	18,026.45
<b>Other Centers</b>									
8018	Systemwide Business & Industry Service Center	977,409.78	179,066.34	201,737.14	954,738.98	19,071.30	935,667.68	-	954,738.98
9723	The Greater Miami Athletic Conference (G.M.A.C.)	117,434.60	189,040.34	163,404.90	143,070.04	22,111.35	120,958.69	-	143,070.04
<b>TOTALS</b>		<b>\$ 3,268,276.04</b>	<b>\$5,748,838.87</b>	<b>\$5,725,547.91</b>	<b>\$ 3,291,567.00</b>	<b>\$437,535.01</b>	<b>\$2,830,483.65</b>	<b>\$ 23,548.34</b>	<b>\$ 3,291,567.00</b>

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2012 for the 61 schools reported herein are:

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>North Region Office Schools/Centers</u>									
0561	W. J. Bryan Elementary	\$ 25,100.16	\$ 111,107.41	\$ 119,501.33	\$ 16,706.24	\$ 3,346.50	\$ 13,359.74	\$ -	\$ 16,706.24
0761	Fienberg/Fisher K-8 Center	210,517.69	179,106.07	251,467.34	138,156.42	33,712.73	104,443.69	-	138,156.42
2801	Lake Stevens Elementary	7,361.97	11,330.59	12,449.30	6,243.26	3,671.63	2,571.63	-	6,243.26
5005	David Lawrence, Jr. K-8 Center	23,286.54	293,105.44	293,543.07	22,848.91	12,696.58	10,152.33	-	22,848.91
4021	Oak Grove Elementary	11,497.56	49,550.71	60,401.17	647.10	206.08	-	441.02	647.10
4261	Palm Springs Elementary	12,668.90	73,080.03	65,611.97	20,136.96	16,008.31	4,128.65	-	20,136.96
4301	Parkview Elementary	11,796.56	17,089.27	14,707.58	14,178.25	9,893.75	4,284.50	-	14,178.25
2371	West Hialeah Gardens Elementary	24,801.81	259,768.38	256,408.20	28,161.99	26,655.70	1,506.29	-	28,161.99
6023	Andover Middle	25,277.15	80,880.92	76,327.57	29,830.50	14,814.24	15,016.26	-	29,830.50
6171	Henry H. Filer Middle	27,085.35	53,816.89	50,137.01	30,765.23	15,292.53	15,472.70	-	30,765.23
6571	Norland Middle	49,002.83	139,137.69	141,127.07	47,013.45	23,572.24	23,441.21	-	47,013.45
6421/7291	Jose Marti MAST 6-12 Academy	44,815.01	109,401.88	114,159.17	40,057.72	17,833.93	22,223.79	-	40,057.72

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>Central Region Office Schools/Centers</u>									
0111	Maya Angelou Elementary	9,455.76	30,457.63	30,846.82	9,066.57	5,100.82	3,965.75	-	9,066.57
0121	Auburndale Elementary	17,442.38	239,839.35	240,231.40	17,050.33	6,772.61	10,277.72	-	17,050.33
0801	Citrus Grove Elementary	18,133.20	98,683.20	95,909.64	20,906.76	20,105.35	801.41	-	20,906.76
1601	Edison Park K-8 Center	14,841.84	23,823.51	24,123.08	14,542.27	10,378.59	4,163.68	-	14,542.27
1881	Henry M. Flagler Elementary	11,152.74	226,003.09	231,906.45	5,249.38	2,563.20	2,686.18	-	5,249.38
2661	Kensington Park Elementary	11,896.23	236,189.51	234,928.79	13,156.95	9,080.10	4,076.85	-	13,156.95
2821	Lakeview Elementary	6,549.30	33,369.17	31,222.50	8,695.97	5,447.49	3,248.48	-	8,695.97
5431	Sweetwater Elementary	21,974.05	187,547.87	188,254.92	21,267.00	8,103.17	-	13,163.83	21,267.00
6881	South Miami Middle	50,278.43	525,830.93	526,973.71	49,135.65	13,632.02	35,503.63	-	49,135.65
7901	New World School Of The Arts Senior	46,525.06	144,500.54	140,928.93	50,096.67	10,298.00	39,798.67	-	50,096.67
8019	Academy For Community Education	13,624.53	14,708.78	14,883.80	13,449.51	3,498.15	9,951.36	-	13,449.51
8121	C. O.P.E. Center North	12,841.08	70,195.39	68,717.42	14,319.05	6,233.88	8,085.17	-	14,319.05
8141	Juvenile Justice Center	15,838.49	12,576.04	8,307.15	20,107.38	20,107.38	-	-	20,107.38

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>South Region Office Schools/Centers</u>									
2021	Gloria Floyd Elementary	5,926.65	198,512.71	194,987.44	9,451.92	5,602.28	3,849.64	-	9,451.92
3101	Frank C. Martin K-8 Center	20,140.65	286,781.80	289,023.89	17,898.56	5,897.53	12,001.03	-	17,898.56
3541	Robert R. Moton Elementary	18,242.32	10,274.42	15,985.94	12,530.80	4,242.39	8,288.41	-	12,530.80
4391	Irving & Beatrice Peskoe K-8 Center	15,183.30	27,140.20	24,215.39	18,108.11	13,208.21	4,899.90	-	18,108.11
6221	Hammocks Middle	73,077.17	218,104.27	228,755.09	62,426.35	8,236.31	54,190.04	-	62,426.35
6861	Southwood Middle	101,109.61	166,950.02	173,182.07	94,877.56	5,773.89	89,103.67	-	94,877.56
7171	Medical Academy Science & Technology Sr. (MAST @ Homestead)	12,227.73	49,478.16	44,642.88	17,063.01	17,063.01	-	-	17,063.01
7701	South Dade Senior	206,101.87	664,328.72	676,990.22	193,440.37	23,260.62	170,179.75	-	193,440.37
8131	Dorothy M. Wallace C.O.P.E Center	30,204.81	84,663.76	85,706.35	29,162.22	19,110.68	10,051.54	-	29,162.22
<u>Educational Transformation Office (ETO) Schools/Centers</u>									
0661	Caribbean Elementary	12,531.67	15,378.63	15,900.76	12,009.54	5,437.27	6,572.27	-	12,009.54
1361	Frederick Douglass Elementary	13,302.25	20,929.19	24,434.08	9,797.36	3,476.64	6,320.72	-	9,797.36
2001	Florida City Elementary	15,521.30	25,967.27	26,433.08	15,055.49	6,687.37	8,368.12	-	15,055.49
2501	Holmes Elementary	8,806.81	32,447.90	23,403.97	17,850.74	16,509.51	1,341.23	-	17,850.74

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
4461	Pine Villa Elementary	7,032.91	7,574.55	7,914.61	6,692.85	4,482.29	2,210.56	-	6,692.85
4841	Santa Clara Elementary	9,464.36	12,800.24	14,033.52	8,231.08	1,562.34	6,668.74	-	8,231.08
2941	Laura C. Saunders Elementary	6,943.93	18,373.43	14,342.93	10,974.43	7,707.72	3,266.71	-	10,974.43
0081	Lenora B. Smith Elementary	18,232.70	17,042.73	16,631.52	18,643.91	10,446.34	8,197.57	-	18,643.91
6031	Brownsville Middle	28,559.49	64,986.79	62,437.51	31,108.77	11,282.75	19,826.02	-	31,108.77
6091	Citrus Grove Middle	29,497.56	40,525.50	38,260.57	31,762.49	6,749.28	25,013.21	-	31,762.49
6141	Charles R. Drew Middle	26,720.96	44,084.39	48,461.45	22,343.90	17,764.14	4,579.76	-	22,343.90
6391	Madison Middle	20,045.84	21,353.70	24,113.43	17,286.11	6,966.84	10,319.27	-	17,286.11
6721	Parkway Middle	26,621.68	42,978.19	43,464.19	26,135.68	6,120.50	20,015.18	-	26,135.68
6981	Westview Middle	27,194.39	34,252.07	40,052.88	21,393.58	9,458.04	11,935.54	-	21,393.58
7251	Miami Central Senior	76,653.48	445,414.26	435,480.41	86,587.33	33,515.95	53,071.38	-	86,587.33
7541	North Miami Beach Senior	225,592.70	471,531.22	505,621.28	191,502.64	39,098.60	152,404.04	-	191,502.64
<b>Adult Education Centers</b>									
7801	George T. Baker Aviation School	181,522.08	1,230,047.01	1,236,328.51	175,240.58	10,300.92	164,939.66	-	175,240.58

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7072	Coral Gables Adult Education Center	381,190.22	237,091.43	228,899.10	389,382.55	80,384.36	308,998.19	-	389,382.55
8005	Lindsey Hopkins Technical Education Center	824,510.08	1,720,822.76	1,722,440.59	822,892.25	41,830.09	781,062.16	-	822,892.25
7202	Miami Beach Adult Education Center	338,441.19	532,384.13	517,321.96	353,503.36	50,627.59	302,875.77	-	353,503.36
7272	Miami Coral Park Adult Education Center	199,471.94	229,582.44	210,125.28	218,929.10	81,612.08	137,317.02	-	218,929.10
7432	Miami Palmetto Adult Education Center	165,808.96	99,644.39	84,197.28	181,256.07	15,934.73	165,321.34	-	181,256.07
7532	Miami Sunset Adult Education Center	159,197.04	193,144.58	181,960.26	170,381.36	39,578.81	130,802.55	-	170,381.36
<b>Alternative Education Centers</b>									
2861	YWAACD at JRE Lee Opportunity School <sup>(a)</sup>	9,641.62	6.21	9,647.83	-	-	-	-	-
8119	The 500 Role Model Academy Of Excellence <sup>(a)</sup>	18,026.45	8.34	18,034.79	-	-	-	-	-
<b>Other Centers</b>									
8018	Systemwide Business & Industry Service Center	954,738.98	277,345.59	165,929.17	1,066,155.40	125,721.09	940,434.31	-	1,066,155.40
9723	The Greater Miami Athletic Conference (G.M.A.C.)	143,070.04	156,210.74	149,902.56	149,378.22	19,744.57	129,633.65	-	149,378.22
<b>TOTALS</b>		<b>\$ 5,134,319.36</b>	<b>\$ 10,919,262.03</b>	<b>\$ 10,892,338.18</b>	<b>\$ 5,161,243.21</b>	<b>\$ 1,054,419.72</b>	<b>\$ 4,093,218.64</b>	<b>\$ 13,604.85</b>	<b>\$ 5,161,243.21</b>

Note:

(a) Center closed its internal fund activity before the end of June 30, 2012. JRE Lee Opportunity School remitted leftover funds to Miami McArthur South Senior, while 500 Role Model Academy of Excellence remitted leftover funds to the District.

# AUDIT OPINION

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


*Notwithstanding the conditions and findings reported herein, at 58 of the 61 schools/centers, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools/centers during the 2010-2011 and/or 2011-2012 fiscal year(s), on the cash basis of accounting, and depending on the school audited. At Oak Grove Elementary, due to the conditions cited in the individual school audit report and in pages 36-47 of this report, which include the misappropriation of funds and the circumvention of controls over the receipting, depositing and disbursing of funds during the 2010-2011 and 2011-2012 fiscal years, the financial statements of the internal funds of the school do not fairly present the results of its operations on the cash basis of accounting. At Sweetwater Elementary school, except for the activity in the Community School Fund during the 2010-2011 fiscal year, as disclosed in the findings of the individual school audit report and in pages 73-76 of this report, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-2011 fiscal year, on the cash basis of accounting. Notwithstanding the exceptions in the individual audit report of Sweetwater Elementary school, the financial statement of the internal funds of the school for the 2011-2012 fiscal year presents fairly, in all material respects, the changes in fund balances arising from cash transactions, on the cash basis of accounting. At Citrus Grove Elementary school, except for the activity in the Community School Fund during the 2011-2012 fiscal year, as disclosed in the findings of the individual school audit report and in pages 77-82 of this report, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-2012 fiscal year, on the cash basis of accounting. Notwithstanding the exceptions in the individual audit report of Citrus Grove Elementary school, the financial statement of the internal funds of the school for the 2010-2011 fiscal year presents fairly, in all material respects, the changes in fund balances arising from cash transactions, on the cash basis of accounting.*

*As of June 30, 2011, for 25 of the 61 schools/centers reported herein, total combined receipts and disbursements amounted to \$5,748,839 and \$5,725,548, respectively; while total combined cash and investments amounted to \$3,291,567 (Pages 10-11).*

*As of June 30, 2012, for all 61 schools/centers reported herein, total combined receipts and disbursements amounted to \$10,919,262 and \$10,892,338, respectively; while total combined cash and investments amounted to \$5,161,243 (Pages 12-16).*

*Notwithstanding the conditions and findings reported herein, as of June 30, 2012, the internal control structure at 58 of 61 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. At Oak Grove Elementary, as noted in the findings cited in the individual school audit report, the internal control structure at the school was not generally functioning as designed by the school administration. At Sweetwater Elementary, except for the activity in the Community School Fund associated with the 2010-2011 fiscal year, as disclosed in the findings of the individual school audit report, the internal control structure was otherwise functioning as designed by the school administration. At Citrus Grove Elementary, except for the activity in the Community School Fund associated with the 2011-2012 fiscal year, as disclosed in the findings of the individual school audit report, the internal control structure was otherwise functioning as designed by the school administration.*

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

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

## INTERNAL CONTROLS RATING

The internal controls rating of the 17 schools/centers reported herein **with audit exceptions** are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Schools/Centers</u>							
W. J. Bryan Elementary		✓			✓		Likely to impact
Fienberg/Fisher K-8 Center		✓			✓		Likely to impact
Oak Grove Elementary			✓			✓	Impacted operations
Palm Springs Elementary		✓			✓		Likely to impact
West Hialeah Gardens Elementary		✓			✓		Likely to impact
Andover Middle		✓			✓		Likely to impact
Jose Marti MAST 6-12 Academy		✓			✓		Likely to impact
<u>Central Region Office Schools/Centers</u>							
Auburndale Elementary		✓			✓		Likely to impact
Citrus Grove Elementary		✓			✓		Impacted ASC Ops. 2011-12 FY
Edison Park K-8 Center		✓			✓		Likely to impact
Sweetwater Elementary		✓			✓		Impacted B/ASC Ops. 2010-10 FY
<u>South Region Office Schools/Centers</u>							
Gloria Floyd Elementary		✓			✓		Likely to impact
Frank C. Martin K-8 Center		✓			✓		Likely to impact
Irving & Beatrice Peskoe K-8 Center		✓			✓		Likely to impact
Hammocks Middle		✓			✓		Likely to impact
Southwood Middle		✓			✓		Likely to impact
<u>Education Transformation Office (ETO) School/Center</u>							
Miami Central Senior		✓			✓		Likely to impact



## INTERNAL CONTROLS RATING

The internal control ratings for the remaining 44 schools/centers reported herein **without audit exceptions** are depicted as follows:

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Lake Stevens Elementary	✓			✓			Not Likely to impact
David Lawrence, Jr. K-8 Center	✓			✓			Not Likely to impact
Parkview Elementary	✓			✓			Not Likely to impact
Henry H. Filer Middle	✓			✓			Not Likely to impact
Norland Middle	✓			✓			Not Likely to impact
<u>Central Region Office Schools/Centers</u>							
Maya Angelou Elementary	✓			✓			Not Likely to impact
Henry M. Flagler Elementary	✓			✓			Not Likely to impact
Kensington Park Elementary	✓			✓			Not Likely to impact
Lakeview Elementary	✓			✓			Not Likely to impact
South Miami Middle	✓			✓			Not Likely to impact
New World School Of The Arts Senior	✓			✓			Not Likely to impact
Academy For Community Education	✓			✓			Not Likely to impact
C. O.P.E. Center North	✓			✓			Not Likely to impact
Juvenile Justice Center	✓			✓			Not Likely to impact
<u>South Region Office Schools/Centers</u>							
Robert R. Moton Elementary	✓			✓			Not Likely to impact
Medical Academy Science & Technology Sr. (MAST @ Homestead)	✓			✓			Not Likely to impact
South Dade Senior	✓			✓			Not Likely to impact
Dorothy M. Wallace C.O.P.E Center	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Educational Transformation Office (ETO) Schools/Centers</u>							
Caribbean Elementary	✓			✓			Not Likely to impact
Frederick Douglass Elementary	✓			✓			Not Likely to impact
Florida City Elementary	✓			✓			Not Likely to impact
Holmes Elementary	✓			✓			Not Likely to impact
Pine Villa Elementary	✓			✓			Not Likely to impact
Santa Clara Elementary	✓			✓			Not Likely to impact
Laura C. Saunders Elementary	✓			✓			Not Likely to impact
Lenora B. Smith Elementary	✓			✓			Not Likely to impact
Brownsville Middle	✓			✓			Not Likely to impact
Citrus Grove Middle	✓			✓			Not Likely to impact
Charles R. Drew Middle	✓			✓			Not Likely to impact
Madison Middle	✓			✓			Not Likely to impact
Parkway Middle	✓			✓			Not Likely to impact
Westview Middle	✓			✓			Not Likely to impact
North Miami Beach Senior	✓			✓			Not Likely to impact
<u>Adult Education Centers</u>							
George T. Baker Aviation School	✓			✓			Not Likely to impact
Coral Gables Adult Education Center	✓			✓			Not Likely to impact
Lindsey Hopkins Technical Education Center	✓			✓			Not Likely to impact
Miami Beach Adult Education Center	✓			✓			Not Likely to impact
Miami Coral Park Adult Education Center	✓			✓			Not Likely to impact
Miami Palmetto Adult Education Center	✓			✓			Not Likely to impact
Miami Sunset Adult Education Center	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Alternative Education Centers</u>							
YWAACD at JRE Lee Opportunity School	✓			✓			Not Likely to impact
The 500 Role Model Academy Of Excellence	✓			✓			Not Likely to impact
<u>Other Centers</u>							
Systemwide Business & Industry Service Center	✓			✓			Not Likely to impact
The Greater Miami Athletic Conference (G.M.A.C.)	✓			✓			Not Likely to impact

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

Summary of findings of the 17 schools/centers reported herein **with audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>North Region Office Schools/Centers</u>					
0561	W. J. Bryan Elementary	1	▪ Payroll	None	
0761	Fienberg/Fisher K-8 Center	1	▪ Disbursements	2	▪ Group Pictures ▪ Disbursements
4021	Oak Grove Elementary	1	▪ Misappropriation of Funds/Bookkeeping	None	
4261	Palm Springs Elementary	1	▪ FTE-ESOL	None	
2371	West Hialeah Gardens Elementary	1	▪ FTE-ESOL	None	
6023	Andover Middle	2	▪ Payroll ▪ FTE-ESOL	None	
6421/7291	Jose Marti MAST 6-12 Academy	1	▪ Fundraising Activities	None	
<u>Central Region Office Schools/Centers</u>					
0121	Auburndale Elementary	1	▪ Payroll	None	
0801	Citrus Grove Elementary	1	▪ ASC Program	None	
1601	Edison Park K-8 Center	1	▪ Disbursements	None	
5431	Sweetwater Elementary	1	▪ BSC/ASC Program	None	
<u>South Region Office Schools/Centers</u>					
2021	Gloria Floyd Elementary	1	▪ FTE-SPED	None	
3101	Frank C. Martin K-8 Center	2	▪ Deposits/Pre-No. Form/Data Sec. Follow-Up ▪ FTE-ESOL	None	
4391	Irving & Beatrice Peskoe K-8 Center	1	▪ FTE-ESOL	None	
6221	Hammocks Middle	2	▪ Payroll ▪ FTE-ESOL	None	
6861	Southwood Middle	1	▪ Disbursements	None	
<u>Educational Transformation Office (ETO) School/Center</u>					
7251	Miami Central Senior	4	▪ Disbursements ▪ Yearbook ▪ Athletic Tickets ▪ Property	2	▪ Athletic Fund ▪ FTE-ESOL
TOTAL		23		4	

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

Summary of findings of the remaining 44 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>North Region Office Schools/Centers</u>					
2801	Lake Stevens Elementary	None		None	
5005	David Lawrence, Jr. K-8 Center	None		None	
4301	Parkview Elementary	None		None	
6171	Henry H. Filer Middle	None		None	
6571	Norland Middle	None		None	
<u>Central Region Office Schools/Centers</u>					
0111	Maya Angelou Elementary	None		None	
1881	Henry M. Flagler Elementary	None		None	
2661	Kensington Park Elementary	None		None	
2821	Lakeview Elementary	None		None	
6881	South Miami Middle	None		None	
7901	New World School Of The Arts Senior	None		None	
8019	Academy For Community Education	None		None	
8121	C. O.P.E. Center North	None		None	
8141	Juvenile Justice Center	None		None	
<u>South Region Office Schools/Centers</u>					
3541	Robert R. Moton Elementary	None		None	
7171	Medical Academy Science & Technology Sr. (MAST @ Homestead)	None		None	
7701	South Dade Senior	None		1	▪ Title I-Budget
8131	Dorothy M. Wallace C.O.P.E Center	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>Educational Transformation Office (ETO) Schools/Centers</u>					
0661	Caribbean Elementary	None		None	
1361	Frederick Douglass Elementary	None		None	
2001	Florida City Elementary	None		None	
2501	Holmes Elementary	None		2	<ul style="list-style-type: none"> <li>▪ Receipts</li> <li>▪ Disbursements</li> </ul>
4461	Pine Villa Elementary	None		None	
4841	Santa Clara Elementary	None		None	
2941	Laura C. Saunders Elementary	None		None	
0081	Lenora B. Smith Elementary	None		None	
6031	Brownsville Middle	None		None	
6091	Citrus Grove Middle	None		None	
6141	Charles R. Drew Middle	None		1	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>
6391	Madison Middle	None		None	
6721	Parkway Middle	None		None	
6981	Westview Middle	None		None	
7541	North Miami Beach Senior	None		1	<ul style="list-style-type: none"> <li>▪ FTE-ESOL</li> </ul>
<u>Adult Education Centers</u>					
7801	George T. Baker Aviation School	None		None	
7072	Coral Gables Adult Education Center	None		None	
8005	Lindsey Hopkins Technical Education Center	None		None	
7202	Miami Beach Adult Education Center	None		None	
7272	Miami Coral Park Adult Education Center	None		None	
7432	Miami Palmetto Adult Education Center	None		None	
7532	Miami Sunset Adult Education Center	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>Alternative Education Centers</u>					
2861	YWAACD at JRE Lee Opportunity School	None		None	
8119	The 500 Role Model Academy Of Excellence	None		None	
<u>Other Centers</u>					
8018	Systemwide Business & Industry Service Center	None		None	
9723	The Greater Miami Athletic Conference (G.M.A.C.)	None		None	
TOTAL		None		5	

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable for the 17 schools/centers **with audit exceptions**. The **highlighted name(s)** represents the principal(s)/administrator(s) in charge of the school/center during the audit period:

Work Loc. No.	Schools/Centers	Current Principal/Administrator	Former Principal/Administrator
<u>North Region Office Schools/Centers</u>			
0561	W. J. Bryan Elementary	Ms. Milagros L. Maytin	N/A = No Change of Principal Since Prior Audit.
0761	Fienberg/Fisher K-8 Center	Ms. Maria G. Zabala	N/A = No Change of Principal Since Prior Audit.
4021	Oak Grove Elementary	Ms. Yecenia M. Martinez-Lopez	N/A = No Change of Principal Since Prior Audit.
4261	Palm Springs Elementary	Ms. Roxana D. Herrera	N/A = No Change of Principal Since Prior Audit.
2371	West Hialeah Gardens Elementary	Ms. Sharon M. Gonzalez	N/A = No Change of Principal Since Prior Audit.
6023	Andover Middle <sup>(a)</sup>	Ms. Rennina L. Turner	Mr. Arnold R. Montgomery (Through June 2012; presently Administrative Director, ETO Office).
6421/7291	Jose Marti MAST 6-12 Academy	Mr. Jose Enriquez, Jr.	N/A = No Change of Principal Since Prior Audit.
<u>Central Region Office Schools/Centers</u>			
0121	Auburndale Elementary <sup>(a)</sup>	Ms. Ana M. Gutierrez	Ms. Liliana Salazar (Through July 2012; presently District Director, ESE Office).
0801	Citrus Grove Elementary	Ms. Sharon Johnson	N/A = No Change of Principal Since Prior Audit.
1601	Edison Park K-8 Center	Ms. Carla Patrick	N/A = No Change of Principal Since Prior Audit.
5431	Sweetwater Elementary	Ms. Janet P. Olivera	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office Schools/Centers</u>			
2021	Gloria Floyd Elementary <sup>(a)</sup>	Mr. Todd W. Morrow	Ms. Felicia K. Joseph (Through July 2012; presently Principal at Frank C. Martin K-8 Center).
3101	Frank C. Martin K-8 Center <sup>(a)</sup>	Ms. Felicia K. Joseph	Ms. Pamela F. Brown (Through June 2012; retired).
4391	Irving & Beatrice Peskoe K-8 Center <sup>(a)</sup>	Ms. Madelyn Sierra-Hernandez	Ms. Magda R. Pereira (Through July 2012; presently Principal at Southwood Middle).
6221	Hammocks Middle <sup>(a)</sup>	Ms. Deborah Leal	Mr. Peter H. Cabrera (Through June 2012; resigned)
6861	Southwood Middle <sup>(a)</sup>	Ms. Magda R. Pereira	Ms. Deborah Leal (Through July 2012; presently Principal at Hammocks Middle).
<u>Education Transformation Office (ETO) School/Center</u>			
7251	Miami Central Senior <sup>(a)</sup>	Mr. Gregory M. Bethune	Ms. Rennina L. Turner (Through July 2012; presently Principal at Andover Middle School).

Note:

(a) Change of Principal since prior audit at this school/center (30 schools/centers).



## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable for the remaining 44 schools/centers **without audit exceptions**. The **highlighted name(s)** represents the **principal(s)/administrator(s)** in charge of the school/center during the audit period:

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>North Region Office Schools/Centers</u>			
2801	Lake Stevens Elementary <sup>(a)</sup>	Ms. Vanady A. Daniels	Ms. Stephanie D. Goree (Through July 2012; presently Principal at Miami Park El. School).
5005	David Lawrence, Jr. K-8 Center	Mr. Bernard L. Osborn	N/A = No Change of Principal Since Prior Audit.
4301	Parkview Elementary	Dr. Edith C. Hall	N/A = No Change of Principal Since Prior Audit.
6171	Henry H. Filer Middle <sup>(a)</sup>	Ms. Giovanna M. Blanco	Ms. Deborah L. Love (Through June 2012; retired).
6571	Norland Middle <sup>(a)</sup>	Ronald G. Redmon	Mr. Eugene Butler (Through December 2011; resigned). Mr. John D. Nathan (Through June 2012; presently Asst. Principal at Norland Middle School).
<u>Central Region Office Schools/Centers</u>			
0111	Maya Angelou Elementary <sup>(a)</sup>	Ms. Adrena Y. Williams	Dr. Linda C. Whye (Through June 2012; presently Principal at Skyway El. School).
1881	Henry M. Flagler Elementary <sup>(a)</sup>	Ms. Zulema C. Lamazares	Dr. Orlando B. Gonzalez (Through July 2012; presently Asst. Principal at Lamar L. Curry Middle School).
2661	Kensington Park Elementary	Mr. Genaro Navarro	N/A = No Change of Principal Since Prior Audit.
2821	Lakeview Elementary <sup>(a)</sup>	Ms. Sandra V. Banky	Dr. Sharon L. Lewis (Through July 2012; retired).
6881	South Miami Middle <sup>(a)</sup>	Mr. Juan C. Boue	Ms. Evonne S. Alvarez (Through July 2012; presently at New World School of the Arts Senior).
7901	New World School Of The Arts Senior <sup>(a)</sup>	Ms. Evonne S. Alvarez	Ms. Lisa S. Noffo (Through June 2012; presently Principal at MAST @ Homestead Senior).
8019	Academy For Community Education <sup>(a)</sup>	Dr. Deborah A. Carter	Mr. Carlos J. Cambo (Through June 2012; presently Asst. Principal at Lindsey Hopkins Tech. Ed. Center).
8121	C. O.P.E. Center North	Dr. Lillian K. Cooper	N/A = No Change of Principal Since Prior Audit.
8141	Juvenile Justice Center <sup>(a)</sup>	Mr. Steven Payne	Ms. Yseult Charles (Through July 2011; presently Teacher at Miami Beach Senior High School).

Note:

(a) Change of Principal since prior audit at this school/center (30 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>South Region Office Schools/Centers</u>			
3541	Robert R. Moton Elementary <sup>(a)</sup>	Mr. Eric L. Wright	Mr. Todd W. Morrow (Through July 2012; presently at Gloria Floyd El. School).
7171	Medical Academy Science & Technology Sr. (MAST @ Homestead) <sup>(a)</sup>	Ms. Lisa S. Noffo	Mr. Gregory Zawyer (Through June 2012; retired).
7701	South Dade Senior	Ms. Alicia Hidalgo	N/A = No Change of Principal Since Prior Audit.
8131	Dorothy M. Wallace C.O.P.E Center <sup>(a)</sup>	Ms. Annette Y. Burks-Grice	Ms. Karen F. Webb (Though July 2012; retired).
<u>Educational Transformation Office (ETO) Schools/Centers</u>			
0661	Caribbean Elementary	Dr. Alina M. Diaz-Blanco	N/A = No Change of Principal Since Prior Audit.
1361	Frederick Douglass Elementary <sup>(a)</sup>	Ms. Yolanda L. Ellis	Ms. Pamela G. Sanders-White (Through July 12; presently Principal on Special Assignment at Schools of Choice and Parental Options).
2001	Florida City Elementary	Ms. Catherine T. Krtausch	N/A = No Change of Principal Since Prior Audit.
2501	Holmes Elementary <sup>(a)</sup>	Ms. Laura F. Tennant	Ms. Atunya R. Walker (Through June 2012; resigned).
4461	Pine Villa Elementary	Dr. Latonia M. Harris	N/A = No Change of Principal Since Prior Audit.
4841	Santa Clara Elementary	Dr. Melanie K. Fox	N/A = No Change of Principal Since Prior Audit.
2941	Laura C. Saunders Elementary	Ms. Margaret D. Ferrarone	N/A = No Change of Principal Since Prior Audit.
0081	Lenora B. Smith Elementary <sup>(a)</sup>	Dr. Contessa S. Bryant	Dr. Earl Burth (Through June 2012; presently Vice-Principal at Miami Jackson Senior).
6031	Brownsville Middle <sup>(a)</sup>	Dr. Edward G. Robinson	Mr. Gregory M. Bethune (Through July 2012; presently Principal at Miami Central Senior).
6091	Citrus Grove Middle	Ms. Emirce Ladaga	N/A = No Change of Principal Since Prior Audit.
6141	Charles R. Drew Middle <sup>(a)</sup>	Mr. Reginald E. Lee	Ms. Annette Y. Burks-Grice (Through July 2012; presently Principal at Dorothy M. Wallace C.O.P.E. Center).
6391	Madison Middle	Ms. Renny L. Neyra	N/A = No Change of Principal Since Prior Audit.
6721	Parkway Middle <sup>(a)</sup>	Mr. Fabrice Laguerre	Ms. Elvira C. Ruiz (Through June 2012; Presently Senior Assistant Principal at North Miami Beach Senior High School).
6981	Westview Middle	Ms. Robin Y. Atkins	N/A = No Change of Principal Since Prior Audit
7541	North Miami Beach Senior <sup>(a)</sup>	Mr. Randy A. Milliken	Mr. Raymond L. Fontana (Through July 2012; retired).

Note:

(a) Change of Principal since prior audit at this school/center (30 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>Adult Education Centers</u>			
7801	George T. Baker Aviation School	Mr. Sean E. Gallagan	N/A = No Change of Administrator Since Prior Audit.
7072	Coral Gables Adult Education Center <sup>(a)</sup>	Ms. Barbara T. Hawkins	Ms. Carol Y. Wright (Through July 2012; retired).
8005	Lindsey Hopkins Technical Education Center	Ms. Nyce Daniel	Dr. Rosa D. Borgen (Through December 2010; retired). Ms. Nyce Daniel (Since August 2010)
7202	Miami Beach Adult Education Center	Ms. Shirley A. Velasco	N/A = No Change of Administrator Since Prior Audit.
7272	Miami Coral Park Adult Education Center	Mr. Robert D. Novak	N/A = No Change of Administrator Since Prior Audit.
7432	Miami Palmetto Adult Education Center	Ms. Eunice C. Soto	N/A = No Change of Administrator Since Prior Audit.
7532	Miami Sunset Adult Education Center <sup>(a)</sup>	Mr. Julian Cazañas, Jr.	Mr. Edmund L. Plant, Jr. (Through August 2010; retired). Ms. Judy P. Hunter (Through June 2012; retired).
<u>Alternative Education Centers</u>			
2861	YWAACD at JRE Lee Opportunity School <sup>(b)</sup>	Ms. Claire C. Warren (Through July 2011; presently Principal at Educational Alternative Outreach Program).	N/A = No Change of Administrator Since Prior Audit.
8119	The 500 Role Model Academy Of Excellence <sup>(b)</sup>	Mr. Samuel L. Johnson (Through July 2010; presently Principal at Jan Mann Opportunity School) Mr. Miguel Torres (Through August 2011; presently Teacher at Miami Coral Park Senior High School).	N/A = No Change of Administrator Since Prior Audit.
<u>Other Centers</u>			
8018	Systemwide Business & Industry Service Center	Mr. Robert G. Gornto	N/A = No Change of Administrator Since Prior Audit.
9723	The Greater Miami Athletic Conference (G.M.A.C.)	Ms. Cheryl M. Golden	N/A = No Change of Administrator Since Prior Audit..

Notes:

- (a) Change of Principal since prior audit at this school/center (30 schools/centers).
- (b) Centers closed before June 30, 2012 (2 centers).

## PROPERTY SCHEDULES

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

WORK LOCATION NO.	SCHOOLS/CENTERS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>North Region Office Schools/Centers</u>								
0341	Arch Creek Elementary <sup>(a)</sup>	108	\$ 418,368	-	-	-	-	-
0231	Aventura Waterways K-8 Center <sup>(a)</sup>	509	977,722	-	-	-	-	-
2441	Virginia A. Boone/Highland Oaks El. <sup>(a)</sup>	121	219,613	-	-	-	-	-
0561	W. J. Bryan Elementary	100	253,212	-	-	-	-	-
0761	Fienberg/Fisher K-8 Center	225	380,838	-	-	-	-	-
2801	Lake Stevens Elementary <sup>(b)</sup>							
5005	David Lawrence, Jr. K-8 Center	695	1,126,968	-	-	-	-	-
4021	Oak Grove Elementary	119	331,420	-	-	-	-	-
4261	Palm Springs Elementary	244	557,030	-	-	-	-	-
4301	Parkview Elementary <sup>(b)</sup>							
2371	West Hialeah Gardens Elementary	69.	327,569	-	-	-	-	-
6023	Andover Middle <sup>(b)</sup>							
6171	Henry H. Filer Middle	190	470,015	-	-	-	-	-
6571	Norland Middle <sup>(b)</sup>							
6421/7291	Jose Marti MAST 6-12 Academy	499	1,168,177	7	\$ 8,445	-	-	-
<u>Central Region Office Schools/Centers</u>								
0111	Maya Angelou Elementary <sup>(b)</sup>							
0121	Auburndale Elementary <sup>(b)</sup>							
0801	Citrus Grove Elementary <sup>(b)</sup>							

**Notes:**

(a) Property inventory results pending since school audit reported in September 2012 (15 schools).

(b) Latest property inventory reported in 2012. To be performed later this fiscal year (19 schools).

## PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS/CENTERS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
1601	Edison Park K-8 Center	162	306,460	-	-	-	-	-
1881	Henry M. Flagler Elementary <sup>(b)</sup>							
2661	Kensington Park Elementary <sup>(b)</sup>							
2821	Lakeview Elementary	164	421,383	-	-	-	1	\$ 1,449
3341	Miami Shores Elementary <sup>(a)</sup>	175	383,234					
5431	Sweetwater Elementary <sup>(b)</sup>							
6881	South Miami Middle <sup>(b)</sup>							
7901	New World School Of The Arts Sr. <sup>(b)</sup>							
8019	Academy For Community Education	10	22,662	-	-	-	-	-
8121	C.O.P.E. Center North	117	262,139	1	1,037	-	-	-
8141	Juvenile Justice Center	34	58,131	-	-	-	-	-
<b>South Region Office Schools/Centers</b>								
2021	Gloria Floyd Elementary <sup>(b)</sup>							
3101	Frank C. Martin K-8 Center	181	491,486	-	-	-	-	-
3541	Robert R. Moton Elementary	160	391,893	-	-	-	2	6,319
4391	Irving & Beatrice Peskoe K-8 Center	98	244,292	-	-	-	-	-
5961	Winston Park K-8 Center <sup>(a)</sup>	184	406,764	-	-	-	-	-
6221	Hammocks Middle	365	760,820	-	-	-	2	4,363
6861	Southwood Middle	327	757,756	-	-	-	-	-
7171	Medical Academy Science & Technology Senior MAST @ Homestead <sup>(b)</sup>							
7701	South Dade Senior	859	2,736,637	-	-	-	-	-

Notes:

(a) Property inventory results pending since school audit reported in September 2012 (15 schools).

(b) Latest property inventory reported in 2012. To be performed later this fiscal year (19 schools).

## PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS/CENTERS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
8131	Dorothy M. Wallace C.O.P.E. Center	104	245,988	1	1,059	-	-	-
<b>Education Transformation Office (ETO) Schools/Centers</b>								
0361	Biscayne Gardens Elementary <sup>(a)</sup>	125	300,345	-	-	-	-	-
0661	Caribbean Elementary	181	421,793	-	-	-	3	4,558
1361	Frederick Douglas Elementary	99	244,613	-	-	-	-	-
1401	Charles R. Drew Elementary <sup>(a)</sup>	166	303,820	-	-	-	-	-
2001	Florida City Elementary	166	350,765	-	-	-	-	-
2501	Holmes Elementary	149	361,847	-	-	-	-	-
4121	Dr. Robert B. Ingram Elementary <sup>(a)</sup>	130	404,234	-	-	-	-	-
4461	Pine Villa Elementary	88	191,739	-	-	-	5	10,272
4841	Santa Clara Elementary	84	271,664	-	-	-	-	-
2941	Laura C. Saunders Elementary	174	367,949	-	-	-	-	-
5081	Skyway Elementary <sup>(a)</sup>	61	175,137	-	-	-	-	-
0081	Lenora B. Smith Elementary	113	287,041	1	1,171	-	3	5,980
5971	Nathan B. Young Elementary <sup>(a)</sup>	142	239,576	-	-	-	-	-
6031	Brownsville Middle	292	666,788	-	-	-	-	-
6091	Citrus Grove Middle	304	688,345	-	-	-	-	-
6141	Charles R. Drew Middle	348	789,287	-	-	-	-	-
6231	Hialeah Middle <sup>(a)</sup>	390	892,352	-	-	-	-	-
6251	Homestead Middle <sup>(a)</sup>	344	743,671	-	-	-	-	-
6281	Thomas Jefferson Middle <sup>(a)</sup>	111	281,138	-	-	-	-	-

Notes:

- (a) Property inventory results pending since school audit reported in September 2012 (15 schools).
- (b) Latest property inventory reported in 2012. To be performed later this fiscal year (19 schools).

## PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS/CENTERS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6391	Madison Middle	165	560,478	-	-	-	2	6,256
6431	Arthur & Polly Mays Conservatory of the Arts <sup>(a)</sup>	275	683,556	-	-	-	-	-
6721	Parkway Middle	134	331,365	-	-	-	-	-
6761	Redland Middle <sup>(a)</sup>	296	614,359	-	-	-	-	-
6981	Westview Middle	203	401,851	-	-	-	-	-
7251	Miami Central Senior	860	3,250,581	39	78,042	\$ 18,641	-	-
7541	North Miami Beach Senior <sup>(b)</sup>							
<b>Adult Education Centers</b>								
7801	George T. Baker Aviation School	594	8,743,751	-	-	-	-	-
7072	Coral Gables Adult Education Center <sup>(b)</sup>							
8005	Lindsey Hopkins Technical Education Center	830	2,674,368	-	-	-	-	-
7202	Miami Beach Adult Education Center	135	238,285	-	-	-	-	-
7272	Miami Coral Park Adult Education Center <sup>(b)</sup>							
7432	Miami Palmetto Adult Education Center <sup>(b)</sup>							
7532	Miami Sunset Adult Education Center <sup>(b)</sup>							
<b>Alternative Education Centers</b>								
2861	YWAACD At JRE Lee Opportunity School <sup>(c)</sup>							
8119	The 500 Role Model Academy Of Excellence <sup>(c)</sup>							

Notes:

(a) Property inventory results pending since school audit reported in September 2012 (15 schools).

(b) Latest property inventory reported in 2012. To be performed later this fiscal year (19 schools).

(c) Center physically closed its doors in FY 2010-2011. Only internal audit of financial records. No property inventory to report at this time (2 centers).

## PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS/CENTERS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>Other Centers</u>								
8018	Systemwide Business & Industry Service Center <sup>(d)</sup>							
9723	The Greater Miami Athletic Conference (G.M.A.C.)	37	133,931	-	-	-	-	-
<b>TOTAL</b>		12,815	\$39,335,206	49	\$ 89,754	\$ 18,641	18	\$ 39,197

Note:

(d) Center is housed in a District location. No property inventory of its own to report (1 center).



## PROPERTY SCHEDULES

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

Work Location No.	Schools/Centers	No. of Plant Security Reports	Total Items	Total Amount at Cost	CATEGORY (AT COST)		Total Depreciated Value
					Computers	Other <sup>(a)</sup>	
<u>North Region Office Schools/Centers</u>							
6171	Henry H. Filer Middle	1	1	\$ 1,516	\$ 1,516	-	-
6421/7291	Jose Marti MAST 6-12 Academy	1	1	1,129	1,129	-	-
<u>Central Region Office Schools/Centers</u>							
2821	Lakeview Elementary	1	2	2,420	-	\$ 2,420	\$ 1,643
3341	Miami Shores Elementary	1	1	1,175	1,175	-	-
8121	C.O.P.E. Center North	1	2	3,158	-	3,158	-
<u>South Region Office School/Center</u>							
7701	South Dade Senior	1	1	4,900	-	4,900	3,376
<u>Education Transformation Office (ETO) Schools/Centers</u>							
0361	Biscayne Gardens Elementary	1	1	2,833	2,833	-	-
4841	Santa Clara Elementary	1	1	2,705	2,705	-	-
6141	Charles R. Drew Middle	2	3	3,356	3,356	-	-
6251	Homestead Middle	1	2	4,006	4,006	-	-
6281	Thomas Jefferson Middle	1	1	1,751	-	1,751	-
6391	Madison Middle	1	1	1,439	1,439	-	-
<u>Adult Education Centers</u>							
7801	George T. Baker Aviation School	1	2	4,214	-	4,214	1,079
8005	Lindsey Hopkins Technical Education Center	3	4	4,660	-	4,660	1,934
<b>TOTAL</b>		<b>17</b>	<b>23</b>	<b>\$ 39,262</b>	<b>\$ 18,159</b>	<b>\$ 21,103</b>	<b>\$ 8,032</b>

Note:

(a) "Other" equipment included several pressure washers, a golf cart, a portable generator, and an air conditioning unit, among others.

## **FINDINGS AND RECOMMENDATIONS**

### **1. Controls Over The Bookkeeping Function Were Inadequate And Former Treasurer Fraudulently Issued Checks And Misappropriated Funds *Oak Grove Elementary***

Section II, Chapter 2 of the *Manual of Internal Fund Accounting* establishes that the principal is ultimately responsible for monitoring and administering the revenue generated from Internal Funds activities. Also, Section II, Chapter 5 of the *Manual* provides that the treasurer is responsible for making all necessary disbursements from the school's Internal Funds as approved by the principal or his designee. This same Section and Chapter also requires that disbursements made from Internal Funds be made via check. The check must be documented with a check requisition, an invoice, a purchase order; and must bear two signatures, that of the principal or his/her designee and that of the treasurer or authorized clerical designee. As part of best practices, and as a preventive measure, the principals have been advised to receive the checking account's monthly statement from the bank *unopened for review* before turning it over to the treasurer for bookkeeping and reconciliation purposes.

On June 13, 2012, the school principal, with the assistance of staff from the Internal Funds Accounting Division, discovered that the former treasurer had forged signatures on several school checks in order to misappropriate school funds; and had attempted to destroy and discard some of the associated financial records. The discovery ensued following a review of various school records that were damaged during a separate incident of vandalism at the school. Previously on June 5, 2012, the school had reported the vandalism incident to M-DCPS Police and our office. When confronted by the principal, the former treasurer stated that she had used the funds to purchase medicine for her mother. However, the former treasurer denied involvement in the vandalism incident, which at this time, is part of an ongoing M-DCPS Police investigation. Subsequent to the discovery of fraud, the former treasurer was placed on alternate assignment pending completion of the audit and investigation.

At the request of the principal and M-DCPS Police, we conducted a review of all available internal funds records for the period of July 1, 2010 to June 30, 2012. Based on our review, we calculated that the former treasurer misappropriated school funds totaling \$42,897.

*Subsequent to our findings, on October 31, 2012, audit staff interviewed the former treasurer regarding this matter. During the interview, she confessed in writing to the misappropriation.*

*We worked this case in collaboration with M-DCPS Police. On November 9, 2012, the authorities charged the former treasurer with grand theft and uttering forged instruments, and she was booked and jailed. At the present time, the case is at the State Attorney's Office pending further consideration of the charges.*

Our review disclosed that the former treasurer forged the signatures of the school principal or her administrative designee, and/or the signature of the payee in 92 internal funds checks and disbursement documentation to misappropriate \$35,603 from the internal funds of the school. In addition to the fraudulent disbursements, the school could not account for collections totaling \$6,372. These collections stemmed from the sale of school pictures and various field trips during the 2011-2012 fiscal year. According to information obtained from faculty members and school administration during our interviews, *the former treasurer was responsible for handling these collections.* Furthermore and regarding these particular activities, we detected a pattern where the former treasurer charged several of the associated expenditures to other internal funds accounts which had available funds, to possibly conceal her fraud.

In addition to the fraudulent disbursements and misappropriated collections, the audit uncovered several unpaid invoices, of which \$922 consisted of supplies that the former treasurer purchased *without the authority of the principal.* These items could not be located at the school; and we attributed these losses to the former treasurer.

Other discrepancies directly related to the former treasurer's scheme to defraud included: 1) altered checking account bank statements to conceal a checking account deficit in June 2011 and overdraft charges imputed by the bank<sup>4</sup>; 2) funds transferred from the savings account to the checking account, or between internal funds' accounts (without authorization) to cover fraudulent expenditures and prevent account deficits; 4) fabricated invoices to disguise late payments or fraudulent transactions; and 5) procedures for documenting the exchange of monies between parties *not consistently implemented and observed.*

A breakdown of the checks fraudulently issued and cashed, the misappropriated collections, the unauthorized purchases, as well as those disbursements from selected school activities that the former treasurer diverted to other accounts is illustrated in the following table:

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<sup>4</sup> The principal acknowledged that she was not receiving the unopened monthly bank account statement prior to the former treasurer for review.

Description	No. Of Checks Inappropriately Issued By The Former Treasurer	Unauthorized Checks And Purchases	Totals		
Unauthorized Expenditures					
Checks Fraudulently Issued To Relatives And Friends	74	\$ 31,005 <sup>(a)</sup>	}	\$35,603 <sup>(e)</sup>	
Checks Fraudulently Issued To Third Parties And Cashed From Collections By Former Treasurer	13	3,263 <sup>(b)</sup>			
Unauthorized Purchases	5	1,335 <sup>(c)</sup>			
Outstanding Liabilities At June 30, 2012 (Unauthorized Purchases)	--	922 <sup>(d)</sup>			
Total Misappropriation From Fraudulently Issued Checks And Unauthorized Purchases	92		\$ 36,525		
Misappropriated Revenues		Collections Unaccounted For	Totals	Disbursements From School Activities Diverted to Other Accounts	Outstanding Liabilities From School Activities
School Pictures Account	--	\$ 4,321 <sup>(f)</sup>		\$ 1,964 <sup>(h)</sup>	\$ 713 <sup>(i)</sup>
Field Trip Accounts	--	2,051 <sup>(g)</sup>		448 <sup>(j)</sup>	2,256 <sup>(k)</sup>
Total Misappropriated Revenues			\$ 6,372 <sup>(l)</sup>		
Total Misappropriation			\$ 42,897		

**Note: The amounts included in this table are explained below and have been identified by corresponding superscripts.**

Details of the fraudulent activity and non-compliance with District policy are as follows:

*Misappropriation of Funds—Fraudulent Checks Issued to Third Parties, Cashed From Collections, and Unauthorized Purchases That Remained Unaccounted For*

- 1.1. Between July 2010 and May 2012, the former treasurer fraudulently issued a total of 74 checks totaling \$31,005<sup>(a)</sup> to six individuals who appeared to have

cashed these checks<sup>5</sup>. Of the six individuals, two are family members and the rest are apparent friends/co-workers<sup>6</sup> of the former treasurer. These disbursements were recorded in the system under the name of the individuals or variations of their names; or under the names of vendors to disguise the disbursements as appropriate transactions. Of the 74 checks, four were supported with fabricated invoices; and the supporting documents for the remaining checks were incomplete or not on file. *When interviewed, the former treasurer stated that the individuals cashed the checks; however, they handed the money to her.*

- 1.2. In addition, between May 3, 2011 and June 3, 2011, the former treasurer issued 13 checks totaling \$3,263<sup>(b)</sup> to eight school employees. These disbursements were disguised in the records as employee reimbursement checks, which the former treasurer fraudulently initialed on the face of the check<sup>7</sup>, endorsed on the reverse, and cashed from the school collections. Six of the eight employees who supposedly received these reimbursements were interviewed during the audit. According to their statements, they *never endorsed or cashed these checks. During our interview with the former treasurer, she acknowledged that she forged the endorsements on these checks and took these funds.*
- 1.3. During the 2011-2012 fiscal year, there were five purchases totaling \$1,335<sup>(c)</sup> that, according to the principal, were ordered by the former treasurer without authorization. The signature of the principal was forged in all instances. The items in question were procured from an office supplies retailer and included a printer, toner and some cameras, among other items. We identified other similar unauthorized purchases of supplies totaling \$922<sup>(d)</sup> that were outstanding for payment at the end of the 2011-2012 fiscal year.

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<sup>5</sup> Many of these checks bear evidence of a thumbprint on the face of the check. This is required by the bank when cashing a check and the payee does not have an account.

<sup>6</sup> Of the 74 checks, 71 checks totaling \$29,664 were issued to her aunt, her son and a friend; and the remaining three checks totaling \$1,341 were issued to three apparent friends/former and current co-workers. Regarding one of these three checks, according to one co-worker, the former treasurer requested him to cash the check at the bank so the school could have cash on hand to purchase supplies (similar to a petty cash check).

<sup>7</sup> Procedures in Section II, Chapter 2 of the *Manual of Internal Fund Accounting* require the principal or designee to place his/her initials on the face of the school check to indicate approval for cashing such check from the daily school collections.

- 1.4. The fraudulent checks were posted to various internal fund accounts including the Educational Excellence School Advisory Council (EESAC)<sup>8</sup>, Special Purpose, and the Community School Activity accounts; however, *the majority of the checks were posted to the Instructional Materials and Supplies (Fund 9) account.*

#### *Misappropriation of Funds-Revenues Unaccounted For*

- 1.5. During the 2011-2012 fiscal year, the school conducted a school pictures activity; however, we could not find in the system any postings associated with this activity, and could not trace these collections to any deposit or to the bank. A review of the photographer's receipts that we requested and obtained from the photographer disclosed that the school had receipted sales totaling \$4,321<sup>(f)</sup>. Most receipts were handwritten and signed by the former treasurer. Furthermore, interviews with faculty/staff members and school administration *point to the former treasurer as the person who had ultimate custody of these funds before they went missing.*
- 1.6. The payment due to the photographer was \$2,677. We found that the former treasurer made a partial payment of \$1,964<sup>(h)</sup>, which she not only processed late; but purposely split the posting among several internal fund accounts, all under the name of a different vendor, to conceal the nature of the payment. The unpaid portion of the invoice, or \$713<sup>(i)</sup>, was included in the report of year-end outstanding liabilities. This balance was ultimately paid in October 2012.
- 1.7. For the 2011-2012 fiscal year, our review of field trip documentation on file and interviews with faculty/staff members and school administration disclosed that the school had collected admissions from the students to participate in six different field trips. Based on the number of participants and the admission fee per student listed in the field trip request approval form, the school should have collected admissions of \$4,867 for the six activities combined; however, only \$2,816 of this total could be traced to the deposits, resulting in a shortage of \$2,051<sup>(g)</sup>.
- 1.8. We also noted that funds from different activities were commingled and posted within the same field trip account. Similar to the school pictures disbursements, the former treasurer diverted field trip expenditures exceeding account balances, or \$448<sup>o</sup> to the Instructional Materials and Supplies (Fund 9) account to prevent field trip account deficits, and inappropriately transferred \$850 to the General Fund to cover other expenditures. At the end of June 2012, most of the

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<sup>8</sup> Every year, schools are allowed to transfer monies up to \$2,999 from their EESAC funds to the internal funds of the school to purchase small food purchases and incentives otherwise not allowed through Fund 9, the P-Card or District purchasing guidelines. For the two-year period, this school transferred \$5,402, of which \$3,168 was fraudulently disbursed as described in this report.

associated transportation expenses, or \$2,256<sup>(k)</sup> remained unpaid due to a lack of funds. These were cleared in October 2012 with financial assistance from the North Region Office.

*During the interview with the former treasurer, audit staff discussed documentation pertinent to those disbursements that were diverted to other accounts. At that point, she stated that she probably took the school pictures and field trip collections.*

#### *Alterations to the Bank Statements and Financial Records And Unauthorized Funds Transfers To Conceal Defalcation of Funds*

- 1.9. Original checking account statements obtained from the bank disclosed that the former treasurer had altered monthly checking account bank statements corresponding to the months of June 2011 to December 2011 to conceal an account deficit of \$(1,215) in June 2011 and a \$35 overdraft fee that was charged by the bank in June 2011; and for which the bank continued to report historical information in subsequent bank account statements until the end of the calendar year.

The former treasurer altered the statements by pasting numbers, concealing descriptions and using a photocopy of the altered documents as support for the monthly reconciliations. She also altered the monthly financial reports to coincide with the fabricated bank statements and forged the signature of the principal or the principal's administrative designee on these reports.

- 1.10. As of the end of June 2012, the school's savings account balance was only \$441 (depleted from \$7,035 at the beginning of July 2010). During the two-year audit period, there were three separate transfers of funds from the savings to the operational checking account totaling \$6,600. According to the principal, she did not approve any of those transfers, and there was no documentation on file to indicate her approval. According to the bank, the transfers in question were made over the telephone; and they could not provide the name of the person who requested the transfers. We did note that one of the unauthorized transfers was made to correct the checking account deficit that resulted in June 2011; thus giving an indication that the former treasurer was involved with these transactions. Similarly, other transfers of funds within internal fund accounts were not documented or approved. *The former treasurer admitted to having made these transfers.*

#### *Documentation Fabricated To Conceal Delays And Attempts to Destroy Documentation*

- 1.11. There were 13 checks totaling \$8,181, issued to vendors during the 2011-2012 fiscal year, where the signatures were forged. In a few of these cases, the former treasurer fabricated invoice documentation to disguise delays in payment. Two of these checks corresponded to payments for school pictures and supplies.

- 1.12. Supporting documentation for many of the disbursements could not be located in the records. The school provided evidence that the former treasurer attempted to destroy some of the canceled checks and related financial records. The school was able to mend and salvage many of these documents during re-organization of the records.

#### *Collections Improperly Documented*

Pursuant to Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, all collections must be supported by a Recap of Collections. This form summarizes collection information regarding the account structure, the source of the collections, the amount tendered, and other pertinent information. Once this information is entered into the automated accounting system, the treasurer must record in this form the computer generated receipt number of this transaction as a reference of where it was posted in the system.

- 1.13. We found many instances where the documentation supporting the deposit packages was incomplete. This included deposit documentation as well as Recaps of Collections and supporting documentation. Based on our review of the records and interviews with faculty and staff members, we concluded that receipting procedures were not followed by the school, as receipts were not issued when monies exchanged hands between the former treasurer and faculty/staff members.
- 1.14. Many of the deposits' supporting documentation for the 2010-2011 fiscal year activity could not be located.

#### *Other Discrepancies Related to Overspending*

- 1.15. There was indication throughout the two fiscal years that the school was not maintaining control over expenditures and account balances. Specifically, in 2011, the Trust Fund-Special Purpose account closed the year with a \$(216) deficit. The Internal Funds-General Fund had deficit balances of less than \$100 in January 2012 and June 2012. At June 30, 2012, the school closed the year with only \$647 in the internal funds of the school.
- 1.16. The Instructional Materials and Supplies (Fund 9) account listed expenditures totaling \$6,938 which could not be reported to the District at the end of the year for lack of funds. Of this amount, only \$390 represented legitimate expenditures of the school.



### *Financial Statements Materially Misstated*

Total disbursements for the 2010-2011 and 2011-2012 fiscal years amounted to \$69,819 and \$60,401, respectively.

1.17. Total disbursements involved in the misappropriation scheme amounted to \$35,603<sup>(e)</sup>. Of this total, \$13,326 represents fraudulent disbursements issued during the 2010-2011 fiscal year and \$22,277 during 2011-2012. These yearly totals translate into approximately 19% and 37% of total yearly disbursements, respectively. Regarding total receipts of \$49,551 for the 2011-2012 fiscal year, they were understated by 11% due to misappropriated collections of \$6,372<sup>(f)</sup>. These numbers materially affected the financial statements and caused them to be misrepresentative of the transactions of the school for each of the fiscal years under audit.

### **RECOMMENDATIONS**

- 1.1. Direct staff to deliver unopened bank statements and bank correspondence to the principal for their initial review before forwarding the documents to the treasurer.**
- 1.2. Discuss receipting and depositing procedures with faculty and staff members for understanding and awareness of the requirements.**
- 1.3. Direct staff to always issue receipts immediately upon receiving monies from faculty and staff members, and direct staff to request the prior approval of the administration for any disbursement transactions and transfers of funds.**
- 1.4. Prior to approving any expenditure, ensure that accounts have available funds and that the expenditure is not only allowable but comports with the intent of the monies collected/available in the account.**
- 1.5. Strengthen the review and oversight over the disbursement function to ensure the propriety of the payments, the posting of charges to the appropriate accounts and the completeness of the documentation.**
- 1.6. Strengthen the review and oversight of the receipting/depositing function to ensure that monies are timely receipted, deposited and properly recorded.**
- 1.7. Periodically meet with the treasurer to review the financial transactions.**

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

**Management Response:**

The Principal has thoroughly reviewed Section II, Chapter 2 Collection of Money and Chapter 3 Deposit Procedures from the Manual of Internal Fund Accounting. Copies were provided and discussed with the Assistant Principal and Secretary/Treasurer.

The Principal reviewed the following procedures with the new Secretary/Treasurer:

- District procedures as outlined in the Manual of Internal Fund Accounting for monitoring account balances, maintaining checkbook balances and adjustments to ensure accurate monthly reconciliation reports.
- Discussed the bookkeeping procedures with the new Secretary/Treasurer to ensure understanding of the expectations of the job.
- Direct the Secretary/Treasurer to receipt funds immediately and to inform the Principal of any school sponsor who fails to follow receipting procedures.
- Direct the Secretary/Treasurer to deposit funds in a timely manner.
- Direct school staff to deliver the unopened bank statement to the Principal. The Principal will review the statement against the checkbook, verify checks against the checkbook and sign/date the front page of the statement.

The Principal and Secretary/Treasurer will assess the checkbook balance on a weekly basis and review accuracy of monthly reconciliation reports before submitting the report to the District.

The Principal and the Secretary/Treasurer will facilitate training on November 7, 2012, with all staff to address district policies and procedures for the collection of money to include the proper use of Recap of Collection Form (FM-1004) and employee official Receipts (FM-0976). At this training, procedures were covered with staff to ensure their understanding of the receipting process and directed staff to promptly inform the Principal of any instances where the Secretary/Treasurer fails to follow proper receipting/depositing procedures.

Signatures of acknowledgment were obtained from all staff as documentation for attending the training and receiving the manual outlining procedures for collecting money.

The Principal will reiterate the procedures for the collection of money with the entire staff during the December and January faculty meetings and again at the opening of the 2013-2014 school year.

The Principal directed the Secretary/Treasurer that once money is received from staff members official receipts must be immediately issued in the presence of the staff member. The Principal also discussed that any disbursements and/or transfer of funds must have prior approval from the Principal.

The Principal will oversee fundraising activities and the Secretary/Treasurer will inform the Principal of any discrepancies for immediate corrective action. The Principal will also review the financial activities periodically to ensure that collections are properly receipted, documented and timely deposited.

The Principal met with the Assistant Principal and the Secretary/Treasurer to review the guidelines in securing funds awaiting deposit. Collections awaiting Brinks pickup will be logged in and out on Collection/Deposits Log (FM-7249) form by the Secretary/Treasurer and only the Principal or Assistant Principal. The Principal or Assistant Principal will review the un-sealed deposit and sign the Collection/Deposits Log (FM-7249) form and seal the bag before securing it in the school's safe. The safe has been placed in a secure location.

A meeting was conducted on November 2, 2012, with the Assistant Principal and the Secretary/Treasurer to advise of the financial condition of the school and the need for spending to be curtailed by ensuring that only those expenditures critical to the operation of the school are approved.

Effective immediately, the internal funds function of the school will be strengthened by conducting bi-weekly reviews of accounts and fund balances and adjusting spending plans, accordingly. The Principal has discussed with the Secretary/Treasurer the importance of issuing receipts and making deposits and properly recoding receipts in a timely manner.

Effective immediately a system will be instituted to ensure that accounts have available funds prior to the submission and approval of funds request, and that the expenditures are not only allowable but comport to the intent of the monies collected/available in the account.

The Principal will continue to use the Collections/Deposits Log (FM-7249) and periodically review with the Secretary/Treasurer to ensure it is being utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) pick-up at the school.

The Principal reviewed with the Secretary/Treasurer disbursement procedures to ascertain that payments are posted to the proper budgeted account in the MSAF system in a timely manner. The Principal also reviewed that all disbursements must have proper supporting documentation.

**Responsible Person(s):**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the District procedures as outlined in the *Manual of Internal Fund Accounting* for monitoring account balances, maintaining checkbook balances and adjustments to ensure accurate monthly reconciliation reports.

The Financial/Business Operations Director instructed the Principal to establish a systematic plan to ensure proper safeguarding of schools' funds as it pertains to the receipt and deposit of funds, maintenance of the checkbook and disbursement of funds.

**Responsible Person(s):**

**School Operations Administration**

**Management Response:**

- School Operations will review results quarterly of the Region Business Directors' reviews of selected areas of Internal Funds, including Bank Reconciliations and Recordkeeping, Receipts/Deposits, Disbursements, Field Trips, Fundraising and School Activities. Similarly, School Operations will review quarterly reviews in the area of Payroll, Principal-Operated After School Care Programs, FTE records and procedures, and school site data security to ensure continued compliance with District policy.
- Discrepancies with the areas cited above will be investigated through the appropriate Region Office.
- School Operations will work collaboratively with Region Offices and facilitate appropriate training and assistance from District Offices in the areas of Internal Funds, Payroll, Principal-Operated After School Care Programs, FTE records and procedures and Data Security, respectively.

- Furthermore, School Operations will keep on file Region results of the mini-reviews held with principals in selected areas noted in these schools' audit findings/responses.
- The Money Matters Support Program will provide information to school site administration and staff on best business practices, including proper implementation of Internal Funds procedures and related financial areas of concern.

**2. Questionable Purchases  
And Bookkeeping Function  
Not Compliant With  
District Policy  
*Fienberg/Fisher K-8 Center***

At the request of M-DCPS Police and the principal of Fienberg/Fisher K-8 Center, we conducted an audit investigation to address an allegation of theft associated with the internal funds of the school. According to the allegation, school staff had made several purchases related to the school's music program without the Principal's knowledge and consent, and for the possible benefit of a family member of school staff. The staff involved consisted of the former treasurer and her spouse, who is the music teacher at this school. Upon discovery, the school principal reported the incident to M-DCPS School Police and the treasurer was reassigned to another location pending completion of the investigation.

2.1. Our review of the internal funds records for the 2011-2012 fiscal year confirmed that the music teacher had placed three separate orders to two different vendors in October 2011 and January 2012 totaling \$502 without knowledge and authorization of the school principal<sup>9</sup>. As to whether the items inappropriately purchased by the former treasurer's spouse were made for the school or for his personal benefit<sup>10</sup>, our investigation could not readily conclude on this matter based on available information. At the school, the music teacher presented music sheets and books, as well as a viola, which seemed to match the items purchased and that belonged in the music classroom; however, we could not authenticate these items against those invoiced, because they did not bear serial numbers or distinctive markings that would set them apart from similar items on inventory at the school.

Aside from the matter of the unauthorized purchases, we reviewed the internal funds records for additional discrepancies or any possible misappropriation of funds.

2.2. Our review disclosed that the former treasurer had cashed a check for \$80, supposedly, to establish the school's petty cash. The check was issued in her

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<sup>9</sup>Pursuant to disbursement procedures established in Section II, Chapter 4 of the *Manual of Internal Fund Accounting*, the school principal or her designee has the responsibility for authorizing all internal funds purchases. Furthermore, individual purchases of \$100 or more require the use of an internal funds purchase order *signed by the principal to authorize the purchase*. In this case, the individual purchases were for \$124.99, \$215.76 and \$161.50 for a total of \$502.25. None was supported with a purchase order signed by the principal authorizing the purchase.

<sup>10</sup> During interview the music teacher told us that he gave private music lessons to a student.

name<sup>11</sup> as custodian of the petty cash funds (which is an accepted practice); however, *the fact that documentation on file to substantiate how monies were spent (other than the canceled check) is missing, and the charge cannot be justified to a school expense makes the transaction questionable.* We also identified another check subsequently issued to the former treasurer for \$80 which was supposed to be used for petty cash; however, remained outstanding at the time of the audit. We requested that the school void the check and place a stop payment with the bank to prevent its cashing. *Except for the matter of these two questionable checks, nothing else came to our attention to indicate that school collections were missing or misappropriated.*

Our overall review of the internal funds records further confirmed that, contrary to the procedures established by the *Manual of Internal Fund Accounting* for documenting all financial transactions associated with the internal funds of the school, the former treasurer maintained records that were disorganized and incomplete; and their condition substantiates that her bookkeeping skills (as related to the proper documenting of collections and disbursements, and the timely processing of vendor payments) were deficient<sup>12</sup>. Details of these bookkeeping discrepancies are as follows:

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that disbursements made with checks issued from the school's checking account have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered, or equivalent documentation as provided by the vendor. Prior to making payments, vendor invoices must be reviewed to ensure its mathematical accuracy; and must include the signature of the employee receiving the goods/services to confirm that the merchandise is received or the service has been rendered, and therefore payment is in order. Also, payments must be made on a timely basis, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing.

*Similarly to the previous audit, we found several instances where vendors were not paid in a timely manner and disbursements were not properly documented.*

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<sup>11</sup> Check 11441, dated November 29, 2011 for \$80 petty cash was issued to the name of the former treasurer. The check approvers were the former treasurer's alternate clerical staff and the principal. Check 11489, dated February 24, 2012 for \$80 petty cash remained outstanding at June 30, 2012 and could not be located in the school records. We were unable to determine the check approvers.

<sup>12</sup> In the previous audit, the school received a finding in the area of disbursements under the tenure of this treasurer. Subsequent to the prior audit, during the 2011-2012 fiscal year, the principal uncovered the discrepancies associated with this investigation while monitoring the disbursement function.

- 2.3. While organizing the former treasurer's office, the principal found several sealed envelopes containing invoices made to the name of the school, as well as other invoices totaling \$4,124 that had not been paid. The date on these invoices spanned from November 2011 to February 2012 and included the questionable music purchases previously discussed. All invoices were paid by the closing of the year, once the school verified with the vendors that payments remained outstanding.
- 2.4. Our initial review of disbursements disclosed that a total of 35 check requisitions and supporting documentation dated between September 2011 and April 2012 totaling \$39,149 were not filed with the records. Staff located most of these records at our request, except for seven check requisitions totaling \$9,386. Supporting documentation for these requisitions was either missing, consisted of a statement of account instead of an invoice, the accompanying invoice was not signed to acknowledge that goods had been received by school staff, or the invoice was paid late. In addition, a check for \$2,943 corresponding to one of these requisitions had been cashed by the bank without the signature of the school principal. This invoice, which the school obtained at our request, disclosed a purchase of educational materials for the students.

*Stale-Dated and Outstanding Checks not Timely Processed And Other Bookkeeping Deficiencies Related to the Bank Reconciliation*

Section II, Chapter 5 of the *Manual* delineates the guidelines for processing checks that remain outstanding in the bank reconciliation for three months. Pursuant to these guidelines, the school must contact the payees of school checks outstanding for three months or more. In those instances where the payee does not respond and the check remains outstanding for six months, the school must void the check and transfer the amount to the Trust Fund-Unclaimed Stale Dated Checks account until such time a payment for stale-dated checks is submitted to the State of Florida.

- 2.5. The April 2012 bank reconciliation listed three checks that were outstanding since December 2011 totaling \$1,350 and the school had not commenced procedures to clear these checks from the bank reconciliation. In addition, the reconciliation listed the \$80 check issued in February 2012 made payable to the treasurer for the apparent replenishment of petty cash that remained outstanding. The June 2012 bank reconciliation still reflected these checks.
- 2.6. From April 1, 2012 until her transfer to another location toward the end of that same month, the former treasurer had not maintained a running checkbook balance in the checkbook. In June 2012, the running checkbook balance did not agree with the balance reflected in the year-end financial reports.



- 2.7. The February 2012 original bank statement and cancelled checks were missing from the records. Copies were obtained by the principal at our request.

#### *Other Bookkeeping Discrepancies Related to Receipting Procedures*

According to Section II, Chapter 2 of the *Manual*, staff in charge of the collections must present the receipt book to the treasurer at the time that collections are turned in to verify monies collected against receipts issued; and upon posting the transaction to the system, to staple the computer generated receipt produced by the system to the copy of the last receipt in the book which corresponds to the collection submitted. However,

- 2.8. Our review of official receipt books disclosed that the former treasurer had not stapled computer generated receipts to any of the receipt books used between September 2011 and April 2012. This necessitated our tracing 100% of these receipt books to the deposit packages to ensure that all monies receipted had been deposited.

### **RECOMMENDATIONS**

- 2.1. **Strengthen the review and oversight over disbursements to ensure they are timely processed, properly documented and filed, and invoices are paid on time.**
- 2.2. **Discuss disbursement procedures with staff to ensure their awareness for obtaining prior approval from the administration before placing an order or making a purchase.**
- 2.3. **Closely monitor the bookkeeping function to ensure that transactions related to the checking account, monthly reconciliation and stale-dated checks are timely processed.**
- 2.4. **Periodically meet with the Treasurer to maintain control over the bookkeeping of transactions and the filing of records.**
- 2.5. **Periodically review the checkbook to ensure that a checkbook balance is maintained.**
- 2.6. **Ensure that a stop payment is placed on the \$80 check that was issued to the treasurer in February 2012 (Check # 11489) and that the check is voided in the system.**
- 2.7. **Discuss receipting and depositing procedures with faculty and staff for their understanding and awareness of the requirements, especially the**

**requirement for stapling the computer-generated receipts to the official receipt books.**

**Person(s) Responsible:**

**Principal, Assistant Principals,  
Secretary/Treasurer, Faculty**

**Management Response:**

The Principal, the Assistant Principal and the Secretary/Treasurer reviewed Section II, Chapters IV and V of the Manual of Internal Fund Accounting which require that disbursements made with checks issued from the school's checking account have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered.

In order to correct the findings associated with petty cash transactions, only the Principal will have the authorization to initiate a request for petty cash. The log documenting how petty cash funds are used will be maintained by the Principal and reviewed each time petty cash is disbursed.

As a result of a repeated audit exception associated with internal fund records, the Region Director has implemented quarterly mini reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic approach is used to maintain organized records.

The Principal in collaboration with the Region will coordinate assistance from the District and neighboring schools in reviewing all records and documents prepared to ensure that records are organized and complete.

The Principal instructed the Secretary/Treasurer, Faculty and Staff that all purchase requests be presented directly to the Principal for pre-approval via FM 1012 prior to purchases being made. On a monthly basis, all pending invoices will be maintained in a binder and reviewed by the Principal to ensure that receipt of goods and payment for goods are being executed on a timely basis.

The Secretary/Treasurer will provide the Principal with written checks for signature on a designated day each week. In order to secure the Principal's signature, the Secretary/Treasurer will provide the check requisition, receipt or invoice, and a screen shot of available funds. The checkbook will be provided to the Principal with all checks attached and the sequence numbers will be verified prior to signing.

The Principal will ensure that the checkbook balance is maintained. All sealed bank correspondence to include bank statement and cancelled checks will be handed to the Principal for opening, review and inspection. This review process will be documented

by the Principal signing and dating the bank statement on the day of the review and placing her initials on each check upon review.

The Secretary/Treasurer will keep a log of all purchases to include the purchase order number, requisition amount, vendor, date received online, check number and date paid to enable the Principal to monitor the status of purchase orders.

The Principal reviewed Section II, Chapter 5 of the Manual of Internal Fund Accounting which delineates the guidelines for processing checks that remain outstanding in the bank reconciliation for three months with the Assistant Principal, and Secretary/Treasurer.

The Secretary/Treasurer will contact the payee of checks that are outstanding for three months. If they cannot be contacted and the check remains outstanding for six months, the Secretary/Treasurer will void the check and transfer the amount to the Trust Fund-Unclaimed Stale Dated Checks account. The Principal will review all outstanding checks on a monthly basis to ensure that timelines are followed as required.

The Secretary/Treasurer attended a three day professional development seminar through the Office of General Accounting. The Principal and the Assistant Principal met with the Secretary/Treasurer to discuss proper bookkeeping, including the checking account's monthly reconciliation and the timely processing of stale-dated checks.

A stop payment was placed on check #11489, the \$80 check. The check has been voided in the system.

The Principal and Secretary/Treasurer will provide training for faculty and staff on proper receipting and depositing procedures as delineated in Section II, Chapter 2 of the Manual of Internal Fund Accounting. The Staff in charge of collections must present the receipt book to the Secretary/Treasurer while collections are made in order to verify monies collected against receipts issued on a daily basis. Once a transaction is posted to the system, the computer generated receipt will be stapled to the last receipt in the book corresponding to the receipted collection.

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

**Management Response:**

The North Region Office Financial/Business Operations Director has instructed the Principal to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place to safeguard schools' funds.

The North Region Office Financial/Business Operations Director will solicit assistance from the District and neighboring schools to conduct mini-reviews of all receipt and disbursement of funds.

The North Region Office Financial/Business Operations Director instructed the Principal to review with staff Section II Chapter 5 of The Manual of Internal Fund Accounting to ensure bank reconciliation procedures are followed in a timely manner.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Fienberg/Fisher K-8 Center.

**3. Inadequate Recordkeeping,  
Documenting, And  
Reporting Of Payroll  
*W. J. Bryan Elementary***

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

Our review of three recent payrolls processed between the months of March 2012 and May 2012 revealed the following discrepancies:

- 3.1. In all three pay periods sampled, either the cafeteria manager or the school administration indicated the time in/out on the Daily Payroll Attendance Sheets on behalf of 22 hourly-paid employees. This condition occurred on several occasions across three pay periods reviewed.
- 3.2. Of the 22 employees, seven were cafeteria staff whose hours were indicated by the cafeteria manager. The remaining 15 were hourly staff who worked on Saturdays as part of the Saturday Success Academy. In these instances, their hours were indicated by the school administration.

During the formal exit conference, the school administration provided some of the rosters for one of the pay periods in question; however, these were provided after-the-fact.

**RECOMMENDATIONS**

- 3.1. **Review with staff and administration the sign-in in/out payroll procedures and the proper documentation of payroll hours, especially part-time employees.**
- 3.2. **Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.**

**Person(s) Responsible:** Principal, Assistant Principal, Payroll Specialist, Cafeteria Manager

**Management Response:**

The Principal has directed all staff to adhere to all procedures as outlined in the Payroll Processing Procedures Manual. The Principal directed the Cafeteria Manager to monitor closely the signing in and out for all cafeteria employees. The Cafeteria Manager reviews the roster on a weekly basis and reports any discrepancies to the Assistant Principal. The Payroll Specialist will review the rosters prior to inputting hours and report any discrepancies to the Assistant Principal who will advise the Principal prior to payroll approval.

In response to these recommendations, the administration at W. J. Bryan Elementary, in conjunction with the Payroll Specialist and Cafeteria Manager will review the Payroll Procedures Manual revised in January 2012. Additionally, the Principal and Assistant Principal will participate in all scheduled Money Matters support webcasts for this school year.

In an effort to ensure that this situation does not occur again with the payroll sign-in sheets, all sign-in sheets will be reviewed by the Assistant Principal prior to the authorizing administrator.

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

**Management Response:**

The North Region Office Financial/Business Operations Director instructed the Principal to review with staff the Payroll Processing Procedures Manual and establish a systematic plan to ensure proper sign-in/out procedures are followed.

The North Region Office Financial/Business Operations Director instructed the Principal to establish a systematic review of payroll and ancillary documentation prior to payroll approval to ensure that the documentation supports the payroll reported.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of W. J. Bryan Elementary School.

**4. English Language Learners' (ELL)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*Palm Springs Elementary***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. In addition, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must also be included in the LEP folder. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be manually signed and dated.

During the February 2012 FTE Survey<sup>13</sup> records, the school reported 333 students enrolled in the ESOL program. A review of a sample of 33 ELL student folders disclosed the following discrepancies in 31 student folders (94%). The sample's high error rate requires management's immediate attention:

- 4.1. In 26 instances, the individual ELL/LEP Student Plans [FM-4649] was not properly completed. Specifically, school staff signed the ELL/LEP Student Plans using a signature stamp in lieu of an original signature; however, this practice is not allowed. In one other instance, the date when the ELL/LEP Plan date was completed and signed preceded the date when the student entered the program.
- 4.2. One Home Language Survey [FM-5196] was not dated.
- 4.3. In six instances, the required CELLA Test Report was not evident in the student file.

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<sup>13</sup> FTE Survey in February is otherwise referred to as Survey 3.

- 4.4. In one instance, there was no evidence in the folder to show that the school had convened a LEP Committee Meeting to assess the progress of a student who had been enrolled in the ESOL program for more than six semesters. In two other instances, some of the required signatures associated with this committee meeting were missing.

According to our calculations, the findings stated above could have potentially generated a combined FTE funding disallowance to the District of approximately \$2,900.

## **RECOMMENDATION**

4. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Person(s) Responsible:**

**Principal, Assistant Principal,  
ESOL Chairperson, Registrar**

**Management Response:**

The Principal has thoroughly reviewed the audit finding with the new ESOL Chairperson. The ESOL chairperson has attended several professional developments to learn the appropriate guidelines and procedures for maintaining ELL/LEP student information. The ESOL Chairperson along with the Assistant Principal will review individual ELL/LEP Student Plans (FM-4649) to ensure that student information has been properly completed and dated correctly. Additionally, the ESOL Chairperson has signed all ELL/LEP Student Plans that had a signature stamp.

The Principal has reviewed the procedure for completing the Home Language Survey (FM-5196) with the Data Input and Registrar of the school. The office staff was instructed to review all Home Language Surveys for accuracy. Special attention will be provided to ensuring that Home Language Survey forms are dated correctly. This requirement will also be verified initially by the registrar, by the ESOL Chairperson and then reviewed by the Assistant Principal.

The Principal reviewed with the Assistant Principal the procedures established to file the required CELLA Test Reports. A checklist was devised to cross check all CELLA reports in order that they are correctly filed in the appropriate LEP folder. Based on the checklist results, any CELLA reports that are deemed missing the Principal or the Assistant Principal will notify the district to locate said missing reports.



The Principal reviewed with the ESOL Chairperson the guidelines established by the Division of Bilingual Education, to monitor and convene a LEP Committee meeting of students with more than six semesters.

LEP plans were reviewed for the required signatures by the ESOL Chairperson. After each LEP committee meeting cycle, the Assistant Principal will review the documentation completed for LEP committees to ensure accuracy of required documentation. Any anomalies will be corrected immediately.

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

**Management Response:**

The North Region Office Financial/Business Operations Director will solicit assistance from the Division of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the school's mini-reviews will be submitted to the North Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Palm Springs Elementary School.

**5. English Language Learners' (ELL)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*West Hialeah Gardens Elementary***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, parents must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6576] and Home Language Surveys [FM-5196] must also be properly completed and are to be filed in the ESOL Program Record folder. In addition, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester.

Previously in May 2010, we cited this school for similar issues related to FTE-ESOL. Based on that year's sample of LEP student folders selected for review, the rate of non-compliance with FTE procedures was approximately 83% of the sample.

During the February 2012 FTE Survey<sup>14</sup> records, this school reported 499 students enrolled in the ESOL program. A review of a sample of 40 ELL student folders associated with this Survey disclosed discrepancies in 16 student folders (40%). The school made some improvements when comparing these results to the 2010 fiscal year audit results; however, additional attention is needed in this area. Details of our findings are as follows:

- 5.1. In seven instances, the documentation filed in the student folder contained various discrepancies regarding key dates in the student's ELL/LEP Plan and the supporting documentation. These included instances where dates on the *Notice to Parents/Guardians of English Language Learners*, individual ELL/LEP Student Plan or the Program Participation section of the ELL/LEP Student Plan *preceded* the student's testing assessment and/or entry date to the ESOL program; and in

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<sup>14</sup> FTE Survey in February is otherwise referred to as Survey 3.

one instance, the date noted in the testing materials section of the ELL/LEP Student Plan did not agree with the date of the actual test.

- 5.2. In five instances, the school had not updated the ELL/LEP Student Plan's Program Participation section for the 2011-2012 school year.
- 5.3. In four instances, the Home Language Survey was not properly completed. Specifically, they were not dated and/or signed by the parent. In addition, one Home Language Survey was not evident for one of the students.
- 5.4. In two instances, the ELL/LEP Student Plan and the *Notice to Parents/Guardians of English Language Learners* on file was from the student's previous school. Therefore, the documentation had not been updated.
- 5.5. In one instance, the student's ELL/LEP Plan was not evident in the folder. In one other instance, there was no evidence on file to show that a LEP Committee had convened to assess the progress made by a student who had been enrolled for over six semesters in the ESOL program.

According to our calculations, the findings stated above could have potentially generated a combined FTE funding disallowance to the District of approximately \$2,000.

## RECOMMENDATION

5. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Person(s) Responsible:**

**Principal**

**Management Response:**

The Principal has implemented corrective and preventive strategies to prevent the recurrence of similar conditions in future audits. The Principal will take an active role in monitoring the English Language Learners' (ELL) program in order to ensure accurate compliance with all requirements, guidelines, and procedures as delineated by the Division of Bilingual Education and World Languages as well as the *District Plan For Services to English Language Learners (ELL)*.

As a result of repeated audit exceptions in the same area, the North Region Financial Business Operations Administrative Director will require that the school submit an in-house mini-review for ELL records three times per year for the 2012-2013 and 2013-2014 school year.

The Principal has met and thoroughly reviewed the audit findings with the Assistant Principal, the chairperson of the school's ELL department, and the school registrar specifically focusing on the dates on the Notice to Parents/Guardians of English Language Learners, dates on the ELL/LEP Student Plan and student entry dates are sequential.

The Principal established procedures and identified personnel (Assistant Principal, Registrar and ESOL Chairperson) to ensure compliance with the District procedures that would carefully check and review all the elements required for compliance with requirements and guidelines.

The procedures established include ensuring that copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students (FM-6576) is placed in all ELL students' ESOL Program Record folder appropriately dated with the date of program placement.

Also, all Home Language Surveys (FM-5196) will be checked for accuracy and completeness by the school registrar and ESOL Chairperson. For future registrations, the parent will be personally assisted by the registrar when completing this portion of the registration package.

An in-house review team consisting of the Principal, Assistant Principal, ELL Chairperson, and Registrar was also created that will meet once every quarter to perform mini-reviews, sampling a cross-section of the student cumulative folders to ensure compliance with requirements, guidelines, and procedures for ELL students. A checklist provided by the Division of Bilingual Education and World Languages will be used and copies of the reports will be kept on file by the Principal.

All incoming student cumulative records will be reviewed by the Registrar and the ELL Chairperson using the district developed check-list in order to monitor discrepancies of incoming records. The checklists will then be given to the Principal as part of audit records.

The Principal will run off the report of students enrolled in the ELL program for more than three years on a monthly basis and share with the Assistant Principal and ELL Chairperson in order to schedule LEP Committee meetings in a timely manner.

Implementing the recommendations listed above as it pertains to FTE and more specifically, the ELL program will create a better monitoring process at West Hialeah Gardens Elementary School. This should ensure the elimination of audit findings from recurring in the future.

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

**Management Response:**

The North Region Office Financial/Business Operations Director will solicit assistance from the Division of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the school's mini-reviews will be submitted to the North Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of West Hialeah Gardens Elementary School.

**6. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll  
*Andover Middle***

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

We reviewed three payrolls reported in June 2012, August 2012 and September 2012 under the tenure of the former and current school administrations and found that the Cafeteria Manager and two cafeteria employees had signed in/out on the Daily Payroll Attendance Sheets on behalf of other cafeteria staff.

**RECOMMENDATIONS**

- 6.1. Review with the entire cafeteria staff and the manager the proper procedures for signing in and out on the Daily Payroll Attendance Sheets; and remind them not to record attendance on behalf of others.**
- 6.2. Direct payroll clerk to inform the school administration of any instances where staff is indicating attendance on the Daily Payroll Attendance Sheets on behalf of others.**
- 6.3. Periodically review sign-in sheets to ensure staff is adhering to the proper procedures for recording the attendance.**

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

**Management Response:**

The Principal has thoroughly reviewed the findings cited in the Internal Funds Audit Report for the 2011 – 2012 fiscal year. A meeting was conducted with the entire cafeteria staff where proper procedures for signing in and out were discussed. In addition, the Daily Payroll Attendance Sheets have been removed from the Cafeteria and placed in the Main Office where staff is required to sign-in upon arrival and sign-out prior to leaving for the day.

The payroll clerk has been informed to provide any information to administration regarding any instances where staff is indicating attendance on behalf of others.

The Principal will periodically review sign-in sheets to ensure staff is adhering to the proper procedures for recording attendance.

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

**Management Response:**

The North Region Office Financial/Business Operations Director instructed the Principal to review with staff the Payroll Processing Procedures Manual and establish a systematic plan to ensure proper sign-in/out procedures are followed.

The North Region Office Financial/Business Operations Director instructed the Principal to establish a systematic review of payroll and ancillary documentation prior to payroll approval to ensure that the documentation supports the payroll reported.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Andover Middle School.

**7. English Language Learners' (ELL)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*Andover Middle***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. In addition, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must also be included in the LEP folder. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated.

During the February 2012 FTE Survey<sup>15</sup> period, the school reported 66 students enrolled in the ESOL program. A review of a sample of ten ELL student folders disclosed the following discrepancies in all ten student folders reviewed (100%).

Although the program at this school is not large, the sample's high error rate requires the school administration's immediate attention:

- 7.1. In all ten instances, the individual ELL/LEP Student Plan was not signed and not dated by the staff in charge of this task. It appears that school staff was unaware of this requirement.
- 7.2. In five instances, there was no evidence in the folder to show that the school had convened a LEP Committee meeting or convened in a timely manner to assess the progress of a student who had been enrolled in the ESOL program for more than six semesters.

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<sup>15</sup> FTE Survey in February is otherwise referred to as Survey 3.



- 7.3. One CELLA (Florida Comprehensive English Language Learning Assessment) Test Report from a student that recently transferred to this school was not in the student file.

According to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$2,700.

## **RECOMMENDATION**

7. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Responsible Person(s):** **Principal, Assistant Principal, ELL Chairperson and Registrar**

### **Management Response:**

In order to ensure that the cumulative folders for all ELL students are properly maintained and updated in compliance with guidelines established by the Florida Department of Education, the Principal implemented the following corrective actions and preventative strategies in regards to the school site policies and procedures for the maintenance of student LEP records.

The Principal will review with all staff responsible, the District LEP Plan and Procedures Manual and all documentation provided by the Division of Bilingual Education and World Languages. The Principal, Assistant Principal and Department Chairperson will monitor the proper completion of all documents in the Limited English Proficient (LEP) folder. This will include the Notice of Parents of LEP Students (FM-6577), Home Language Survey (FM-5196), and the individual ELL/LEP plans (FM-4650).

The Principal, Assistant Principal, ELL Chairperson and Registrar established a set of procedures whereby all future ELL students' records are checked for accuracy as they arrive at the school.

The Principal directed the Department Chair to place all CELLA scores received in a designated area in the Principal's office. The Principal will transmit the CELLA scores to the Assistant Principal. The Assistant Principal along with the ELL Chairperson will file all CELLA scores immediately in the student's LEP folders.

**Responsible Person(s):**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial/Business Operations Director will solicit assistance from the Division of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the school's mini-reviews will be submitted to the North Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Responsible Person(s):**

**School Operations Administration**

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Andover Middle School.

**8. School Non-Compliant With Certain Fundraising/Student Activities And Disbursement Guidelines**  
***Jose Marti MAST 6-12 Academy***

Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* provides the guidelines for the fundraising activities of the school. Pursuant to these guidelines, the school must maintain a Fundraising Activities Log [FM-6672] to record all fundraising activities. Each activity must be properly approved by the school administration; and a Student Activity Operating Report [FM-0996] must be prepared at the completion of the activity summarizing all the associated financial transactions. All these documents must be signed by the school administration and staff assigned to oversee the fundraisers to indicate that all reports have been reviewed and they concur with the results. Additionally, payment to vendors from the cash sales is strictly prohibited.

Our review of fundraising activities for the 2011-2012 fiscal year disclosed the following discrepancies:

- 8.1. The Activity Log used to record *all* fundraising activities for the fiscal year was not properly completed and many of the activities conducted during the year were not listed.
- 8.2. Student Activity Operating Reports were not properly completed or not prepared at all. In addition, most of those Student Activity Operating Reports that were completed, as well as the corresponding Application for Fundraising, were not signed by the school administration and appropriate staff. In addition, activity numbers were not assigned to most of the fundraisers.
- 8.3. One of the clubs conducted a chocolate candy sale; however, the school did not issue a check to pay the vendor's invoice. Instead, the Activities Director utilized \$500 cash from the cash collections to pay the vendor's representative directly for the purchase of 1,000 chocolate bars.

Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. Furthermore, Section IV, Chapter 1 of the *Manual of Internal Fund Accounting* establishes the policies and procedures for conducting field trip activities. Our review of disbursements related to student activities and field trips disclosed the following discrepancies:

- 8.4. In June 2012, the school purchased student awards at a total cost of \$1,434. The order was split into four consecutive separate purchases of \$514, \$118, \$309 and \$493. The school was unable to provide any quotations for this purchase.
- 8.5. The school participated in a field trip in March 2012 where students visited several locations within the state and out of state. Although the school used a charter bus vendor approved by the District, procedures were not followed in that three written quotations were not obtained.
- 8.6. Our review of the field trip cited above disclosed that procedures for accounting for field trip revenues of \$11,410 were not properly documented. Specifically, we noted that a few students paid different fees from those stated in the field trip approval form. According to the school administration, the students were unable to pay the full amount due to economic hardship; however, this was not documented in the files. In addition, some of the official receipts did not provide information as to the student or chaperone for which the payment was collected, the student final roster was incomplete and not all the names of the chaperones were on file. These issues required our review of 100% of the associated receipts to verify the propriety of the collections. Subsequently, the sponsor provided a spreadsheet detailing the amounts collected and we noted minor discrepancies.

## **RECOMMENDATIONS**

- 8.1. **Discuss fundraising guidelines with faculty and staff for understanding and awareness of the guidelines.**
- 8.2. **Direct sponsors not to use cash from the sales to pay for the goods and always enforce the use of school checks to pay vendors.**
- 8.3. **Strengthen oversight over fundraising activities, including the preparation, review and filing of student Activity Operating Reports and the preparation and maintenance of a Fundraising Activities Log.**
- 8.4. **Periodically review fundraising activities with the Activities Director and the Treasurer to ensure compliance with the guidelines.**
- 8.5. **Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; that the supporting documentation, such as quotes and bids, is complete and appropriate; and that disbursements are not split to circumvent district policy.**

**8.6. Discuss field trip procedures with staff and school allied organizations for awareness and understanding of the requirements related to school sponsored field trips. Also, the school administration should strengthen controls over field trip activities to improve accountability over monies collected from the students.**

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

**Management Response:**

Fundraising guidelines were reviewed by the Principal with all faculty and staff to ensure that all policies and procedures are followed. Moving forward, the Principal will include fundraising policies and procedures as part of the faculty and staff meetings. The Principal will conduct mini-reviews at the beginning of the year and at the midyear point.

A new treasurer has been placed into this position by the Principal to specifically address the findings in this audit. The new treasurer has been directed to review the audit findings as well as the *Manual of Internal Fund Accounting*, Section IV, Chapter 2. The principal will meet with her once a week to address standard procedures and discuss discrepancies. Any anomalies will be corrected, immediately.

Specifically, the activities log and Student Activity Operating Reports will be properly documented by the school treasurer and monitored by the Principal. During each review, it will be verified that checks are the only means of paying vendors for their products. The treasurer will present original invoices along with the checks made payable to vendors in the checkbook prior to payments being made.

In addition, all fundraising will be overseen by the Assistant Principal to ensure proper signatures and procedures are followed. Also, items to be sold will be researched and carefully evaluated to be sure that they are in demand to avoid a high inventory after the sale. The Principal directed faculty and staff to strictly follow all guidelines related to planning and executing field trips including, but not limited to, the handling of money.

Conducting a field trip will be a four part process that will include careful levels of review by the sponsor, assistant principal, principal and the treasurer. The sponsor will present the field trip request to the assistant principal with the checklist detailing all fieldtrip requirements for review. The assistant principal will verify with the treasurer that all money collection requirements have been met. The assistant principal will then will review the entire packet. The principal will then review and add required signatures.

The process of disbursements will receive special attention by the treasurer, assistant principal and the principal to be sure that all guidelines are followed. In order to avoid problems such as split orders and shortage of quotes, a new system is now in place. All

disbursements originate from the Principal's desk and then are delegated to the treasurer to gather all needed quotes. Once the order is in place the assistant principal reviews all documentation to be sure all guidelines are met. The final paper work is then submitted to the principal for final approval and signature.

**Management Response:**

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

**Management Response:**

The Financial/Business Operations Administrative Director instructed the Principal to become thoroughly familiar with Section II, Chapter 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* and School Board Policy 6610, *Internal Accounts* and to develop, implement, a systematic plan to ensure that Disbursements/Expenditures meet the stipulated guidelines.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Jose Marti MAST 6-12 Academy.

**9. Inadequate Controls Over Before/After School Care Program Deposits And Payments And Attendance Records Resulted In Losses Sweetwater Elementary**

The *Community School Procedures Manual* outlines the procedures for operating a Before/After School Care Program at a school. Pursuant to established policy, school staff in charge of the fee collection process must receipt and deposit all fees associated with the program following the guidelines in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* (since the collections are processed through the internal funds of the school).

This school operates a Principal-Operated Fee-Based Before/After School Care Program. The program operates based on a fee schedule approved by the District detailing the daily and bi-weekly charges for providing services.

All fees collected for services rendered must be properly receipted in an official teacher's receipt; and the receipt number, total amount due and paid, service period, and form of payment must be recorded in the student registration card. In addition, the student's daily attendance must be recorded in the student attendance rosters on a daily basis.

Student registration cards and attendance rosters must be maintained and filed as part of the documentation of the program. Additionally, program staff in charge of managing the program is responsible for periodically reviewing the payments and student registration cards to ensure that fees are paid according to schedule and postings are up-to-date in the student registration cards.

During the 2010-2011 and 2011-2012 fiscal years, the Principal-Operated Fee-Based Before/After School Care (BSC/ASC) Program generated total revenues of \$157,050 and \$169,335, respectively.

For the 2010-2011 fiscal year, our review disclosed various discrepancies in the recordkeeping and documentation supporting the deposits of the BSC/ASC Program. The individual responsible for the recordkeeping duties was the former BSC/ASC Program Secretary, who is no longer employed at the school. Specifically, we are referring to BSC/ASC Program collections totaling \$2,903 that could not be accounted for. We based this shortfall in discrepancies identified during our analysis of the cash fees deposited and the supporting documentation for the deposits, and our review of postings made to student registration cards.

Regarding deposits, we found instances where the cash deposited was less than the cash receipted according to the receipts supporting the deposit. As far as our review of a large sample of student registration cards, we found several instances where student payments and corresponding receipt numbers were not only posted to the appropriate student registration card, but to one or two other student registration cards not related to the payment<sup>16</sup>. This was probably done to provide a disguise that collections were up-to-date (according to the spurious postings in the student registration cards), and prevent program management from discovering the possible defalcation of funds.

We interviewed the former BSC/ASC Program secretary regarding these discrepancies, and she admitted to recordkeeping errors; however, she would not admit to a misappropriation of funds.

During the time that this individual was in charge of the recordkeeping of this program, we confirmed that neither the BSC/ASC Program manager nor the school treasurer were fully verifying the monies that the former secretary was tending for deposit, against the supporting official receipt documentation; and were not closely reviewing the student registration cards to ensure that the fees were being recorded with fidelity.

Details of the discrepancies are as follows:

- 9.1. Our review of *all* 192 deposit packages and supporting documentation generated by the Before/After School Care Program during the 2010-2011 fiscal year disclosed 14 instances where the total cash receipts supporting the deposit package was less than the total cash deposited in the bank and posted to the automated accounting system. These discrepancies amounted to \$1,135.
- 9.2. We sampled 50 student registration cards from a total of 269 student registration cards on file. From our sample, we identified 25 instances where an official teacher's receipt was posted to two student registration cards; while in another instance the receipt was posted three times. We calculated the overall shortfall from these multiple postings at \$1,768.
- 9.3. Other recordkeeping discrepancies identified during our review were attributed to posting errors.

We extended our review of the program's records to the 2011-2012 fiscal year, and except for the discrepancies previously cited, nothing else came to our attention to indicate a possible misappropriation of funds. It should be noted that the former

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<sup>16</sup> Based on the attendance recorded in the rosters prepared by activity leaders, the students in question were in attendance and the school should have also received payment for services provided to these students.



BSC/ASC secretary under whose tenure the above-cited discrepancies took place, was re-assigned to another position by the school administration in June 2011.

## **RECOMMENDATIONS**

- 9.1. Review deposit package documentation and official teacher's receipt books to ensure that all monies collected are being deposited.**
- 9.2. Periodically review the attendance and payment records to ensure their completeness and accuracy.**

**Person(s) Responsible:** **Principal, Assistant Principal, Treasurer, and After School Care Manager**

### **Management Response:**

The Principal, Assistant Principal, Treasurer, and After School Care Manager met on May 14, 2012, to review Section II, Chapter 2 of the *Manual of Internal Fund Accounting* which delineates the procedures for the collection of monies. The *Community School Procedures Manual* which provides procedural guidelines over the management and recordkeeping of Community School and Before/After School Care Program (BSC/ASC) records were also reviewed the Principal, Assistant Principal, Treasurer, and After School Care Manager. Monies collected pending deposit will be verified by at least two designated persons Before/After School Care Secretary and Before/After School Care Manager, for deposit the next business day. The Principal directed the BSC/ASC Manager to immediately begin verifying the money collection and deposit preparation utilizing the official receipt documentation to ensure that all monies collected are submitted for deposit. The Treasurer was directed to provide a third verification of the deposit for accuracy and completeness again utilizing the official receipt documentation.

Fees collected will be properly receipted and recorded on the student registration card. The Principal will ensure the BSC/ASC Program Manager will conduct bi-weekly verification of the students' attendance cards. This verification would include the identification of a unique receipt number for each student's card to prevent the double posting of receipt numbers.

The Principal implemented monthly in-house reviews of the attendance and payment records in conjunction with the BSC/ASC Program Manager and the Treasurer to create a check and balance system. Attendance rosters will align to the payment amounts of service periods. All procedures delineated in the aforementioned manuals are reviewed and compared to the documentation collected to ensure full compliance.

**Person(s) Responsible:**

**Central Region Office Administration**

**Management Response:**

As a result of the audit findings, the following support activities will be implemented at the Region level:

- The affected principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Administrative Director will review internal funds records periodically throughout the school year to ensure compliance with the Manual of Internal Fund Accounting.
- The Administrative Director will direct Principals to attend financial training workshops to help successfully monitor funds. The first training was held on October 9, 2012 and the second training will be held on November 15, 2012.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Sweetwater Elementary School.

**10. Inadequate Management  
Of After School Care Program  
Resulted In Program Revenue  
Losses And Incomplete Records  
*Citrus Grove Elementary***

The *Community School Procedures Manual* outlines the procedures for operating a Before/After School Care Program at a school. Pursuant to established policy, school staff in charge of the fee collection process must receipt and deposit all fees associated with the program following the guidelines in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* (since the collections are processed through the internal funds of the school).

Regarding the program's recordkeeping of fees and student attendance, school staff must complete and maintain student attendance rosters and student registration cards; and the school must submit various monthly reports of student participation and attendance to the appropriate District office and to the child care agency responsible for subsidizing some of the participants' after school care program expenses. The program operates based on a fee schedule approved by the District detailing the daily and bi-weekly charges for providing services. All these documents, including copies of the monthly reports, must be maintained on file as the supporting documentation for the program.

The 2011-2012 fiscal year was the first year that this school managed a Principal-Operated Fee-Based Before/After School Care Program. Initially, the program offered Before School Care, After School Care and Story Hour programs. However, the Before School Care Program closed before the closing of the year due to lack of student participation. Based on the monthly reports, student enrollment fluctuated between 55 and 72 students. Of the total enrollment, we identified ten students that were eligible for receiving monetary assistance from the subsidizing child care agency. According to reports generated from the school's Free/Reduced Meals Program administered by the Department of Food and Nutrition, most of the program participants were eligible for free/reduced lunch<sup>17</sup>. As of the close of the 2011-2012 fiscal year, the Before/After School Care Program generated fees totaling \$60,361.

We reviewed the records and activities of the Before/After School Care Program for the 2011-2012 fiscal year and the 2012-2013 fiscal year up until September 2012 and found that the records were disorganized, incomplete, and contained errors. Many of the mandatory records were not completed or not consistently maintained by the school, as we identified many errors and omissions in the attendance data reviewed and in the

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<sup>17</sup> Students enrolled in the free/reduced lunch program received a \$1 reduction in the regular daily fee of \$8 and pay only \$7 per day.

recording and collection of the fees. As a result, we were unable to verify the accuracy of the total amount generated by the program during this first year of operations.

In addition, the school did not always submit monthly attendance reports to the child care agency responsible for subsidizing a portion of the participants' after school care program fees that were eligible for these services. Consequently, the school failed to receive proper compensation for the associated services. Based on available records, we calculated that the school forfeited approximately \$3,700 in child care fee reimbursements.

During this first year, the school hired a maximum of ten hourly paid employees to run the classes and the program. Regarding the operation of the program, 100% of the monthly fees collected by the school were submitted to the District as required by program procedures; and of this total, the District placed 75% in the school's budget to cover hourly payroll and related program expenditures. However, our review of budget and expenditure accounts/reports disclosed that the operation was unable to raise sufficient funds to cover hourly payroll related to the program. As of June 30, 2012, the hourly payroll account closed the year with a deficit balance of approximately \$5,000.

Prior to this audit, staff from the Office of Community Education and Before/After School Care Programs visited the school during August 2011 and February 2012 to assess the program's records and procedures; and had reported similar conditions as those identified during our audit and reported herein.

Details of the discrepancies associated with the program's recordkeeping procedures follow:

#### *Receipting and Depositing Procedures Not Followed*

10.1. We found several instances where the customer (white) portion of the official teacher receipt used to document the payment received from the parent/guardian was attached to the corresponding student registration card. Upon our inquiries, we also found that school staff initially collected fees from parents/guardians and issued receipts from a generic (unauthorized) receipt book purchased at an office supply store. These receipts were not numbered. Subsequently, staff would turn the funds along with a list of payments over to the After School Care Program (ASC) Manager, who would in turn re-issue and date official receipts at the time the collections were re-receipted. She would then remit the funds and official receipts to the treasurer for inclusion in the deposit package.

Our review of the generic receipts and corresponding official receipts disclosed delays in the remittance of funds between staff and the ASC Manager that ranged from a few days to two months.

- 10.2. Out of 20 student records sampled, we noted 13 instances (65%) where collections were initially receipted utilizing a generic receipt. According to school staff and the Principal, the unofficial generic receipts were issued by school staff in order to provide a receipt to the parents upon receiving payment. Also, according to the Principal, these transactions happened during the morning session, when the After School Care Manager was not available to issue receipts to the parents (because the collection happened before the start of the ASC Manager's working schedule).

*Weekly Briefing #5164* issued in November 8, 2008 delineates the current procedures for safeguarding school funds, including implementation of the *Collections/Deposits Log* form at the schools [FM-7249]. According to the procedures, in those instances where deposits are left at the school overnight, the form must be completed and signed as evidence that two individuals were present when the deposit bag was placed in a safe place for safeguarding; and when the bag was removed for deposit. Signatures also indicate that both individuals verified the amount of the deposit.

- 10.3. The school was not utilizing the *Collections/Deposits Log* [FM-7249] for those funds that were held at the school overnight or over the weekend. We also noted one instance in which a deposit from the ASC program was \$63 short. The deposit was mostly cash.

#### *Student Attendance Records and Reports Not Properly Completed And Records Were Incomplete*

- 10.4. *The school was not consistently recording all payments in the registration cards for services rendered.* From our sample of 20 students, we found 15 instances where students were paid and the payment had not been recorded in the students' registration card. In one other instance, the roster indicated the student was in attendance; however, we were unable to identify that a payment had been made for that service period.
- 10.5. *The student registration cards showed errors in the amounts collected.* The regular rate for After School Care was \$8 per day; however, this rate decreased to \$7 per day if the student was eligible for free or reduced lunch. From our sample, we identified five instances where the daily rate charged to the student was incorrect according to the student's lunch status. Further review of the student registration cards revealed instances where the school did not consistently charge late fees for late payments. Similarly and relative to students eligible for CDS benefits, the school miscalculated rates charged to the students.
- 10.6. *Not all the student attendance rosters and monthly reports were on file and attendance was not properly recorded.* Specifically, some of the attendance rosters for the months of October 2011, January 2012 and June 2012 could not

be located. In addition, starting with March 2012, the staff was recording attendance manually on the rosters and not summarizing the daily or monthly attendance on these reports. There were instances where the manual attendance was obviously inaccurate as it was recorded for a day of the weekend when the program was not operating, or failed to show attendance on days where it operated. Similarly, some of the monthly reports listing the number of students enrolled in the program were not on file or not submitted to the District office; and those on file contained errors. Due to the volume of discrepancies, the school was unable to amend the reports during the audit visit.

- 10.7. *The school was not consistently submitting attendance reports of eligible students to the agency responsible for subsidizing a portion of their fees and the school was not fully reimbursed for services provided.* Records corresponding to the portion of the program that is subsidized by the child care agency for the 2011-2012 fiscal year were incomplete and the school was under-reimbursed for services provided. It appears that, except for two months of the year, school staff had not reported student attendance in a timely manner and had forfeited a reimbursement. For the entire year, we were only able to identify two reimbursements totaling approximately \$1,250.

Our review extended to the 2012-2013 fiscal year through September 2012. While some minor improvements were noted, we still identified many of the same discrepancies.

- 10.8. Our review of the records for the 2012 Summer Camp and the Before/After School Care Program for August and September 2012 disclosed that the school did not maintain attendance rosters for the summer camp program nor did the school submit attendance rosters to the school's subsidizing agency for reimbursement. Additionally, the school submitted the August 2012 attendance rosters to the subsidizing agency late. Our review of the Before/After School Care attendance rosters revealed that the school did not prepare rosters for the students enrolled in before school care and story hour. We also noted one attendance roster that was incomplete in that attendance had not been taken for nearly two weeks.

## **RECOMMENDATIONS**

- 10.1. Re-address staff assignments in charge of the operation of the program and request re-training of staff.**
- 10.2. Discuss the receipting and depositing procedures with personnel for awareness and understanding of the requirements and expectations.**
- 10.3. Ensure that official receipts are issued every time monies exchange hands.**

- 10.4. Ensure that the Receipts/Deposits Log is used consistently.
- 10.5. Discuss student attendance/payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.
- 10.6. Ensure that records are maintained in a secure area and direct the After School Care Program manager to monitor and safeguard all attendance and reimbursement records.
- 10.7. Ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 10.8. Strengthen oversight of the program and periodically meet with the After School Care Program manager to review the activity of the program.
- 10.9. Periodically review student lunch statuses to ensure that rates charged are accurate and update student registration cards accordingly.
- 10.10. Review budget accounts periodically to monitor balances and adjust hourly payroll expenditures of the program as needed.

**Person(s) Responsible:** Principal, Treasurer, Assistant Principal and After School Care Program Manager

**Management Response:**

On September 22, 2012, the Principal met and reviewed the *Community School Procedures Manual* with the After School Program Care Manager to delineate the terms of her continued assignment. The Principal and the Treasurer will ensure that procedures required by the After School Care Program, inclusive of accurate student attendance recordkeeping, strict adherence to numbered receipting and deposit procedures including that official receipts are issued every time monies exchange hands, consistent use of the Receipts/Deposits Log and timely reports to the subsidizing child care agency are followed.

All After School Care Program records will be reviewed, updated and monitored by Tuesday of each week by the Principal and/or the Principal's designee with the After School Care Program Manager to ensure that all records are completed accurately and that reports are prepared in a timely manner and submitted monthly. Student lunch statuses will be reviewed at the beginning of each nine weeks to ensure that rates charged are accurate and that student registration cards are updated accordingly.

Reports to subsidize After School Care Program fees will be submitted monthly for reimbursement.

Budget accounts will be monitored every two weeks to monitor balances and adjust payroll expenditures of the program as needed. Currently, only three employees and one substitute are employed in the After School Care Program.

The Principal will review student registration cards to ensure payments are recorded accurately. The roster will be used to compare attendance to the registration cards. The Principal will review the Collections/Deposits Log (FM – 7249) to ensure that it is utilized for any funds held overnight or the weekend. The Principal will ensure that all After School Care Program records are up-to-date, organized and maintained efficiently in a locked file cabinet in the main office under the supervision of the Treasurer in order to safeguard all attendance and reimbursement records.

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

**Management Response:**

Refer to page 76 of this report and pages 172-174 in the report's Appendix Section for the Central Region Office administration's comprehensive response addressing the recommendations to the school findings of Citrus Grove Elementary School.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Citrus Grove Elementary School.



**11. Inadequate Recordkeeping,  
Documenting, And  
Reporting Of Payroll  
*Auburndale Elementary***

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

At this school, the audit visit coincided with the change in school administration. Consequently, at the time of the visit, there were only payrolls reviewed and approved by the former school administration. Subsequent to the change, we discussed the condition of the payroll with the new principal for corrective action.

Our review of three payrolls that took place during April, May and June 2012 disclosed the following discrepancies:

- 11.1. In all three pay periods reviewed, we identified numerous instances where the cafeteria manager had recorded the time in/out on the attendance rosters on behalf of cafeteria staff. Cafeteria staff consisted of eight employees in addition to the manager. We identified similar instances where the Principal's secretary and the After School Program Manager had recorded the time in/out on the rosters on behalf of hourly employees. According to them, this only happened in those instances where staff was in attendance but had failed to indicate their presence on the rosters.
- 11.2. In several instances, we identified errors in the calculation of hours reported when compared to the hours recorded in the rosters. These errors represented overpayments/underpayments which ranged between fractions of an hour up to five hours. We discussed these errors with the school administration for their follow-up and corrective action.
- 11.3. From our sampled payrolls, we identified three employees for whom 20 to 45 hours were reported but were not documented in the Daily Payroll Attendance Sheets. There were no justifications on file to demonstrate why they had been paid these part-time hours. Staff consisted of custodial, clerical and food service. According to the former school administration, the employees did work these hours.

## RECOMMENDATIONS

- 11.1. Review with staff and administration the sign-in in/out payroll procedures and the proper documentation of payroll hours, especially part-time employees.
- 11.2. Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.

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

### Management Response:

The Principal reviewed the *Payroll Processing Procedures* with the Treasurer on November 2, 2012. The Principal relocated the payroll rosters outside the Principal's office. All hourly employees are required to record their time in/out. In addition, cafeteria hourly employees, the Treasurer, the Cafeteria Manager, the Afterschool Care Program Assistant Principal and hourly employees have been informed that it was their professional responsibility to sign in/out. All hourly employees were directed to report time themselves on the payroll rosters.

The Assistant Principal will review payroll when completed by the Treasurer ensuring correct calculation of hours. The Principal will conduct a final review and calculate hours to check accuracy.

Hours will not be reported for employees that are not listed on the payroll and have not signed in/out. The *Payroll Highlights* have been reviewed with the Treasurer and Assistant Principal on November 2, 2012.

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

### Management Response:

Refer to page 76 of this report and pages 172-174 in the report's Appendix Section for the Central Region Office administration's comprehensive response addressing the recommendations to the school findings of Auburndale Elementary School.

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

### Management Response:

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Auburndale Elementary School.

**12. Grant Funds Disbursements  
Questionable And  
Funds Commingled  
*Edison Park Elementary***

Section II, Chapter 6 of the *Manual of Internal Fund Accounting* details the procedures for those expenditures made through internal funds that require special consideration and prior approval from other offices within the District. These procedures are specific to purchases of equipment that require installation or changing electrical wiring or power supply outlets, among others. According to the procedures, the school must submit a written request to the Region Office and the District's Office of School Facilities for approval *prior* to commencing the project.

Regarding equipment purchases, and according to Section III, Chapter 9 of the *Manual of Internal Fund Accounting*, schools are not allowed to charge equipment purchases with an individual cost of \$1,000 or more to the Fund 9 account.

In the 2011-2012 fiscal year, the school received a grant totaling \$5,000 to assist with the implementation of physical activities and dissemination of information for a healthier environment at the school. The deadline for spending the funds was December 2012. These funds were placed in an internal fund account in the Trust Fund and were partly spent in 2011-2012.

Our review of the associated grant expenditures disclosed that the school paid \$2,813 for a portion of a sound and projection system for the school cafeteria which the school could not operate as is because it is not complete. During the audit, we found that the school did not have uncommitted funds to purchase the entire system at once, and those items purchased and delivered by the vendor remained at the school in storage, unable to be put to use. In addition, the manner in which the school handled the purchase was questionable. Details follow:

- 12.1. Based on the quotation submitted by the vendor, the entire cost of the sound and projection system for the school cafeteria was \$7,483. According to the school administration, the equipment was going to be paid partly with \$3,000 from the \$5,000 grant, and a sponsoring senior high school was going to provide an additional \$3,000 from District funds. During the audit, the school administration could not provide an explanation as to how the remaining \$1,483 would be paid. During the formal audit exit conference, the principal said that she was planning to pay the remainder with monies currently budgeted in the school's District account for supplies.

- 12.2. This purchase was split into three separate invoices of less than \$3,000 each. According to the vendor, the limits were set by the school administration.

The first installment payment for \$2,813 was not directly charged to the Trust Fund-Grant account. Instead, the school issued an internal fund check and inappropriately charged it to the Instructional Material and Supplies (Fund-9) account. During our inquiries, we found a \$3,000 transfer of District funds from a senior high school to this school before June 30, 2012. This transfer increased the Fund 9 budget and assisted processing this Fund-9 expense<sup>18</sup>.

There was another internal fund check for \$3,000 that was posted to the Trust Fund-Grant account. These funds were remitted to the District. According to the school administration, she was *told* to submit these funds to the District to pay for the equipment. *The funds were placed in a community/private donation account within the school's District budget.* As of the date of this report, the funds remain idle in that account. The school administration could not provide a reasonable justification for processing the transaction in this manner, other than to claim that it was done in error. At the completion of the audit, the school had received a second invoice from the vendor for \$2,935 for a second portion of the system. The second and third portions of the system with a total cost of \$4,670 have not been delivered by the vendor or paid by the school.

- 12.3. We contacted Procurement Management Services and verified that a bid was in effect for this type of sound system. Although the vendor selected by the school was one of the vendors listed on the bid, only two of three quotations from vendors under this specific bid were obtained. Additionally, the school did not follow proper procedures for procuring the system. Specifically, the school could not provide evidence that the Region Superintendent had approved this project, and the school did not route the purchase through the District's procurement channels<sup>19</sup>.

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<sup>18</sup> Fund 9 revenue generates from allocated tax-dollar budget funds appropriated for supplies which the District advances to the schools to allow certain flexibility in the purchasing of these supplies. At elementary schools, the amount advanced is \$10,000. Once the school spends 25% of the established amount, the expenditures are reported to the District and the Fund-9 account receives a replenishment of funds (similar to a petty cash account), *as long as the school has available funds in the District's accounts.* At the time of the purchase, funds were not available in the District's accounts to replenish Fund 9. These funds became available when the District processed the \$3,000 transfer of funds from the senior high school. Regarding purchasing limits, Fund 9 purchases cannot exceed the \$2,999.99 limit.

<sup>19</sup> District procurement guidelines must be observed since part of the purchase is to be paid with District funds.

According to Section III, Chapter 4 of the *Manual of Internal Fund Accounting*, monies placed in Trust Fund accounts (such as designated grants and donations) shall be expended only for the purpose for which they are collected and received, unless the donor/grantor designates an alternative purpose *in writing*. In addition, grants and donations earmarked for specific purposes must be placed in separate Trust Fund accounts to avoid the commingling of funds and provide a clear accountability of their use.

- 12.4. The grant implementation and budget documents for the \$5,000 grant did not clearly state that \$3,000 of the total amount could be used for the purchase of a sound system. After repeated attempts, we were able to discuss the matter with the grantor and obtained documentation stating that it was acceptable to use \$3,000 towards the purchase of the sound system.
- 12.5. In addition to the \$5,000 grant, the school received a grant totaling \$2,000 and a donation for \$250 during fiscal year 2010-2011; and posted all these funds in the same Trust Fund account. Even though the grants were received from the same grantor, they each had their own specific purposes for the use of the funds and one-year deadlines from the date of receipt. As of June 2012, there was a balance of \$2,444 in the account from all grants/donated funds.

## **RECOMMENDATIONS**

- 12.1. Coordinate the project with the Office of Facilities (with approval from the Region Office) to oversee its completion; and process the purchase of the remainder of the sound/projection system through the appropriate District channels. Going forward, the school should route similar projects through the Region Office for approval and proper coordination with other District offices, including Procurement Management Services.**
- 12.2. Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; that the supporting documentation, such as quotes and bids, is complete and appropriate.**
- 12.3. Ensure that separate Trust Fund accounts are utilized to account for grants and donations with different spending requirements.**
- 12.4. Contact the grantor to request an extension for using expired grant funds or return funds to the grantor. If grantor allows future use, post grants in separate Trust Fund accounts for better accountability.**

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

**Management Response:**

The Principal has taken immediate corrective action which included meeting with the Assistant Principal and Secretary/Treasurer to review the audit findings on Monday, October 29, 2012. The Principal reviewed Section II, Chapter 6 and Section III, Chapter 9 of the Manual of Internal Fund Accounting. The Principal has coordinated with the Region Office, Procurement Management Services and the Office of Facilities to place a shopping cart requisition for the remaining items of the sound/projection system on November 6, 2012.

In compliance with *School Board Policy 6610*, prior to making any purchases of \$1,000 or more, the Principal and the Secretary/Treasurer will contact Procurement Management Services to find out if there is an existing bid in place for the potential item(s) to be purchased. Three written quotes will be solicited, ensuring that a quote is received from a Minority/Women Business Enterprise.

The Principal contacted the Business Manager of Internal Funds on October 29, 2012 to open separate Trust Fund accounts due to the two grant awards received, one in the year 2010-2011 and the other received for the 2011-2012 school year. The Secretary/Treasurer will be responsible for keeping an accurate running record of the accounts and items purchased, in accordance with grant guidelines, under each Trust Fund account. The Principal will ensure that all grant paperwork is kept on file in entirety by the Secretary/Treasurer for purposes of monitoring that all expenditures are within the guidelines of the grant. The Principal and Assistant Principal will meet with the Secretary/Treasurer on a monthly basis to monitor all Internal Fund and Trust Fund accounts.

The Principal has contacted the Healthy Schools Program, the grantor, to request an extension of the unused grant funds from the 2010-2011 school year. We were provided, in writing, an extension from the grantor until December 1, 2012. The Principal and Secretary/Treasurer will utilize the remaining \$2444.31 in accordance with the guidelines from the grant and the Manual of Internal Fund Accounting.

**Person(s) Responsible:**

**Central Region Office Administration**

**Management Response:**

Refer to page 76 of this report and pages 172-174 in the report's Appendix Section for the Central Region Office administration's comprehensive response addressing the recommendations to the school findings of Edison Park K-8 Center.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Edison Park K-8 Center.

**13. Discrepancies In Special Education (SPED) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances  
*Gloria Floyd Elementary***

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all current forms be filed in the students' cumulative folders. Furthermore, the *Matrix of Services Handbook 2012 Edition* issued by the Florida Department of Education establishes the guidelines and procedures to initiate and update a Matrix.

The Matrix of Services form (referred to as a *Matrix*) is used to determine the cost factor for special education students. The cost factor calculation in the *Matrix* is based on the decisions made by the Individual Education Plan Committee, which are documented on the Individual Education Plan (IEP). 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.*

At this school, the February 2012 FTE Survey<sup>20</sup> reported 156 students enrolled in special education classes. Our review of a sample of 16 special education (SPED) folders revealed discrepancies in eight student folders (50%). The discrepancies represented potential funding losses of approximately \$47,500; and were all identified in the documentation folder of students that were funded at level 254<sup>21</sup>. We noted that five of the eight were Pre-Kindergarten students. Details are as follows:

- 13.1. In four instances, the cost factor listed in the Matrix of Services Form did not support the FTE funding level reported to the Department of Education. This error would have required an amendment to the Department of Education Correction System (DECO) to realign the funding with the services. However, as of the audit visit, the deadline to process DECO amendments for both Surveys 2 and 3 had expired, and the school was unable to submit any of the corrections. Regarding these four instances, the combined total funding disallowance would have amounted to approximately \$34,400.
- 13.2. In four other instances, the IEP in effect for the February 2012 FTE survey and the corresponding Matrix of Services form did not agree. Specifically, the Matrix did not reflect the related services that were delineated in the student's IEP. These discrepancies could have potentially generated additional funding disallowances to the District of approximately \$13,100.

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<sup>20</sup> FTE Survey in February is otherwise referred to as Survey 3.

<sup>21</sup> Students reported in the FTE Program roster in line no's 254 and 255 represent the highest cost factors.



## RECOMMENDATION

- 13. Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255 to prevent funding disallowances.**

**Person(s) Responsible:** Principal, Assistant Principal, SPED Chairperson, SPED Teachers, Data Input Specialist

**Management Response:**

The Principal met with the Assistant Principal, SPED Chairperson, SPED teachers, and Data Input Specialist on September 24, 2012, to review the recordkeeping requirements of SPED records. On November 6, 2012, the Principal provided a copy of Section D of the Local Education Agency (LEA) implementation Guide to the Assistant Principal for review with the SPED Chairperson, SPED Teachers and the Data Input Specialist for their review.

On Monday, November 5, 2012 the Principal contacted the Executive Director for the Pre-K SPED Program to secure Professional Development for the SPED Teachers and the School LEA's. A Placement Specialist will be reviewing the findings with the students' IEP's and Matrix of Services and reviewing the documentation requirements with the Administration, SPED Chairperson, SPED Teachers and Data Input Specialist in order to ensure staff understands those requirements. This meeting will take place prior to the end of the calendar year. Additionally, a Professional Development Session will take place on February 1, 2013.

The Principal will request a report of students with Matrix 254 and 255 prior to each FTE period and will make sure that the information on ISIS and the Matrix of Services is correct. DECO amendments will be made, when necessary to correct any identified issues and to realign funding with the services. This report is available to all schools through the Employee Portal.

Following each meeting when a student's Matrix of Services or IEP is created or updated, the Assistant Principal will make certain that the information being provided to the Data Input Specialist is correct. The Data Input Specialist will initial that it has been inputted. Any paperwork required to be placed in the Cumulative Record of the student will be placed in the file immediately thereafter.

The SPED Chairperson will then confirm that the information reported on the Matrix of Services, ISIS and the Cumulative Record are all correct according to the actual services the student receives. Any necessary DECO Amendments will be made within the reporting timelines.

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

**Management Response:**

The South Region Office Financial/Business Operations Director will solicit assistance from the SPED Department to conduct mini-reviews each semester for compliance in selected areas of SPED Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Gloria Floyd Elementary School.

**14. Follow-Up To Prior Year Audit Disclosed  
Non-Compliance With Certain Recordkeeping,  
Deposit Procedures And Data Security Controls  
*Frank C. Martin K-8 Center***

M-DCPS Weekly Briefing No. 5164, dated November 8, 2008 delineates the current procedures for safeguarding schools' funds. These procedures include utilization of the Collections/Deposits form [FM-7249] to ensure that the school maintains proper custody and control over monies left overnight at the school awaiting deposit.

- 14.1. Our review of receipts and deposits disclosed that the "Collections/Deposits Log" was not being utilized properly by the After School Care Program staff to report collections placed in the safe area waiting to be deposited the next day. Specifically, the deposit was logged in the form; however, it was not signed by the treasurer and principal or designee as verification of the monies that were being stored in/removed from the safe area.
- 14.2. During the audit visit, the auditor observed that the After School Care Program Secretary left the After School Care Program's deposit bag in a wicker basket that was on top of an unsecured shelf in the treasurer's area. The deposit would remain in the basket until picked up by the armored car service. This area, although restricted from traffic, is not secured under lock and key.

According to Section V, Chapter 1 of the *Manual of Internal Fund Accounting*, the school must complete an accurate inventory of prenumbered forms and file with the documentation for audit purposes. Prenumbered forms comprise the official forms used by the school to receipt collections. At this school:

- 14.3. *For the past two audits*, the inventory of prenumbered forms was incomplete and contained several errors. This year, we found similar errors.

The electronic Grade Book Manager (WGBM) and the electronic Attendance Manager (WGBA) are computer applications used to automatically capture student grades and attendance at the school sites.

To protect the system from unauthorized access to students' grades and attendance, the District issued Weekly Briefing No. 7784, dated April 23, 2010 which restricted access to the WGBM and WGBA applications. According to the Briefing, access should only be granted to the following five staff members: 1) Principal, 2) Assistant Principal, 3) Registrar or person identified as registrar; 4) one primary Gradebook Manager/Attendance Manager; and 5) one clerical selected by the principal.

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

During the past audit, the most current "*Authorized Applications for Employees by Locations*" disclosed that two employees in excess of those allowed under the guidelines were given access to WGBA (Electronic Grade Book Attendance Manager). We verified before the completion of that audit that access to this application had been revoked for the individuals in question. However, a follow-up to the prior year audit disclosed that:

14.4. At the time of the audit, six employees had access to the WGBA application. At our request, access to one staff member has been revoked.

## **RECOMMENDATIONS**

**14.1. Enforce proper utilization of the Collections/Deposits Log and ensure that all collections are properly safeguarded.**

**14.2. Review the prenumbered forms inventory with staff before filing to ensure its accuracy.**

**14.3. Review the monthly report (ITS product number T0802E0101) to monitor and ensure the propriety of staff's access to the various system applications.**

**Responsible Person(s):** Principal, Treasurer, Assistant Principal,  
After School Care Manager,  
After School Care Clerk,  
Principal Secretary

### **Management Response:**

In order to ensure compliance with certain recordkeeping, deposit procedures and data security controls, on October 15, 2012, the Principal met with the Assistant Principal, Treasurer and the After School Care Clerk to review the proper utilization of the Collections/Deposits Log. Furthermore, the Principal provided a copy of M-DCPS Weekly Briefing No. 5164 dated November 8, 2008.

The After School Care Program Manager was instructed to turn in the deposit bag to the Treasurer. The Treasurer was directed to verify the money collected by the After School Care Program Manager and complete appropriately the Collections/Deposits Log. The Principal and/or Assistant Principal will review the Collections/Deposits Log daily to

ensure that it is properly completed and signed. A secured locked area was identified by the Principal where funds will be placed until the armored car service picks up the funds. All funds will remain in a locked area with the Treasurer until the armored car serviceman arrives in office to pick up the funds.

On October 22, 2012, the Principal met with the Treasurer and After School Care Clerk to review the current use of pre-numbered forms and to determine appropriate corrective action. All pre-numbered forms utilized prior to the 2011-2012 fiscal year will be properly stored with the appropriate fiscal year financial documents to ensure accessibility during future audits and to allow for the sequential use of documents. All receipt books containing unused pre-numbered forms from prior fiscal years will be voided and forwarded to the auditor for proper disposal. In order to ensure accuracy, pre-numbered Forms Inventory [FM-3564] will be reviewed by the Treasurer and Principal prior to filing in order to ensure accuracy.

The Principal reviewed Weekly Briefing No. 7784. The WGBA (Electronic Gradebook Attendance Manager) application, along with all other authorized applications will be monitored monthly by the Principal utilizing the *Authorized Applications for Employees by Locations* report.

This report will be printed and made available for the Principal to review no later than the 15<sup>th</sup> of each month. A reoccurring task has been added to the Principal's Secretary calendar to ensure report availability. The Principal revoked access to the WGBA application for the individual in question. Adjustments to authorizations will be made as needed to ensure compliance pursuant to Weekly Briefing No. 7784.

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

**Management Response:**

The Financial/Business Operations Director instructed the Principal to thoroughly review M-DCPS Weekly Briefing No. 5164 and establish a systematic plan to follow to ensure the proper safeguarding of the schools' funds.

The Financial/Business Director instructed the Principal to review Section V, Chapter 1 of the *Manual of Internal Fund Accounting* and to ensure that the inventory of pre-numbered forms was properly maintained.

The Financial/Business Director instructed the Principal to review Weekly Briefing No. 7784 and periodically review access to the WGBM and WGBA applications and ensure compliance.

**Responsible Person(s):**

**School Operations Administration**

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Frank C. Martin K-8 Center.

**15. English Language Learners' (ELL)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*Frank C. Martin K-8 Center***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4649] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the WLEP committee convened to assess progress after each semester. Also, parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6576] and Home Language Surveys [FM-5196] must be properly completed and filed in the ESOL Program Record folder. Also, the CELLA test score report must be included in the LEP folder.

*At this school, there is a small ELL program with only 17 students. A review of a sample of ten ELL student folders disclosed discrepancies in all student folders (100%). We brought this matter to the attention of the new school administration, who contacted the appropriate district office for assistance with the records. According to the school administration, the staff member previously supervising this area did not have experience related to FTE ESOL recordkeeping guidelines and procedures; did not have access to the WLEP system; and it appears that the school had not requested assistance from the appropriate district office until we brought these concerns to their attention. Details of our findings are as follows:*

- 15.1. The school had not completed individual ELL/LEP Student Plans [FM-4649] and had not filed a copy of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6576] for any of the students in the program.
- 15.2. In one instance, a Home Language Survey [FM-5196] was not filed in the student folder; while in another instance, the CELLA test results could not be located.
- 15.3. One of the students from the sample had been enrolled in the ESOL program for over six semesters; however, there was no evidence in the file to show that a LEP Committee meeting was convened to assess the student's progress.

According to our calculations, the findings stated above could have potentially generated a combined FTE funding disallowance to the District of approximately \$1,000.

## **RECOMMENDATIONS**

- 15.1. Ensure that staff assigned to oversee this program is aware of the guidelines and expectations and contacts the appropriate District office, as needed, for advice.**
- 15.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 15.3. Periodically review the program with assigned staff to ensure that records are maintained up-to-date.**

**Responsible Person(s):**

**Principal, Assistant Principal,  
Registrar and ESOL Teachers**

**Management Response:**

On October 4, 2012 the Principal met with the Assistant Principal overseeing the ELL program and provided him with the District's ELL compliance documents for immediate review. The Principal authorized access to WLEP to the Assistant Principal overseeing the ELL program. Additionally, The Principal contacted the appropriate District Supervisor following the audit and requested assistance and guidance. On October 5, 2012, the District Supervisor reported to the school to offer one to one guidance to the Assistant Principal to ensure an understanding of the district, state and federal procedures to be followed.

A complete self-review of all ELL folders has been conducted at the school site, utilizing the ELL Folder Checklist in an effort to ensure that all required documentation is available. This practice will be maintained and periodic self-reviews conducted to ensure the proper maintenance of records. The Registrar will notify the overseeing Assistant Principal of all student entrees within the ELL program so that incoming cumulative folders and LEP documentation may be reviewed and amended accordingly.



**Responsible Person(s):**

**South Region Office Administration**

**Management Response:**

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Responsible Person(s):**

**School Operations Administration**

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Frank C. Martin K-8 Center.

**16. English Language Learners' (ELL)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*Irving & Beatrice Peskoe K-8 Center***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. Also, parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6576] and Home Language Surveys [FM-5196] must be properly completed, accurately dated and filed in the ESOL Program Record folder.

Previously in December 2010, this school was cited in the area of ESOL-FTE under a former school administration. During the February 2012 FTE Survey<sup>22</sup> records, the school reported 178 students enrolled in the ESOL program. Our review of a sample of 18 ELL student folders and procedures associated with this Survey disclosed discrepancies in all student folders reviewed (100%). Details follow:

- 16.1. *ELL/LEP Plans and some of the supporting documentation were incorrectly dated.* In all 18 folders reviewed, the ELL/LEP Plan's date when completed and signed *preceded* the date when the student entered the ESOL program. Similarly, in seven instances, the date on the Notice to Parents/Guardians of Limited English Proficient (LEP) Students *preceded* the date when the student officially entered the ESOL program.
- 16.2. In one instance, there was no evidence in the folder to show that the school had convened a LEP Committee Meeting to assess the progress of a student who had been enrolled in the ESOL program for more than six semesters.

According to our calculations, the findings stated above could have potentially generated a combined FTE funding disallowance of approximately \$2,700.

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<sup>22</sup> FTE Survey in February is otherwise referred to as Survey 3.

## RECOMMENDATION

- 16. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate; and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Responsible Person(s):** Principal, Assistant Principal, ELL/Spanish Teacher

### **Management Response:**

In order to ensure compliance with the guidelines and procedures for maintaining ELL student information, the Principal made a change in assignment related to the faculty member responsible for completing and monitoring the ELL student information.

The Principal reviewed the 2012-2013 Opening of School Guidelines and Procedures and the District Plan for Services to English Language Learners (ELL) with the Assistant Principal and the newly assigned teacher on September 5, 2012. In addition, the teacher will attend Professional Development sessions offered by the Bilingual Education and World Languages Department.

The Principal held an ELL compliance meeting on September 5, 2012, with all Administrative, Instructional, and Clerical Personnel responsible for ELL documentation to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

A mentor teacher from another school has been assigned to the ELL/Spanish Teacher to assist with guidance and questions. The ELL/Spanish Teacher visited the mentor teacher on September 19, 2012 to review various compliance documents and strategies to ensure all guidelines are met. On September 26, 2012, the mentor teacher visited the ELL/Spanish Teacher to provide additional support in maintaining proper documentation. In addition, the Principal provided a copy of the 2012-2013 Opening of Schools guidelines and procedures for maintaining ELL student information to the ELL/Spanish Teacher. Furthermore, the Principal reviewed the document with the ELL/Spanish Teacher.

The Principal advised the Assistant Principal, ELL Chairperson, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. The team was instructed to ensure that the ELL/LEP plans are dated appropriately. Furthermore, the team was instructed to review the cumulative records with focused attention to detail and accuracy.

The ELL Teacher will receive an attendance bulletin daily to monitor the entry of possible LEP students and ensure the date on entry and participation documents are accurate. Reports available in the portal under the Limited English Proficient link, as well as, possible LEP error reports available in Control-D are reviewed and/or printed on a monthly basis to monitor the LEP students and their status.

The Principal will continue to monitor the documentation of ELL student documentation. The Principal directed the team to continue to conduct mini self-reviews of randomly selected cumulative folders and records of ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual.

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

**Management Response:**

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Irving & Beatrice Peskoe K-8 Center.

**17. Inadequate Recordkeeping,  
Documenting, And  
Reporting Of Payroll  
*Hammocks Middle***

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

We reviewed three payrolls reported in June 2012, August 2012 and September 2012, under the tenure of the former and current school administrations. We noted several instances where the payroll clerk and cafeteria manager had indicated time in/out on the Daily Payroll Attendance Sheets on behalf of 11 cafeteria and hourly-paid employees.

In addition, our review of the Daily Payroll Attendance Sheets in effect at the time of the audit visit disclosed some instances where hourly-paid employees had not indicated their attendance and were present; as well as other instances where *hourly-paid employees had signed out on the rosters ahead of their scheduled time. A condition regarding hourly staff signing ahead of time was also discussed with the former school administration during the prior audit.*

**RECOMMENDATIONS**

- 17.1. Review with staff and administration the proper procedures for signing in and out on the Daily Payroll Attendance Sheets; and remind them not to record attendance on behalf of others.**
- 17.2. Periodically review Daily Payroll Attendance Sheets to ensure staff adheres to the proper procedures for recording the attendance.**

**Person(s) Responsible:** **Principal, Assistant Principal(s),  
Principal's Secretary/Payroll Clerk,  
and Cafeteria Manager**

**Management Response:**

In order to ensure the adequate documenting, recordkeeping, and reporting of payroll, on October 25, 2012, the Principal met with the Assistant Principal, Cafeteria Manager, and Principal's Secretary/Payroll Clerk to review the *Payroll Processing Procedures Manual* and *Payroll Highlights* published by the Payroll Department.

A system was established to provide for the careful review of the Daily Payroll Attendance Sheets by both the payroll clerk and the principal or designee. This will ensure that all employees will sign in and out on a daily basis and proper notations are made when employees are out of the building. Every morning, the payroll sheets will be reviewed by an Assistant Principal and the Payroll Clerk, approximately 30 minutes after the start of the regular work day, to ensure proper payroll procedures are followed.

The Principal will review 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 at the scheduled faculty meeting of November 13, 2012.

On November 13, 2012, the Principal will also meet with the cafeteria staff to carefully review and discuss payroll procedures to ensure that each employee understands how to report their time and attendance on the Daily Payroll Attendance Sheets, with emphasis on the importance of never recording attendance on behalf of others on the roster.

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

**Management Response:**

The Financial/Business Operations Administrative Director instructed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systemic, approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Attendance Sheet.

The Financial/Business Operations Administrative Director will conduct two site-reviews to ensure compliance with all the guidelines found in the *Payroll Processing Procedures Manual* and to observe the sign-in procedure for hourly employees.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Hammocks Middle School.

**18. English Language Learners' (ELL)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*Hammocks Middle***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder and parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. In addition, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must also be included in the LEP folder.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated prior to FTE week.

During the February 2012 FTE Survey<sup>23</sup> period, the school reported 109 students enrolled in the ESOL program. A review of a sample of 11 ELL student folders disclosed the following discrepancies in eight (8) student folders (73%):

- 18.1. In six instances, the individual ELL/LEP Student Plan was not properly completed. Specifically, the second page of the plan was not updated. This page included the *Program Participation* and *ESOL Level and Program Update Information* sections. In two other instances, the ELL/LEP Student Plan was not evident in the LEP folder.
- 18.2. In five instances, the CELLA Test Report was not filed in the LEP folder. In four of these instances, the test was administered at the student's former school.

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<sup>23</sup> FTE Survey in February is otherwise referred to as Survey 3.

18.3. Other discrepancies in the LEP folder documentation included: 1) one instance where the Notice to Parents/Guardians of Limited English Proficient (LEP) Students was not located in the student file; 2) two instances where the student schedule filed in the LEP folder was dated after the survey week; and 3) one instance where there was no evidence in the folder that the school had convened a LEP Committee Meeting to assess the progress of a student who had been enrolled in the ESOL program for more than six semesters.

According to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the District of approximately \$2,000.

**RECOMMENDATION**

**18. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Person(s) Responsible:** **Principal, Assistant Principal(s), Registrar, ESOL teachers, and ESOL Clerical Personnel**

**Management Response:**

The Principal held an ELL compliance meeting on October 25, 2012, with all administrative, instructional, and clerical personnel responsible for ELL documentation to ensure full compliance with all ESOL guidelines. A timeline for reviewing and updating LEP folders was established to ensure all requirements are being met, beginning with each new school year. A new ESOL Clerical person has been retained to ensure compliance. All current LEP folders were reviewed and subsequently corrected, as needed.

The ESOL Clerical person will review all incoming or new registrations to ensure compliance with ELL program guidelines. At the beginning of each school year, a new ELL/LEP Student Plan will be updated and printed out to include Program Participation on page 2 of the plan. As new ELL students enter the school, cumulative folders will be reviewed for compliance in all areas before being filed.

At the start of each new school year, LEP folders for students entering sixth grade will be reviewed for missing information. The elementary schools will be contacted for missing information, including CELLA Student Score Reports, and documentation will be placed in the students' LEP folder accordingly. The Notice to Parents/Guardians of Limited English Proficient (LEP) Students will be placed in LEP folders for all students in the program. Student schedules will be printed and placed in the LEP folders immediately to ensure compliance.



The team has also been instructed to ensure that LEP committees are convened regularly, properly documented, and detailed on the LEP plan. Students with six semesters or more will be discussed and reviewed for appropriate testing and the students' LEP folder will be updated accordingly.

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

**Management Response:**

The Financial/Business Operations Administrative Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

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

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Hammocks Middle School.

**19. School Non-Compliant With  
Certain Disbursements Guidelines  
*Southwood Middle***

Section II, Chapter 6 of the *Manual of Internal Fund Accounting* details the procedures pertinent to expenditures made through internal funds that require special consideration and approval from other offices within the District. These procedures are specific to expenditures associated with improvements to the building and/or school grounds; as well as remodeling-type expenditures that involve materials subject to fire or building codes. In addition to the procedures, there is a list of expenditures that must follow this approval process, and included in the list is the purchase of stage curtains. According to the procedures, a written request must be submitted to the Region Office and the District's Office of School Facilities for approval *prior* to commencing the project. Furthermore, and pursuant to Section III, Chapter 9 of the *Manual* related to Instructional Materials and Supplies (Fund 9) purchases, schools are not allowed to process purchases of over \$2,999.99, as well as purchases related to remodeling and beautification of the school from this account.

In late May 2012, under the tenure of the former administration, the school ordered the purchase of stage curtains for the auditorium in the amount of \$5,265. These curtains were installed in August 2012. The school did not process this purchase appropriately since it failed to obtain the proper approvals prior to commencing the project and the manner in which the purchase was processed did not fully comply with District policy. Details follow:

- 19.1. The school was unable to provide evidence that the Region Superintendent and the District's Office of School Facilities had approved this remodeling project prior to its commencement or any time before its conclusion. At our request, the appropriate office within School Facilities conducted an inspection and verified that the stage curtains were compliant with flame retardant and fire safety codes.

The school had planned to partially pay the purchase with internal funds (\$2,000) and the remainder with district funds allocated to the school (\$3,265). Because the school could not access district funds through the Fund 9 account<sup>24</sup> as initially anticipated, the school was required to process the partial purchase through the District's Procurement Management Services in order to access district funds and pay the vendor.

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<sup>24</sup> Fund 9 revenue generates from allocated tax-dollar budget funds appropriated for supplies, which the District advances to the schools to allow certain flexibility in the purchasing these supplies. At middle schools, the maximum amount advanced is \$15,000 for year.

19.2. In June 2012, the school paid the vendor<sup>25</sup> \$2,000 with an internal funds check<sup>26</sup>. However, the rest of the purchase, or \$3,265 processed through the customary procurement channels was denied payment because it was considered an *unauthorized* purchase. According to Procurement Management Services, the school had engaged the vendor *prior to approval of the order, and the vendor engaged was not one of the approved vendors under the current district bid for this type of commodity*<sup>27</sup>. At the request of Procurement Management Services, the new school administration provided a written explanation of the circumstances for this purchase, and the vendor received final payment from the District.

Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. The quotations must be included as part of the ancillary documentation to show that the lowest price was selected.

19.3. The school purchased two desktop computers, two monitors and one laptop computer from the same vendor at a total cost of approximately \$2,400; however, the school documented this purchase with quoted prices provided by several vendors via telephone.

## **RECOMMENDATIONS**

**19.1. Going forward, ensure that similar purchases involving remodeling or improvement projects receive approvals from the region and District offices prior to commencing the work and/or engaging a vendor.**

**19.2. Establish source and availability of funds before making a purchase.**

**19.3. Ensure that all purchases comply with purchasing guidelines of the District.**

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<sup>25</sup> Pursuant to the new internal funds procurement policy, the school solicited three bids including a bid from a minority enterprise and selected the lowest from the three bids.

<sup>26</sup> Funds donated by a school-allied organization were deposited in the internal funds of the school.

<sup>27</sup> There were three vendors on district bid for this type of commodity, none of which was the vendor selected by the school.

**19.4. Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; and that the supporting documentation, such as quotes and bids, is complete and appropriate.**

**19.5. Schools should take advantage of District bids when making purchases.**

**Responsible Person(s):** Principal, Assistant Principals,  
Treasurer, Activities/Athletics Coordinator,  
Magnet Lead Teacher, Club Sponsors,  
Athletic Coaches, and Department Chairperson

**Management Response:**

In order to ensure compliance with disbursement guidelines effective immediately, all capital improvement purchases involving remodeling or improvement projects will be initiated by the Principal in order to receive approvals from the Region and District offices, prior to engaging a vendor and/or commencing the work.

The Principal met with the Assistant Principals and the Treasurer on October 26, 2012 to review the findings and recommendations along with Section II, Chapter 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* and School Board Policies. The Principal, specifically reviewed School Board Policy 6610 *Internal Accounts*. Effective immediately, the purchasing process for the 2012-2013 school year has been streamlined. On October 29, 2012, the Administration created a purchasing checklist, which moving forward must be attached to all purchase orders. Subsequently, a check and balance system has been implemented to ensure that all purchases adhere to the *Manual of Internal Fund Accounting* and all School Board Rules pertinent to expenditures. The designated Administrator must review the purchasing checklists, quotes, and all documents attached to the purchase order prior to submitting it to the Treasurer.

The Treasurer will review all documents submitted and attach the accounts available funds report to justify that adequate funds are available in the account. On a weekly basis, the Principal will meet with the Treasurer to review the purchase order checklist, the availability of funds report, and any quotes or documents attached to purchase orders.

Additionally, at the November 13, 2012 faculty meeting, the faculty and staff will receive professional development regarding School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000 which were implemented during the 2011-2012 fiscal year. Furthermore, the faculty and staff will receive training regarding the new internal purchasing process and procedures, implemented for the 2012-2013 school year.

**Person(s) Responsible:**

**South Region Office Administration**

**Management Response:**

The Financial/Business Operations Administrative Director instructed the principal to become thoroughly familiar with Section II, Chapter 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* and School Board Policy 6610, *Internal Accounts* and to develop, implement, and submit a written plan to ensure that Disbursements/Expenditures meet the stipulated guidelines.

**Person(s) Responsible:**

**School Operations**

**Management Response:**

Refer to pages 46-47 of this report and page 177 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Southwood Middle School.

**20. Year-End Athletic Ticket Inventory Not Prepared At Year-End And Game Reports Not Presented For Audit**  
***Miami Central Senior***

The *Interscholastic Athletic Manual* establishes the procedures to account for the athletic admission tickets, and to document via game reports the income and expenses associated with these athletic games. According to the procedures, an inventory of tickets must be conducted at year-end and a game report must be completed for every athletic game.

Right at the conclusion of the fiscal year but before the start of athletic activity for the coming year, *at the senior high schools and on a selected basis*, we verify the athletic ticket inventory, game reports, and monies posted in the system and deposited in the checking account, to ensure that all revenues raised from the sale of athletic tickets have been properly deposited in the accounts. *The last ticket audit conducted at this school was at the end of the 2009-2010 fiscal year.*

At this school, there was a change of school administration and athletic department staff at the end of the 2011-2012 fiscal year. During this past summer, the new school administration requested an audit of the athletic tickets and ancillary records.

Our review disclosed the following discrepancies:

- 20.1. The school could not provide the athletic ticket inventory report for the 2010-2011 fiscal year. Although we verified the number of tickets on hand, (approximately 63,000) we were unable to determine the accuracy of the sales reported and posted to the accounts, and the ending inventory of tickets since the beginning inventory of tickets for the 2011-2012 school year (established from the 2010-2011 inventory) could not be verified.
- 20.2. Most of the athletic game reports for the 2011-2012 school year could not be located in the school files. During the audit, the school could only locate copies of six game reports. As a result, we were unable to verify the accuracy of the ticket sales, and the revenues raised by the school from the sale of athletic tickets.
- 20.3. Based on documentation at the school, during the Florida High School Athletic Association (FHSAA) State Semi-Finals game on December 9, 2011, counterfeit tickets were sold in the parking lot of the game venue. We noted that the \$9 denomination counterfeit tickets were not numbered. A total of 43 counterfeit tickets were retrieved by a School Resource Police Officer; however, an incident

regarding the illegal activity was not reported to School Police and the matter was not investigated.

## **RECOMMENDATIONS**

- 20.1. Review with Athletic Department staff the procedures regarding the preparation of the athletic ticket inventory, the reconciliation of ticket sales, and the preparation of game reports for awareness and understanding of the guidelines.**
- 20.2. Periodically review the game reports and ticket sales to ensure compliance with the procedures.**

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

### **Management Response:**

The Principal has thoroughly reviewed the findings cited in the Internal Funds Audit Report for the 2011 – 2012 fiscal year. The school was negligent in producing and providing proof of completed game reports for the 2011 football season. In addition to the lack of availability of game reports, there was an inability to prove that the proper channels were taken concerning counterfeit ticket sales. In an effort to correct these deficiencies the following steps were taken:

A meeting was conducted with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer to review, develop and implement a corrective action plan and identify strategies to monitor and ensure future compliance at the conclusion of athletic events. The aforementioned responsible individuals have been directed to ensure that the appropriate steps are taken to maintain accurate record keeping as it relates to ticket sales. During the meeting, the Principal reviewed Section III, Chapter 1 of the *Manual of Internal Fund Accounting*, which establishes the policies and procedures for the Athletic program. The Principal instructed the Treasurer and the Athletic Administration to closely monitor the process to ensure accurate procedures are adhered to in a timely manner. The Principal will verify that the procedures are followed as they relate to the recording and reporting of ticket sales, game reports and ticket counts.

Additionally, the Principal directed his staff to alert him of any possible fraudulent activity detected at athletic events related to the ticket sales so it can be reported to the proper authorities.

The Assistant Principal, Athletic Business Manager and the Treasurer will monitor the Athletic account on an on-going basis and update the Principal weekly regarding the status of the game reports.

The Principal along with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer will participate in the District supported Money Matters Support Program. The Principal will meet periodically with the Treasurer to review compliance with all procedures related to internal funds purchases and the procedures for making disbursements and maintaining proper accountability and documentation as well as all District weekly briefings relating to Internal Fund purchases.

**Person(s) Responsible:**

**ETO Office Administration**

**Management Response:**

- The Education Transformation Office Administrative Director directed the Principal to meet with the new Athletic Business Manager, Athletic Director and Treasurer to thoroughly review the procedures for the preparation of the athletic ticket inventory, reconciliation of ticket sales and the preparation of game reports.



**21. Disbursements Related  
To Educational Excellence  
School Advisory Council And  
Other Areas Inappropriately  
Processed Through The  
Instructional Materials And Supplies  
(Fund 9) Account  
*Miami Central Senior***

The Instructional Materials and Supplies Account (Fund 9) was established in the internal funds of the school to provide purchasing flexibility at the school site level. To obtain revenue for the Fund 9 account, schools are allowed to transfer specified amounts of their allocated tax dollar budget funds for materials and supplies purchases.

Section III, Chapter 9 of the *Manual of Internal Fund Accounting* contains the general policy over Fund 9 purchases and account limitations. Specifically, this Section and Chapter include a list of those expenditures allowed and not allowed to be made using Fund 9 revenue. Some of the unallowable expenditures include repair and maintenance charges of over \$500 per year and items that should otherwise be paid by student-sponsored clubs, among others. It also requires schools to replenish the account when 25% of the establishment amount has been reached<sup>28</sup>.

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 a memorandum from the Office of the Controller issued on February 4, 2005, later updated on October 2012 via Weekly Briefing #12770, schools are allowed to transfer monies up to \$2,999 from their EESAC funds to the internal funds of the school to purchase *small food purchases and incentives otherwise not allowed through Fund 9, the P-Card or district purchasing guidelines*. The procedures further require that the school's EESAC Committee furnish sufficient detail to provide the necessary support for the expenditures.

A review of the disbursements posted to the Fund 9 account for the 2011-2012 fiscal year disclosed 8 expenditures totaling \$4,037 that were not allowed to be processed through this account or that were inappropriately processed. Details are as follows:

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<sup>28</sup> At senior high schools, the establishment amount is \$20,000. The account must be replenished and expenditures reported to the District once 25% or \$5,000 has been spent.

21.1. There were six expenditures totaling \$1,278 related to student activities that included the rental of shelters, as well of the rental of an interactive video gaming bus for a picnic venue and musical entertainment for several activities. When the school processed the Fund 9 replenishment, it ultimately charged the expenditures to the EESAC's District funding structure. *These purchases were in addition to the \$2,000 that the school had previously transferred from the EESAC account to the internal funds of the school and spent on incentives not otherwise allowed to be purchased through the Fund 9 account; plus an additional \$2,000 that the EESAC had approved to pay for a portion of the yearbook invoice and that the school inappropriately processed through this account.*<sup>29</sup>

Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. The quotations must be included as part of the ancillary documentation to show that the lowest price was selected.

21.2. The Fund 9 account listed four separate purchases of less than \$1,000 each from the same vendor totaling \$1,393. It appears the purchase was split into four parts, so as not to exceed purchasing limits that would otherwise require a written quotation. Three of the invoices were consecutively numbered and all were made around the same time for similar items. In addition, these expenditures were related to a student club, which are not allowed to be paid through Fund 9.

21.3. There was a payment for the repair of a copy machine totaling \$1,366 that according to the guidelines is not an allowed Fund 9 purchase. This charge should have been posted to the General Fund-Repairs and Maintenance account.

21.4. In several instances during the year, the account was not replenished in a timely manner.

## **RECOMMENDATIONS**

**21.1. Review the disbursement procedures with the staff to ensure a proper understanding of the requirements and expectations.**

**21.2. Monitor purchases made through the Fund 9 account to ensure they are allowable as delineated in the *Manual*.**

**21.3. Monitor the Fund 9 account to ensure it is timely replenished.**

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<sup>29</sup> Refer to yearbook finding on pages 118-119.

**Responsible Person(s):**

**Principal, Treasurer**

**Management Response:**

The Principal met with the school's Treasurer to review Section III, Chapter 9 of the *Manual of Internal Fund Accounting* which delineates the procedures for processing disbursements using the Instructional Material and Supplies (Fund 9) Account. As a result, the Principal and Treasurer have a thorough understanding of the general accounting policies and procedures regarding Fund 9 revenues and replenishment procedures. Effective immediately, the Fund 9 account will be closely monitored to guarantee the replenishment during the fiscal year when 25% of the threshold limit has been expended by the school.

In an effort to ensure that the proper allowable purchases are made through Fund 9, the following will take place:

- The principal and treasurer will participate in the ongoing Money Matters trainings.
- The treasurer will continue to seek clarification through the Business Manager on any purchases or situations not clearly defined in the *Manual of Internal Fund Accounting*.
- The principal and the treasurer will meet weekly to discuss all purchases made through Fund 9 and its replenishment in a timely manner.

**Responsible Person(s):**

**ETO Office Administration**

**Management Response:**

- The Principal was instructed to personally review disbursements, ensuring that they are included in the list of allowable expenditures using Fund 9 revenue.
- The Principal was instructed to monitor the timely reconciliation of Fund 9.
- The Education Transformation Office Administrative Director will monitor compliance of internal funds procedures by reviewing monthly financial reports and conducting site visits to verify.

**22. Inadequate Controls  
Over Yearbook Sales  
Miami Central Senior**

Pursuant to guidelines in Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*, the purchase of yearbooks by students *is entirely optional*. Pursuant to School Board Policy No. 6152 *Student Fees*, the sales price should be as near the average cost of the yearbook as possible.

The procedures in the *Manual* establish that the yearbook activity must be sponsored by the school with a faculty adviser/sponsor designated to oversee the production and sales activity. According to the *Manual*, the yearbook operation should be self-sufficient, as the publishing costs for the yearbook are mainly financed by the sale of the yearbooks and advertising.

This school did not conduct the yearbook activity during the 2010-2011 fiscal year. The following discrepancies were noted during the review of the 2011-2012 yearbook activity:

- 22.1. The school ordered 150 yearbooks; however, only 82 were sold (55%) and 11 were given away as complimentary. As of the end of the year, the school had 57 unsold books with a cost of approximately \$3,400 in inventory.
- 22.2. The school participated in the on-line sale of yearbooks via the vendor's website. Documentation and reports related to the on-line sales were not on file; however, the vendor provided copies at our request. According to a vendor's School Summary Report dated September 2012, only 17 books of the total books sold were sold on-line. These on-line sales were not incorporated in the Yearbook Monthly Operating Reports.
- 22.3. The total yearbook's cost of \$8,931 was paid in several installments. One of the final installments for \$2,000 was inappropriately posted to the Instructional Materials and Supplies (Fund 9) account. The Fund 9 replenishment process disclosed that the school ultimately charged the expenditure to the district's budgeted Educational Excellence School Advisory Council (EESAC) account<sup>30</sup>. According to the minutes from one of the EESAC Committee meetings, the Committee approved a proposal from the yearbook sponsor for \$2,000; however, *guidelines prohibit schools from using the Fund 9 account to pay for club-sponsored expenditures such as the purchase of the yearbook*. Additionally, it is questionable whether it is appropriate to use EESAC funds to partly subsidize the purchase of merchandise that is sold to students and that students have the option of purchasing from the school (this is similar to partly subsidizing a school fundraiser).

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<sup>30</sup> Refer to Fund 9 finding on pages 115-116.

- 22.4. The Yearbook Distribution and Operating Reports disclosed errors, while Committee Appraisal and Bid Tabulation Forms were not presented for audit. In addition, only the signed bid was presented for audit.
- 22.5. Yearbooks were offered to students at different prices during the year. Prices ranged between \$50 and \$65. However, the school's 2011-2012 Special Fees and Charges approved by the Education Transformation Office had a sales price of \$65. Furthermore, we compared average unit sales prices against unit cost and noted that the book's average sales price of \$52 was below the cost, which we calculated at approximately \$60.

## **RECOMMENDATIONS**

- 22.1. Ensure that staff understands and adheres to the procedures for completing yearbook reports, and for maintaining on file complete documentation related to the activity.**
- 22.2. Direct the yearbook sponsor to supervise all financial transactions processed by the treasurer and also direct the sponsor to prepare all reports.**
- 22.3. Order yearbooks in quantities which are commensurate with student demand.**
- 22.4. Ensure that the yearbooks' per unit cost is properly estimated to charge students as close to cost as possible.**
- 22.5. Periodically meet with the yearbook sponsor and the treasurer to monitor the activity's progress and discuss the status of the ongoing sales campaign.**

**Responsible Person(s):**

**Principal, Assistant Principal,  
Activities Director,  
Yearbook Sponsor  
and Treasurer**

## **Management Response:**

The principal has reviewed the findings regarding the yearbook sales. The following steps will ensure full compliance when purchasing yearbooks in the future:

- All future yearbook orders will depend on student demand and previous years' sales.
- A new yearbook sponsor has been hired and has attended trainings regarding yearbook sales and administrative expectations regarding orders.

- The sale of yearbooks online has been discontinued.
- A school wide pre-sale campaign for yearbooks will take place earlier than in previous years.
- All operating reports will be submitted in a pre-designated manner.

**Person(s) Responsible:**

**ETO Office Administration**

**Management Response:**

- The Principal has been directed to closely monitor 2012-2013 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner.

**23. Inadequate Controls Over  
Property Inventory Result  
In Loss Of Equipment  
*Miami Central Senior***

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

At this school, the latest property inventory, which we conducted in September 2012, consisted of the physical verification of 860 property items with an individual cost of \$1,000 or more, with a total value of \$3,250,581.

Our physical verification of the property items disclosed that 39 property items with an acquisition cost of \$78,042 and a depreciated value of \$18,641 could not be accounted for during the inventory. Details follow:

23.1. During the tenure of the former school administration, one of the buildings was demolished (as part of the construction at the school) during the 2011 holiday recess; and it is possible that some of the missing items were destroyed with the building; however, there was no documentation on file to demonstrate the items in question. The approximate cost of the equipment (15 items) that the inventory report placed in the old sections of the campus was \$37,880, most of which was fully depreciated, as follows:

Category	No. of Items	Year of Acquisition	Cost	Depreciated Value
Audio Visual	1	1988	\$ 1,000	\$ -
Computers/Peripherals	7	2004-2006	8,404	-
Other	7	1996-2005	28,476	1,936
Total	15		\$ 37,880	\$ 1,936

23.2. The remaining items (24 equipment items with a total acquisition cost of approximately \$40,170 and a depreciated value of approximately \$16,700), which the inventory report had placed in other parts of the campus could not be located. Refer to the following table for a more precise equipment breakdown:

Category	No. of Items	Year of Acquisition	Cost	Depreciated Value
Audio Visual	8	2008	\$ 9,614	\$ 4,638
Computers/Peripherals	10	2003-2007	13,856	59
Other	6	2007-2011	16,692	12,008
Total	24		\$ 40,162	\$ 16,705

When presented with these facts, the new school administration stated that they were unfamiliar with the location of the equipment.

It is evident that the school had not conducted a pre-inventory before the audit visit, as recommended by this office.

## RECOMMENDATIONS

- 23.1. Devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.**
- 23.2. Ensure that the entire school staff, especially those in charge of property management, is fully aware of the procedures for safeguarding and maintaining control over property.**
- 23.3. Strengthen the monitoring and accounting of property, and periodically conduct in-house property inventories.**

**Responsible Person(s):**

**Principal and Assistant Principal**

**Management Response:**

In reviewing the property audit, there were several items that allegedly were destroyed with the demolition of Carter Hall. Several large ticket items were destroyed, but no paperwork to support this claim was ever presented to the auditor.

In order to ensure that the existing exception regarding property doesn't re-occur the following will take place:



- In House Property Reviews held Semi-Annually
- Survey out all non-essential items with Position Control Numbers
- Maintain all property records(Incoming and Outgoing Property) in one centralized location
- Assign an administrator to conduct the In House Property Reviews
- Properly house and maintain all items under Property Control

**Responsible Person(s):**

**ETO Office Administration**

**Management Response:**

- The Principal has been directed to meet with all persons assigned to property accounting. All parties have reviewed the *Manual of Property Control Procedures*. The property accounting will be reassigned to an Assistant Principal. A system will be in place to inventory property at the end of each trimester as well as to dispose of old, unused property in a timely manner.

## OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2011 and/or June 30, 2012, depending on the school 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 *current purchasing credit card program procedures*; and *certain information technology controls*;
- verify compliance by the schools with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*;
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification; and

While the scope of our audits generally covered operations during the period of July 1, 2010 through June 30, 2011 and/or July 1, 2011 through June 30, 2012 (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. Title I program covered the 2011-2012 fiscal year only. FTE audits covered the February 2012 survey period (survey period 3).

Our procedures were as follows:

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

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

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

### **Internal Control Matters**

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

## BACKGROUND

### INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2011 and June 30, 2012 was 0.57% and 0.54%, 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 its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2011 and June 30, 2012, the MDCPS-Money Market Pool Fund's interest rate was 0.57% and 0.54%, 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.

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

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

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

## PROPERTY

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

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

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

## TITLE I PROGRAM

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

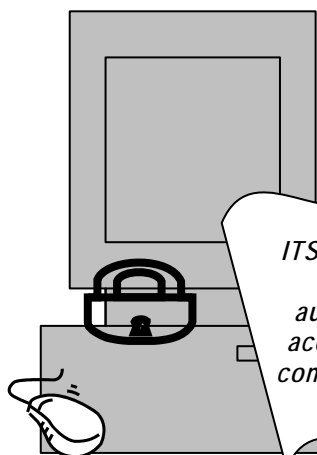


Schools follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-Card Program, depending on the amount. Salary expenditures must comply with budgetary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

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

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

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



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

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

### FULL-TIME EQUIVALENT (FTE)

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

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

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

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

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

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

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

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



## **THE GREATER MIAMI ATHLETIC CONFERENCE (GMAC)**

### **BACKGROUND**

#### *The Greater Miami Athletic Conference*

The Greater Miami Athletic Conference (GMAC), in cooperation with the Florida High School Activities Association (FHSAA), regulates and promotes interscholastic athletic activities among membership of all public and non-public high schools. Its purpose is to protect the interests of the high schools belonging to this conference, to promote pure, amateur sports, and to foster such other activities as the organization may decide to sponsor. It also trains and provides officials for the athletic events.

The GMAC is administered by the Executive Committee that consisted of various school system employees, most of whom are principals. The President of the Executive Committee during the fiscal years 2010-2011 and 2011-2012 was the Athletic Director at Miami Palmetto Senior High School. GMAC's Executive Secretary reported to the Assistant Superintendent, School Operations in charge of Athletics/Activities.

#### *The Dade County Athletic Equalization Fund*

The Dade County Athletic Equalization Fund was established to aid the athletic programs at senior high schools in financial distress. To assure the viability of this Fund, schools are required to repay amounts borrowed, for which no interest is charged. At the present time, the GMAC's Executive Secretary serves as the trustee of the funds with oversight from the Assistant Superintendent, School Operations in charge of Athletics/Activities.

During the two-year audit period ended June 30, 2012, the funds were maintained in a Trust Fund account within the Internal Funds of GMAC. This account did not experience any financial activity during the audit period and the account balance at the close of the 2011-2012 fiscal year remained at \$25,118. There is only one unpaid loan for \$4,000 from one of the senior high schools dating back to the end of the 2010 fiscal year.

## **SYSTEMWIDE BUSINESS INDUSTRY SERVICES**

### **BACKGROUND**

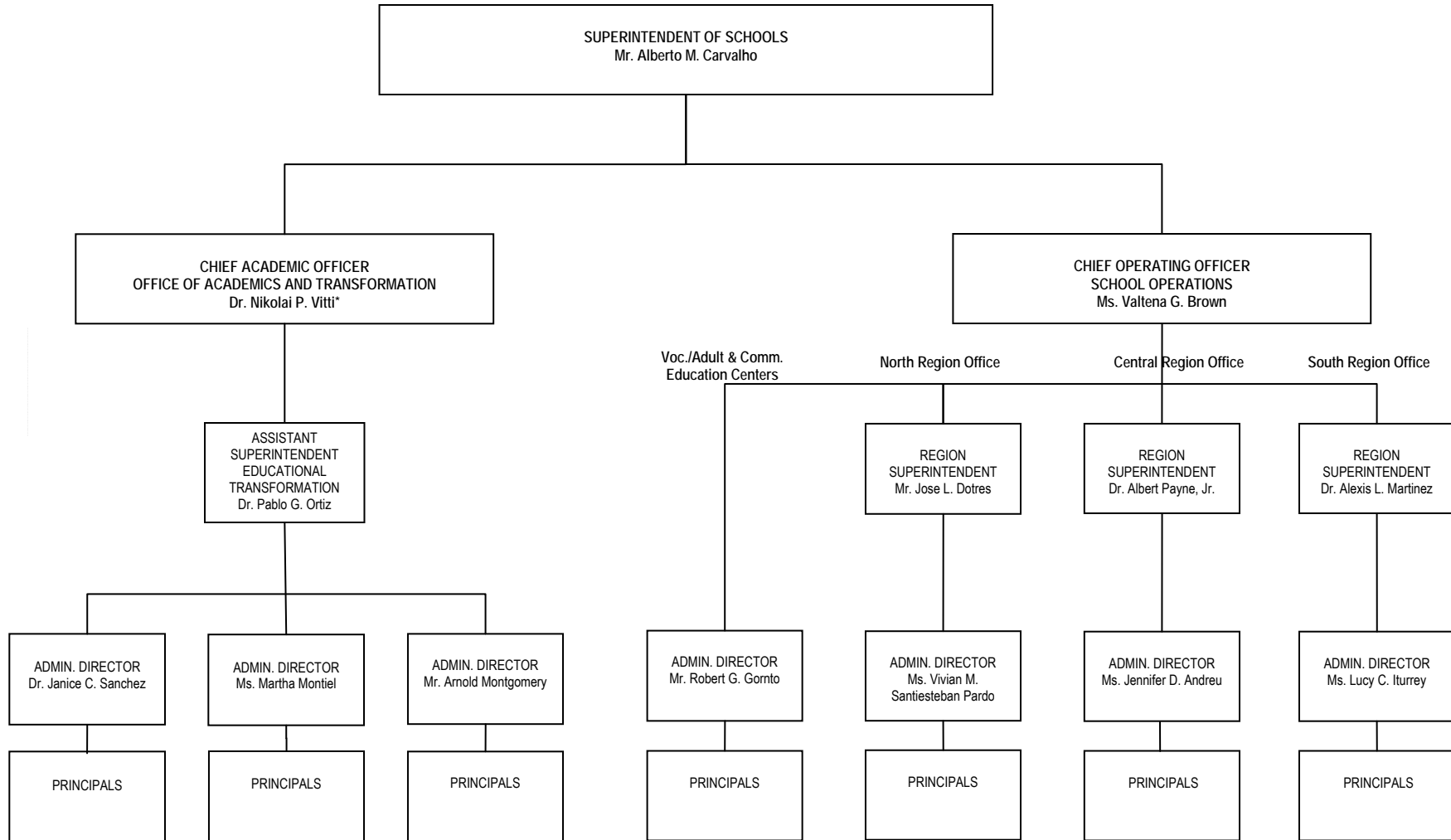
In October 1995, Systemwide Business Industry Services (Systemwide) was established when funds held at different locations were transferred to the District for central processing of certain programs. Specifically, this center received student fees collected at Lindsey Hopkins Technical Education Center, Robert Morgan Educational Center and Miami Lakes Educational Center associated with the General Equivalency Diploma (GED) Test and Test of Essential Academic Skills (TEAS). The center also received fees from the VISA program (foreign student exchange program) at Lindsey

Hopkins Technical Education; however, VISA fees are no longer collected after the closing of the 2008-2009 fiscal year.

In addition to these three major centers, some schools/centers collect modest amounts of GED Test testing fees and periodically remit those fees to Systemwide via checks for processing.

Systemwide pays for most of the supplies and expenses associated with these programs. In addition, travel and equipment accounts have been established for expenses associated with travel, meetings and equipment for the GED program. Systemwide is housed at the District's Office of Adult/Vocational Education and does not carry an inventory of property items of its own.

## PARTIAL ORGANIZATIONAL CHART (SCHOOLS)



\* Dr. Vitti oversaw ETO schools until November 2012. He is no longer employed with M-DCPS.




**APPENDIX  
MANAGEMENT'S RESPONSES**

MEMORANDUM

November 9, 2012

TO: Mr. Jose L. Dotres, Region Superintendent  
North Region Office

FROM: Yecenia Martinez-Lopez, Principal   
Oak Grove Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF OAK GROVE ELEMENTARY SCHOOL FOR THE 2010-2011 AND 2011-2012 SCHOOL YEARS

The following is in response to the findings in the school audit report for Oak Grove Elementary School. A Management Plan has been developed to address the recommendations listed below.

**FINDING**

1. Controls Over The Bookkeeping, Function Were Inadequate, and Former Treasurer Fraudulently Issued Checks and Misappropriated Funds

**RECOMMENDATIONS**

- 1.1 Direct staff to deliver unopened bank statements and bank correspondence to the Principal for their initial review before forwarding the documents to the treasurer.
- 1.2 Discuss receipting and depositing procedures with faculty and staff members for understanding and awareness of the requirements.
- 1.3 Direct staff to always issue receipts immediately upon receiving monies from faculty and staff members, and direct staff to request the prior approval of the administration for any disbursement transactions and transfers of funds.
- 1.4 Prior to approving any expenditure, ensure that accounts have available funds and that the expenditure is not only allowable but comports with the intent of the monies collected/available in the account.
- 1.5 Strengthen the review and oversight over the disbursement function to ensure the propriety of the payments, the posting of charges to the appropriate accounts and completeness of the documentation.
- 1.6 Strengthen the review and oversight of the receipting/depositing function to ensure that monies are timely receipted, deposited and properly recorded.
- 1.7 Periodically meet with the treasurer to review the financial transactions.

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

**Management Response:**

The Principal has thoroughly reviewed Section II, Chapter 2 Collection of Money and Chapter 3 Deposit Procedures from the *Manual of Internal Funds Accounting*. Copies were provided and discussed with the Assistant Principal and Secretary/Treasurer.

The Principal reviewed the following procedures with the new Secretary/Treasurer:

- District procedures as outlined in the *Manual of Internal Funds Accounting* for monitoring account balances, maintaining checkbook balances and adjustments to ensure accurate monthly reconciliation reports.
- Discussed the bookkeeping procedures with the new Secretary/Treasurer to ensure understanding of the expectations of the job.
- Direct the Secretary/Treasurer to receipt funds immediately and to inform the Principal of any school sponsor who fails to follow receipting procedures.
- Direct the Secretary/Treasurer to deposit funds in a timely manner.
- Direct school staff to deliver the unopened bank statement to the Principal. The Principal will review the statement against the checkbook, verify checks against the check book and sign/date the front page of the statement.

The Principal and Secretary/Treasurer will assess the checkbook balance on a weekly basis and review accuracy of monthly reconciliation reports before submitting the report to the district.

The Principal and the Secretary/Treasurer will facilitate training on November 7, 2012, with all staff to address district policies and procedures for the collection of money to include the proper use of Recap of Collection Form (FM-1004) and employee official Receipts (FM-0976). At this training, procedures were covered with staff to ensure their understanding of the receipting process and directed staff to promptly inform the Principal of any instances where the Secretary/Treasurer fails to follow proper receipting/depositing procedures.

Signatures of acknowledgment were obtained from all staff as documentation for attending the training and receiving the manual outlining procedures for collecting money.

The Principal will reiterate the procedures for the collection of money with the entire staff during the December and January faculty meetings and again at the opening of the 2013-2014 school year.

The Principal directed the Secretary/Treasurer that once money is received from staff members official receipts must be immediately issued in the presence of the staff member. The Principal also discussed that any disbursements and/or transfer of funds must have prior approval from the Principal.

The Principal will oversee fundraising activities and the Secretary/Treasurer will inform the Principal of any discrepancies for immediate corrective action. The Principal will also review the financial activities periodically to ensure that collections are properly receipted, documented and timely deposited.

The Principal met with the Assistant Principal and the Secretary/Treasurer to review the guidelines in securing funds awaiting deposit. Collections awaiting Brinks pickup will be logged in and out on Collection/Deposits Log (FM-7249) form by the Secretary/Treasurer and only the Principal or Assistant Principal. The Principal or Assistant Principal will review the un-sealed deposit and sign the Collection/Deposits Log (FM-7249) form and seal the bag before securing it in the school's safe. The safe has been placed in a secure location.

A meeting was conducted on November 2, 2012, with the Assistant Principal and the Secretary/Treasurer to advise of the financial condition of the school and the need for spending to be curtailed by ensuring that only those expenditures critical to the operation of the school are approved.

Effective immediately, the internal funds function of the school will be strengthened by conducting bi-weekly reviews of accounts and fund balances and adjusting spending plans, accordingly. The Principal has discussed with the Secretary/Treasurer the importance of issuing receipts and making deposits and properly recoding receipts in a timely manner.

Effective immediately a system will be instituted to ensure that accounts have available funds prior to the submission and approval of funds request, and that the expenditures are not only allowable but comport to the intent of the monies collected/available in the account.

The Principal will continue to use the Collections/Deposits Log (FM-7249) and periodically review with the Secretary/Treasurer to ensure it is being utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) pick-up at the school.

The Principal reviewed with the Secretary/Treasurer disbursement procedures to ascertain that payments are posted to the proper budgeted account in the MSAF system in a timely manner. The Principal also reviewed that all disbursements must have proper supporting documentation.

cc: Ms. Cynthia Gracia  
Ms. Vivian M. Santiesteban-Pardo  
Acting M-DCPS Police Chief Gerald Kitchell



MEMORANDUM

November 9, 2012

TO: Jose L. Dotres, Region Superintendent  
North Region Office

FROM: Maria G. Zabala, Principal  
Fienberg-Fisher K-8 Center



SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
FIENBERG-FISHER K-8 CENTER FOR JULY 1, 2011 THROUGH JUNE 30,  
2012

The following is provided in response to the findings in the school audit report for Fienberg-Fisher K-8 Center. A corrective action plan has been developed as delineated below:

**FINDING**

1. Questionable purchases and bookkeeping function not compliant with district policy.

**RECOMMENDATIONS**

- 1.1 Strengthen the review and oversight over disbursements to ensure they are timely processed, properly documented and filed, and invoices are paid on time.
- 1.2 Discuss disbursement procedures with staff to ensure their awareness for obtaining prior approval from the administration before placing an order or making a purchase.
- 1.3 Closely monitor the bookkeeping function to ensure that transactions related to the checking account, monthly reconciliation and stale-dated checks are timely processed.
- 1.4 Periodically meet with the Treasurer to maintain control over the bookkeeping of transactions and the filing of records.
- 1.5 Periodically review the checkbook to ensure that a checkbook balance is maintained.
- 1.6 Ensure that a stop payment is placed on the \$80 check that was issued to the treasurer in February 2012 (Check #11489) and that the check is voided in the system.
- 1.7 Discuss receipting and depositing procedures with faculty and staff for their understanding and awareness of the requirements, especially the requirement for stapling the computer-generated receipts to the official receipt books.

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

**Management Response:**

The Principal, the Assistant Principal and the Secretary/Treasurer reviewed Section II, Chapters IV and V of the Manual of Internal Funds Accounting which require that disbursements made with checks issued from the school's checking account have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered.

In order to correct the findings associated with petty cash transactions, only the Principal will have the authorization to initiate a request for petty cash. The log documenting how petty cash funds are used will be maintained by the Principal and reviewed each time petty cash is disbursed.

As a result of a repeated audit exception associated with internal fund records, the Region Director has implemented quarterly mini reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic approach is used to maintain organized records.

The Principal in collaboration with the Region will coordinate assistance from the District and neighboring schools in reviewing all records and documents prepared to ensure that records are organized and complete.

The Principal instructed the Secretary/Treasurer, Faculty and Staff that all purchase requests be presented directly to the Principal for pre-approval via FM 1012 prior to purchases being made. On a monthly basis, all pending invoices will be maintained in a binder and reviewed by the Principal to ensure that receipt of goods and payment for goods are being executed on a timely basis.

The Secretary/Treasurer will provide the Principal with written checks for signature on a designated day each week. In order to secure the Principal's signature, the Secretary/Treasurer will provide the check requisition, receipt or invoice, and a screen shot of available funds. The checkbook will be provided to the Principal with all checks attached and the sequence numbers will be verified prior to signing.

The Principal will ensure that the checkbook balance is maintained. All sealed bank correspondence to include bank statement and cancelled checks will be handed to the Principal opening, review and inspection. This review process will be documented by the Principal signing and dating the bank statement on the day of the review and placing her initials on each check upon review.

The Secretary/Treasurer will keep a log of all purchases to include the purchase order number, requisition amount, vendor, date received online, check number and date paid to enable the Principal to monitor the status of purchase orders.

The Principal reviewed Section II, Chapter 5 of The Manual of Internal Fund Accounting which delineates the guidelines for processing checks that remain outstanding in the bank reconciliation for three months with the Assistant Principal, and Secretary/Treasurer.

The Secretary/Treasurer will contact the payee of checks that are outstanding for three months. If they cannot be contacted and the check remains outstanding for six months, the Secretary/Treasurer will void the check and transfer the amount to the Trust Fund-Unclaimed Stale Dated Checks account. The Principal will review all outstanding checks on a monthly basis to ensure that timelines are followed as required.

The Secretary/Treasurer attended a three day professional development seminar through the Office of General Accounting. The Principal and the Assistant Principal met with the Secretary/Treasurer to discuss proper bookkeeping, including the checking account's monthly reconciliation and the timely processing of stale-dated checks.

A stop payment was placed on check #11489, the \$80 check. The check has been voided in the system.

The Principal and Secretary/Treasurer will provide training for faculty and staff on proper receipting and depositing procedures as delineated in Section II, Chapter 2 of The Manual of Internal Fund Accounting. The Staff in charge of collections must present the receipt book to the Secretary/Treasurer while collections are made in order to verify monies collected against receipts issued on a daily basis. Once a transaction is posted to the system, the computer generated receipt will be stapled to the last receipt in the book corresponding to the receipted collection.

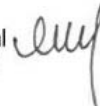
For further information regarding this response, please contact, Ms. Maria G. Zabala, Principal of Fienberg Fisher K-8 Center at 305-531-0419.

cc: Ms. Cynthia Gracia  
Ms. Vivian M. Santiesteban-Pardo  
M-DCPS Police Chief Gerald Kitchell

**MEMORANDUM**

November 9, 2012

**TO:** Mr. Jose L. Dotres, Region Superintendent  
North Region Office

**FROM:** Milagros Maytin-Miret, Principal   
W.J. Bryan Elementary School

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF W.J. BRYAN ELEMENTARY SCHOOL FOR FISCAL YEARS 2010-2011 AND 2011-2012**

The following is provided in response to the findings in the school audit report for W. J. Bryan Elementary. A corrective action plan has been developed as delineated below:

**FINDING**

1. Inadequate recordkeeping, documenting, and reporting of payroll.

**RECOMMENDATIONS**

- 1.1 **Review with staff and administration the sign-in in/out payroll procedures and the proper documentation of payroll hours, especially part-time employees.**
- 1.2 **Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.**

**Person(s) Responsible:** Principal, Assistant Principal, Payroll Specialist, Cafeteria Manger

**Management Response:**

The Principal has directed all staff to adhere to all procedures as outlined in the Payroll Processing Procedures Manual. The Principal directed the Cafeteria Manager to monitor closely the signing in and out for all cafeteria employees. The Cafeteria Manager reviews the roster on a weekly basis and reports any discrepancies to the Assistant Principal. The Payroll Specialist will review the rosters prior to inputting hours and report any discrepancies to the Assistant Principal who will advise the Principal prior to payroll approval.

In response to these recommendations, the administration at W.J. Bryan Elementary, in conjunction with the Payroll Specialist and Cafeteria Manager will review the Payroll Procedures Manual revised in January 2012. Additionally, the Principal and Assistant Principal will participate in all scheduled Money Matters support webcasts for this school year.

In an effort to ensure that this situation does not occur again with the payroll sign-in sheets, all sign-in sheets will be reviewed by the Assistant Principal prior to the authorizing administrator.

**cc:** Ms. Cynthia Gracia  
Ms. Vivian M. Santiesteban-Pardo

**MEMORANDUM**

November 9, 2012

**TO:** Mr. Jose L. Dotres, Region Superintendent  
North Region Office

**FROM:** Roxana Herrera, Principal  
Palm Springs Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF PALM SPRINGS ELEMENTARY FOR 2011-2012**

The following is provided in response to the findings in the school audit report for Palm Springs Elementary. A corrective action plan has been developed as delineated below:

**FINDING**

1. English Language Learners' (ELL), Student Records Resulted in Potential FTE Funding Disallowances

**RECOMMENDATION**

- 1.1 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

**Person(s) Responsible:** Principal, Assistant Principal, ESOL Chairperson, Registrar

The finding and recommendations of the school audit for 2011-2012 have been reviewed for corrective action by the Principal, Assistant Principal, Registrar and ESOL Chairperson.

**Management Response:**

The Principal has thoroughly reviewed the audit finding with the new ESOL Chairperson. The ESOL chairperson has attended several professional developments to learn the appropriate guidelines and procedures for maintaining ELL/LEP student information. The ESOL Chairperson along with the Assistant Principal will review individual ELL/LEP Student Plans (FM-4649) to ensure that student information has been properly completed and dated correctly. Additionally, the ESOL Chairperson has signed all ELL/LEP Student Plans that had a signature stamp.

The Principal has reviewed the procedure for completing the Home Language Survey (FM-5196) with the Data Input and Registrar of the school. The office staff was instructed to review all Home Language Surveys for accuracy. Special attention will be provided to ensuring that

Home Language Survey forms are dated correctly. This requirement will also be verified initially by the registrar, by the ESOL Chairperson and then reviewed by the Assistant Principal.

The Principal reviewed with the Assistant Principal the procedures established to file the required CELLA Test Reports. A checklist was devised to cross check all CELLA reports in order that they are correctly filed in the appropriate LEP folder. Based on the checklist results, any CELLA reports that are deemed missing the Principal or the Assistant Principal will notify the district to locate said missing reports.

The Principal reviewed with the ESOL Chairperson the guidelines established by the Division of Bilingual Education, to monitor and convene a LEP Committee meeting of students with more than six semesters.


LEP plans were reviewed for the required signatures by the ESOL Chairperson. After each LEP committee meeting cycle, the Assistant Principal will review the documentation completed for LEP committees to ensure accuracy of required documentation. Any anomalies will be corrected immediately.

cc: Ms. Cynthia Gracia  
Ms. Vivian M. Santiesteban-Pardo

MEMORANDUM

November 9, 2012

**TO:** Mr. Jose L. Dotres, Region Superintendent  
North Region Office

**FROM:** Sharon Gonzalez, Principal   
West Hialeah Gardens Elementary School

**SUBJECT:** ADMINISTRATIVE RESPONSE TO FTE AUDIT REPORT OF WEST HIALEAH  
GARDENS ELEMENTARY SCHOOL

The following is submitted in response to the FTE Audit Report of School.

**FINDING**

1. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances

**RECOMMENDATION**

- 1.1 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

**Person(s) Responsible:** Principal

**Management Response:**

The Principal has implemented corrective and preventive strategies to prevent the recurrence of similar conditions in future audits. The Principal will take an active role in monitoring the English Language Learners' (ELL) program in order to ensure accurate compliance with all requirements, guidelines, and procedures as delineated by the Division of Bilingual Education and World Languages as well as the *District Plan For Services to English Language Learners (ELL)*.

As a result of repeated audit exceptions in the same area, the North Region Financial Business Operations Administrative Director will require that the school submit an in-house mini-review for ELL records three times per year for the 2012-2013 and 2013-2014 school year.

The Principal has met and thoroughly reviewed the audit findings with the Assistant Principal, the chairperson of the school's ELL department, and the school registrar specifically focusing on the dates on the Notice to Parents/Guardians of English Language Learners, dates on the ELL/LEP Student Plan and student entry dates are sequential.

The Principal established procedures and identified personnel (Assistant Principal, Registrar and ESOL Chairperson) to ensure compliance with the District procedures that would carefully check and review all the elements required for compliance with requirements and guidelines.

The procedures established include ensuring that copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students (FM-6576) is placed in all ELL students' ESOL Program Record folder appropriately dated with the date of program placement.

Also, all Home Language Surveys (FM-5196) will be checked for accuracy and completeness by the school registrar and ESOL Chairperson. For future registrations, the parent will be personally assisted by the registrar when completing this portion of the registration package.

An in-house review team consisting of the Principal, Assistant Principal, ELL Chairperson, and Registrar was also created that will meet once every quarter to perform mini-reviews, sampling a cross-section of the student cumulative folders to ensure compliance with requirements, guidelines, and procedures for ELL students. A checklist provided by the Division of Bilingual Education and World Languages will be used and copies of the reports will be kept on file by the Principal.

All incoming student cumulative records will be reviewed by the Registrar and the ELL Chairperson using the district developed check-list in order to monitor discrepancies of incoming records. The checklists will then be given to the Principal as part of audit records.

The Principal will run off the report of students enrolled in the ELL program for more than three years on a monthly basis and share with the Assistant Principal and ELL Chairperson in order to schedule LEP Committee meetings in a timely manner.

Implementing the recommendations listed above as it pertains to FTE and more specifically, the ELL program will create a better monitoring process at West Hialeah Gardens Elementary School. This should ensure the elimination of audit findings from recurring in the future.

If any further information is needed, please feel free to contact me. Thank you for your assistance and cooperation.

cc: Ms. Cynthia Gracia  
Ms. Vivian M. Santiesteban-Pardo



**MEMORANDUM**

November 9, 2012

**TO:** Mr. Jose L. Dotres, Region Superintendent  
North Region Office

**FROM:** Mrs. Rennina L. Turner, Principal  
Andover Middle School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
ANDOVER MIDDLE SCHOOL FOR THE 2011-2012 SCHOOL YEAR**

The following is in response to the findings in the school audit report for Andover Middle School. A Management Plan has been developed to address the recommendations listed below.

**FINDING**

1. Inadequate Recordkeeping, Documenting, And Reporting of Payroll

**RECOMMENDATIONS**

- 1.1 **Review with the entire cafeteria staff and the manager the proper procedures for signing in and out on the Daily Payroll Attendance Sheets; and remind them not to record attendance on behalf of others.**
- 1.2 **Direct payroll clerk to inform the school administration of any instances where staff is indicating attendance on the Daily Payroll Attendance Sheets on behalf of others.**
- 1.3 **Periodically review sign-in sheets to ensure staff is adhering to the proper procedures for recording the attendance**

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

**Management Response:**

The Principal has thoroughly reviewed the findings cited in the Internal Funds Audit Report for the 2011 – 2012 fiscal year. A meeting was conducted with the entire cafeteria staff where proper procedures for signing in and out were discussed. In addition, the Daily Payroll Attendance Sheets have been removed from the Cafeteria and placed in the Main Office where staff is required to sign-in upon arrival and sign-out prior to leaving for the day.

The payroll clerk has been informed to provide any information to administration any instances where staff is indicating attendance on behalf of others.

The Principal will periodically review sign-in sheets to ensure staff is adhering to the proper procedures for recording attendance.

## **FINDING**

2. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances

## **RECOMMENDATION**

- 2.1 **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Person(s) Responsible:** Principal, Assistant Principal, ELL Chairperson and Registrar

### **Management Response**

In order to ensure that the cumulative folders for all ELL students are properly maintained and updated in compliance with guidelines established by the Florida Department of Education, the Principal implemented the following corrective actions and preventative strategies in regards to the school site policies and procedures for the maintenance of student LEP records.

The Principal will review with all staff responsible, the District LEP Plan and Procedures Manual and all documentation provided by the Division of Bilingual Education and World Languages. The Principal, Assistant Principal and Department Chairperson will monitor the proper completion of all documents in the Limited English Proficient (LEP) folder. This will include the Notice of Parents of LEP Students (FM-6577), Home Language Survey (FM-5196), and the individual ELL/LEP plans (FM-4650).

The Principal, Assistant Principal, ELL Chairperson and Registrar established a set of procedures whereby all future ELL students' records are checked for accuracy as they arrive at the school.


The Principal directed the Department Chair to place all CELLA scores received in a designated area in the Principal's office. The Principal will transmit the CELLA scores to the Assistant Principal. The Assistant Principal along with the ELL Chairperson will file all CELLA scores immediately in the student's LEP folders.

cc: Ms. Cynthia Gracia  
Ms. Vivian Santiesteban-Pardo  
Mr. Arnold R. Montgomery

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

November 9, 2012

**TO:** Mr. Jose Dotres, Region Superintendent  
North Region Office

**FROM:** Jose Enriquez, Jr., Principal  
Jose Marti MAST 6-12 Academy 

**SUBJECT:** ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
JOSE MARTI MAST 6-12 ACADEMY FOR July 1, 2010 THROUGH  
June 30, 2012

*The following is in response to the findings in the school audit report for Jose Marti MAST 6-12 Academy.*

**FINDING**

1. School Non-Compliant With Certain Fundraising/Student Activities and Disbursement Guidelines.

**RECOMMENDATIONS**

- 1.1 Discuss fundraising guidelines with faculty and staff for understanding and awareness of the guidelines.
- 1.2 Direct sponsors not to use cash from the sales to pay for the goods and always enforce the use of school checks to pay vendors.
- 1.3 Strengthen oversight over fundraising activities, including the preparation, review and filing of student Activity Operating Reports and the preparation and maintenance of a Fundraising Activities Log.
- 1.4 Periodically review fundraising activities with the Activities Director and the Treasurer to ensure compliance with the guidelines.
- 1.5 Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; that the supporting documentation, such as quotes and bids, is complete and appropriate; and that disbursements are not split to circumvent district policy.
- 1.6 Discuss field trip procedures with staff and school allied organizations for awareness and understanding of the requirements related to school sponsored field trips. Also, the school administration should strengthen controls over field trip activities to improve accountability over monies collected from the students.

**Person(s) Responsible:** Principal, Assistant Principals, Treasurer and Assistant to the Treasurer.

**Management Response:**

Fundraising guidelines were reviewed by the Principal with all faculty and staff to ensure that all policies and procedures are followed. Moving forward, the Principal will include fundraising policies and procedures as part of the faculty and staff meetings. The Principal will conduct mini-reviews at the beginning of the year and at the midyear point.

A new treasurer has been placed into this position by the Principal to specifically address the findings in this audit. The new treasurer has been directed to review the audit findings as well as the *Manual of Internal Fund Accounting*, Section IV, Chapter 2. The principal will meet with her once a week to address standard procedures and discuss discrepancies. Any anomalies will be corrected, immediately.

Specifically, the activities log and Student Activity Operating Reports will be properly documented by the school treasurer and monitored by the Principal. During each review, it will be verified that checks are the only means of paying vendors for their products. The treasurer will present original invoices along with the checks made payable to vendors in the checkbook prior to payments being made.

In addition, all fundraising will be overseen by the Assistant Principal to ensure proper signatures and procedures are followed. Also, items to be sold will be researched and carefully evaluated to be sure that they are in demand to avoid a high inventory after the sale. The Principal directed faculty and staff to strictly follow all guidelines related to planning and executing field trips including, but not limited to, the handling of money.

Conducting a field trip will be a four part process that will include careful levels of review by the sponsor, assistant principal, principal and the treasurer. The sponsor will present the field trip request to the assistant principal with the checklist detailing all fieldtrip requirements for review. The assistant principal will verify with the treasurer that all money collection requirements have been met. The assistant principal will then will review the entire packet. The principal will then review and add required signatures.

The process of disbursements will receive special attention treasurer, assistant principal and the principal to be sure that all guidelines are followed. In order to avoid problems such as split orders and shortage of quotes, a new system is now in place. All disbursements originate from the Principal's desk and then are delegated to the treasurer to gather all needed quotes. Once the order is in place the assistant principal reviews all documentation to be sure all guidelines are met. The final paper work is then submitted to the principal for final approval and signature.

cc: Ms. Cynthia Gracia  
Ms. Vivian Santiesteban-Pardo

MEMORANDUM

November 1, 2012

TO: Dr. Albert Payne, Region Superintendent  
Central Region Office

FROM: Janet P. Olivera, Principal  
Sweetwater Elementary School 

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF SWEETWATER  
ELEMENTARY SCHOOL FOR 2010-2011 AND 2011-2012 FISCAL YEARS

The following documentation is submitted in response to the Internal Audit Report of Sweetwater Elementary for 2010-2011 and 2011-2012 fiscal years. The audit findings were carefully reviewed by the Principal and as a result corrective actions were implemented to prevent recurrences.

**RECOMMENDATIONS:**

- 1.1.1. Review deposit package documentation and official teacher's receipt books to ensure that all monies collected are being deposited.
- 1.1.2. Periodically review the attendance and payment records to ensure their completeness and accuracy.

**Responsible Person(s):** Principal, Assistant Principal, Treasurer,  
and After School Care Manager

**Management Response:**

The Principal, Assistant Principal, Treasurer, and After School Care Manager met on May 14, 2012, to review Section II, Chapter 2 of the *Manual of Internal Fund Accounting* which delineates the procedures for the collection of monies. The *Community School Procedures Manual* which provides procedural guidelines over the management and recordkeeping of Community School and Before/After School Care Program (BSC/ASC) records was also reviewed the Principal, Assistant Principal, Treasurer, and After School Care Manager. Monies collected pending deposit will be verified by at least two designated persons Before/After School Care Secretary and Before/After School Care Manager, for deposit the next business day. The Principal directed the BSC/ASC Manager to immediately begin verifying the money collection and deposit preparation utilizing the official receipt documentation to ensure that all monies collected are submitted for deposit. The Treasurer was directed to provide a third verification of the deposit for accuracy and completeness again utilizing the official receipt documentation.

Fees collected will be properly receipted and recorded on the student registration card. The Principal will ensure the BSC/ASC Program Manager will conduct bi-weekly verification of the students' attendance cards. This verification would include the identification of a unique receipt number for each student's card to prevent the double posting of receipt numbers.

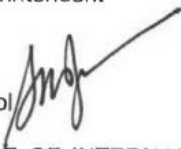
The Principal implemented monthly in-house reviews of the attendance and payment records in conjunction with the BSC/ASC Program Manager and the Treasurer to create a check and balance system. Attendance rosters will align to the payment amounts of service periods. All procedures delineated in the aforementioned manuals are reviewed and compared to the documentation collected to ensure full compliance.

cc: Ms. Jennifer Andreu  
Ms. Lourdes Gimenez  
Ms. Cynthia Gracia

MEMORANDUM

November 1, 2012

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Sharon M. Johnson, Principal  
Citrus Grove Elementary School 

**SUBJECT:** ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF CITRUS GROVE ELEMENTARY SCHOOL FOR THE 2010 -2011 AND 2011-2012 FISCAL YEARS

The following is in response to the findings and recommendations made in the Internal Audit Report of Citrus Grove Elementary School.

**RECOMMENDATIONS:**

- 1.1 Re-address staff assignments in charge of the operation of the program and request re-training of staff.
- 1.2 Discuss the receipting and depositing procedures with personnel for awareness and understanding of the requirements and expectations.
- 1.3 Ensure that official receipts are issued every time monies exchange hands.
- 1.4 Ensure that the Receipts/Deposits log is used consistently.
- 1.5 Discuss student attendance/payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.
- 1.6 Ensure that records are maintained in a secure area and direct the After School Care Program manager to monitor and safeguard all attendance and reimbursement records.
- 1.7 Ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 1.8 Strengthen oversight of the program and periodically meet with the After School Care Program manager to review the activity of the program.
- 1.9 Periodically review student lunch statuses to ensure that rates charged are accurate and update student registration cards accordingly.
- 1.10 Review budget accounts periodically to monitor balances and adjust hourly payroll expenditures of the program as needed.

**Responsible Persons:**

**Principal, Treasurer, Assistant Principal and  
After School Care Program Manager**

**Management Response:**

On September 22, 2012, the Principal met and reviewed the *Community School Procedures Manual* with the After School Program Care Manager to delineate the terms of her continued assignment. The Principal and the Treasurer will ensure that procedures required by the After School Care Program, inclusive of accurate student attendance recordkeeping, strict adherence to numbered receipting and deposit procedures including that official receipts are issued every time monies exchange hands, consistent use of the Receipts/Deposits Log and timely reports to the subsidizing child care agency are followed according to the guidelines in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting*.

All After School Care Program records will be reviewed, updated and monitored by Tuesday of each week by the Principal and/or the Principal's designee with the After School Care Program Manager to ensure that all records are completed accurately and that reports are prepared in a timely manner and submitted monthly. Student lunch statuses will be reviewed at the beginning of each nine weeks to ensure that rates charged are accurate and that student registration cards are updated accordingly. Reports to subsidize After School Care Program fees will be submitted monthly for reimbursement.

Budget accounts will be monitored every two weeks to monitor balances and adjust payroll expenditures of the program as needed. Currently, only three employees and one substitute are employed in the After School Care Program.

The Principal will review student registration cards to ensure payments are recorded accurately. The roster will be used to compare attendance to the registration cards. The Principal will review the Collections/Deposits Log (FM – 7249) to ensure that it is utilized for any funds held overnight or the weekend. The Principal will ensure that all After School Care Program records are up-to-date, organized and maintained efficiently in a locked file cabinet in the main office under the supervision of the Treasurer in order to safeguard all attendance and reimbursement records.

If any further information is needed, please contact me directly at (305)642-4141.

cc: Ms. Jennifer Andreu  
Ms. Cynthia Gracia  
Ms. Lourdes Jimenez

**MEMORANDUM**

November 3, 2012

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Ana M. Gutierrez, Principal  
Auburndale Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF AUBURNDALE  
ELEMENTARY SCHOOL FOR 2010-2011 AND 2011-2012 FISCAL YEARS**

This memorandum is to serve as the written response required by the Office of Management and Compliance Audits. The memorandum provides corrective actions taken at the school to address the findings and recommendations.

**RECOMMENDATIONS**

- 1.1.1 **Review with staff and administration the sign-in in/out payroll procedures and the proper documentation of payroll hours, especially part-time employees.**
- 1.2 **Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.**

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

**Management Response:**

The Principal reviewed the *Payroll Processing Procedures* with the Treasurer on November 2, 2012. The Principal relocated the payroll rosters outside the Principal's office. All hourly employees are required to record their time in/out. In addition, cafeteria hourly employees, the Treasurer, the Cafeteria Manager, the Afterschool Care Program Assistant Principal and hourly employees have been informed that it was their professional responsibility to sign in/out. All hourly employees were directed to report time themselves on the payroll rosters.

The Assistant Principal will review payroll when completed by the Treasurer ensuring correct calculation of hours. The Principal will conduct a final review and calculate hours to check accuracy.

Hours will not be reported for employees that are not listed on the payroll and have not signed in/out. The *Payroll Highlights* have been reviewed with the Treasurer and Assistant Principal on November 2, 2012.


cc: Ms. Jennifer D. Andreu  
Ms. Cynthia Gracia



MEMORANDUM

November 6, 2012

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Carla Patrick, Principal  
Edison Park K-8 Center 

**SUBJECT:** ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF EDISON  
PARK K-8 CENTER FOR THE 2010-2011 AND 2011-2012 FISCAL YEARS

The following is a response to relevant findings in the school audit report of Edison Park K-8 Center.

**RECOMMENDATIONS**

- 1.1 Coordinate the project with the Office of Facilities (with approval from the Region Office) to oversee its completion; and process the purchase of the remainder of the sound/projection system through the appropriate District channels. Going forward, the school should route similar projects through the Region Office for approval and proper coordination with other District offices, including Procurement Management Services.
- 1.2 Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; that the supporting documentation, such as quotes and bids, is complete and appropriate.
- 1.3 Ensure that separate Trust Fund accounts are utilized to account for grants and donations with different spending requirements.
- 1.4 Contact the grantor to request an extension for using expired grant funds or return funds to the grantor. If grantor allows future use, post grants in separate Trust Fund accounts for better accountability.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal and Secretary/Treasurer

**Management Response:**

The Principal has taken immediate corrective action which included meeting with the Assistant Principal and Secretary/Treasurer to review the audit findings on Monday, October 29, 2012. The Principal reviewed Section II, Chapter 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting*. The Principal has coordinated with the Region Office, Procurement Management Services and the Office of Facilities to place a shopping cart requisition for the remaining items of the sound/projection system on November 6, 2012.

In compliance with *School Board Policy 6610*, prior to making any purchases of \$1,000 or more, the Principal and the Secretary/Treasurer will contact Procurement Management Services to find out if there is an existing bid in place for the potential item(s) to be purchased. Three written quotes will be solicited, ensuring that a quote is received from a Minority/Women Business Enterprise.

The Principal contacted the Business Manager of Internal Funds on October 29, 2012 to open separate Trust Fund accounts due to the two grant awards received, one in the year 2010-2011 and the other received for the 2011-2012 school year. The Secretary/Treasurer will be responsible for keeping an accurate running record of the accounts and items purchased, in accordance with grant guidelines, under each Trust Fund account. The Principal will ensure that all grant paperwork is kept on file in entirety by the Secretary/Treasurer for purposes of monitoring that all expenditures are within the guidelines of the grant. The Principal and Assistant Principal will meet with the Secretary/Treasurer on a monthly basis to monitor all Internal Fund and Trust Fund accounts.

The Principal has contacted the Healthy Schools Program, the grantor, to request an extension of the unused grant funds from the 2010-2011 school year. We were provided, in writing, an extension from the grantor until December 1, 2012. The Principal and Secretary/Treasurer will utilize the remaining \$2444.31 in accordance with the guidelines from the grant and the *Manual of Internal Fund Accounting*.


Should you have any questions or concerns, please do not hesitate to contact me at (305) 758-3658.

cc: Ms. Jennifer D. Andreu  
Ms. Lourdes Gimenez  
Ms. Cynthia Gracia

**MEMORANDUM**

November 6, 2012

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

**FROM:** Todd W. Morrow, Principal   
Gloria Floyd Elementary

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
GLORIA FLOYD ELEMENTARY FOR JULY 1, 2011- JUNE 30, 2012**

This memorandum serves as a response to the findings in the Audit Report for Gloria Floyd Elementary School for the 2011-2012 fiscal year.

The audit findings have been carefully reviewed by the Principal. As a result, the Principal has implemented the following corrective measures in order to prevent a recurrence.

**RECOMMENDATION**

1. **Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255 to prevent funding disallowances.**

**Person(s) responsible:** Principal, Assistant Principal, SPED Chairperson, SPED Teachers, Data Input Specialist

**MANAGEMENT RESPONSE**

The Principal met with the Assistant Principal, SPED Chairperson, SPED teachers, and Data Input Specialist on September 24, 2012, to review the recordkeeping requirements of SPED records. On November 6, 2012, the Principal provided a copy of Section D of the Local Education Agency (LEA) implementation Guide to the Assistant Principal for review with the SPED Chairperson, SPED Teachers and the Data Input Specialist for their review.

On Monday, November 5, 2012 the Principal contacted the Executive Director for the Pre-K SPED Program to secure Professional Development for the SPED Teachers and the School LEA's. A Placement Specialist will be reviewing the findings with the students' IEP's and Matrix of Services and reviewing the documentation requirements with the Administration, SPED Chairperson, SPED Teachers and Data Input Specialist in order to ensure staff understands those requirements. This meeting will take place

prior to the end of the calendar year. Additionally, a Professional Development Session will take place on February 1, 2013..

The Principal will request a report of students with Matrix 254 and 255 prior to each FTE period and will make sure that the information on ISIS and the Matrix of Services is correct. DECO amendments will be made, when necessary to correct any identified issues and to realign funding with the services. This report is available to all schools through the Employee Portal.

Following each meeting when a student's Matrix of Services or IEP is created or updated, the Assistant Principal will make certain that the information being provided to the Data Input Specialist is correct. The Data Input Specialist will initial that it has been inputted. Any paperwork required to be placed in the Cumulative Record of the student will be placed in the file immediately thereafter.

The SPED Chairperson will then confirm that the information reported on the Matrix of Services, ISIS and the Cumulative Record are all correct according to the actual services the student receives. Any necessary DECO Amendments will be made within the reporting timelines.

cc: Ms. Cynthia Gracia  
Ms. Lucy C. Iturrey

**MEMORANDUM**

**November 6, 2012**

**TO:** Dr. Alexis L. Martinez, Region Superintendent  
South Region Office

**FROM:** Felicia K. Joseph, Principal  
Frank C. Martin K-8 Center



**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT  
OF FRANK C. MARTIN K-8 CENTER FOR JULY 1, 2011 THROUGH  
JUNE 30, 2012**

This memorandum serves as a response to the relevant findings in the school audit report for Frank C. Martin K-8 Center for the 2011-2012 fiscal year

**RECOMMENDATIONS**

- 1.1 Enforce proper utilization of the Collections/Deposits Log and ensure that all collections are properly safeguarded.**
- 1.2 Review the prenumbered forms inventory with staff before filing to ensure its accuracy.**
- 1.3 Review the monthly report (ITS product number T0802E0101) to monitor and ensure the propriety of staff's access to the various system applications.**

**Responsible Person(s):** Principal, Treasurer, Assistant Principal, After School Care Manager, After School Care Clerk, Principal Secretary

**Management Response:**

In order to ensure compliance with certain recordkeeping, deposit procedures and data security controls, on October 15, 2012, the Principal met with the Assistant Principal, Treasurer and the After School Care Clerk to review the proper utilization of the Collections/Deposits Log. Furthermore, the Principal provided a copy of M-DCPS Weekly Briefing No. 5164 dated November 8, 2008.

The After School Care Program Manager was instructed to turn in the deposit bag to the Treasurer. The Treasurer was directed to verify the money collected by the After School Care Program Manager and complete appropriately the Collections/Deposits Log. The Principal and/or Assistant Principal will review the Collections/Deposits Log daily to ensure that it is properly completed and signed. A secured locked area was identified by the Principal where funds will be placed until the armored car service picks up the funds. All funds will remain in a locked area with the Treasurer until the armored car serviceman arrives in office to pick up the funds.

On October 22, 2012, the Principal met with the Treasurer and After School Care Clerk to review the current use of pre-numbered forms and to determine appropriate corrective action. All

pre-numbered forms utilized prior to the 2011-2012 fiscal year will be properly stored with the appropriate fiscal year financial documents to ensure accessibility during future audits and to allow for the sequential use of documents. All receipt books containing unused pre-numbered forms from prior fiscal years will be voided and forwarded to the auditor for proper disposal. In order to ensure accuracy, pre-numbered Forms Inventory [FM-3564] will be reviewed by the Treasurer and Principal prior to filing in order to ensure accuracy.

The Principal reviewed Weekly Briefing No. 7784. The WGBA (Electronic Gradebook Attendance Manager) application, along with all other authorized applications will be monitored monthly by the Principal utilizing the *Authorized Applications for Employees by Locations* report.

This report will be printed and made available for the Principal to review no later than the 15<sup>th</sup> of each month. A reoccurring task has been added to the Principal's Secretary calendar to ensure report availability. The Principal revoked access to the WGBA application for the individual in question. Adjustments to authorizations will be made as needed to ensure compliance pursuant to Weekly Briefing No. 7784.

#### **RECOMMENDATIONS**

- 2.1 Ensure that staff assigned to oversee this program is aware of the guidelines and expectations and contacts the appropriate district office, as needed, for advice.**
- 2.2 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered in ISIS.**
- 2.3 Periodically review the program with assigned staff to ensure that records are maintained up-to-date.**

**Responsible Person(s):** Principal, Assistant Principal, Registrar and ESOL Teachers

#### **Management Response:**

On October 4, 2012 the Principal met with the Assistant Principal overseeing the ELL program and provided him with the District's ELL compliance documents for immediate review. The Principal authorized access to WLEP to the Assistant Principal overseeing the ELL program. Additionally, The Principal contacted the appropriate District Supervisor following the audit and requested assistance and guidance. On October 5, 2012, the District Supervisor reported to the school to offer one to one guidance to the Assistant Principal to ensure an understanding of the district, state and federal procedures to be followed.

A complete self-review of all ELL folders has been conducted at the school site, utilizing the ELL Folder Checklist in an effort to ensure that all required documentation is available. This practice will be maintained and periodic self-reviews conducted to ensure the proper maintenance of records. The Registrar will notify the overseeing Assistant Principal of all student entries within the ELL program so that incoming cumulative folders and LEP documentation may be reviewed and amended accordingly.


For further information regarding this response, please contact, Felicia Joseph, Principal of Frank C. Martin K-8 Center at 305-238-3688.

cc: Ms. Cynthia Gracia  
Ms. Lucy Iturrey

**MEMORANDUM**

**November 6, 2012**

**TO:** Dr. Alexis Martinez, Region Superintendent  
South Region Office

**FROM:** Madelyn Sierra-Hernandez, Principal  
Irving and Beatrice Peskoe K-8 Center 

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF IRVING AND BEATRICE PESKOE K-8 CENTER FOR THE 2011-2012 FISCAL YEAR**

The following is a response to the findings in the Audit report for Irving and Beatrice Peskoe K-8 Center for the 2011-2012 Fiscal Year.

**RECOMMENDATION**

1. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate; and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

**Responsible Person (S):** **Principal, Assistant Principal, ELL/Spanish Teacher**

In order to ensure compliance with the guidelines and procedures for maintaining ELL student information, the Principal made a change in assignment related to the faculty member responsible for completing and monitoring the ELL student information.

The Principal reviewed the 2012-2013 Opening of School Guidelines and Procedures and the District Plan for Services to English Language Learners (ELL) with the Assistant Principal and the newly assigned teacher on September 5, 2012. In addition, the teacher will attend Professional Development sessions offered by the Bilingual Education and World Languages Department.

The Principal held an ELL compliance meeting on September 5, 2012, with all Administrative, Instructional, and Clerical Personnel responsible for ELL documentation to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

A mentor teacher from another school has been assigned to the ELL/Spanish Teacher to assist with guidance and questions. The ELL/Spanish Teacher visited the mentor teacher on September 19, 2012 to review various compliance documents and strategies to ensure all guidelines are met. On September 26, 2012, the mentor teacher visited the ELL/Spanish Teacher to provide additional support in maintaining proper documentation. In addition, the Principal provided a copy of the 2012-2013 Opening of Schools guidelines and procedures for maintaining ELL student information to the ELL/Spanish Teacher. Furthermore, the Principal reviewed the document with the ELL/Spanish Teacher.

The Principal advised the Assistant Principal, ELL Chairperson, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. The team was instructed to ensure that the ELL/LEP plans are dated appropriately. Furthermore, the team was instructed to review the cumulative records with focused attention to detail and accuracy.

The ELL Teacher will receive an attendance bulletin daily to monitor the entry of possible LEP students and ensure the date on entry and participation documents are accurate. Reports available in the portal under the Limited English Proficient link, as well as, possible LEP error reports available in Control-D are reviewed and/or printed on a monthly basis to monitor the LEP students and their status.



The Principal will continue to monitor the documentation of ELL student documentation. The Principal directed the team to continue to conduct mini self-reviews of randomly selected cumulative folders and records of ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual.


If you have any further questions or concerns regarding this matter, please feel free to contact me at (305) 242-8348.

cc: Ms. Cynthia Gracia  
Ms. Lucy C. Iturrey

**MEMORANDUM**

November 6, 2012

**TO:** Dr. Alexis Martinez, Region Superintendent  
South Region Office

**FROM:** Deborah Leal, Principal   
Hammocks Middle School

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT  
OF HAMMOCKS MIDDLE SCHOOL FOR THE 2011-2012  
FISCAL YEAR PERIOD ENDED JUNE 30, 2012**

The following is a response to relevant findings in the school audit report of Hammocks Middle School for the 2011-2012 Fiscal Year.

**RECOMMENDATIONS**

- 1.1. **Review with staff and administration the proper procedures for signing in and out on the Daily Payroll Attendance Sheets, and remind them not to record attendance on behalf of others.**
- 1.2. **Periodically review Daily Payroll Attendance Sheets to ensure staff adheres to the proper procedures for recording the attendance.**

**Person(s) Responsible:** Principal, Assistant Principal(s), Principal's Secretary/Payroll Clerk, and Cafeteria Manager

**MANAGEMENT RESPONSE**

In order to ensure the adequate documenting, recordkeeping, and reporting of payroll, on October 25, 2012, the Principal met with the Assistant Principal, Cafeteria Manager, and Principal's Secretary/Payroll Clerk to review the *Payroll Processing Procedures Manual* and Payroll Highlights published by the Payroll Department.

A system was established to provide for the careful review of the Daily Payroll Attendance Sheets by both the payroll clerk and the principal or designee. This will ensure that all employees will sign in and out on a daily basis and proper notations are made when employees are out of the building. Every morning, the payroll sheets will be reviewed by an Assistant Principal and the Payroll Clerk, approximately 30 minutes after the start of the regular work day, to ensure proper payroll procedures are followed.

The Principal will review 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 at the scheduled faculty meeting of November 13, 2012.

On November 13, 2012, the principal will also meet with the cafeteria staff to carefully review and discuss payroll procedures to ensure that each employee understands how to report their time and attendance on the Daily Payroll Attendance Sheets, with emphasis on the importance of never recording attendance on behalf of others on the roster.

## RECOMMENDATIONS

- To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Person(s) Responsible:** Principal, Assistant Principal(s), Registrar, ESOL teachers, and ESOL Clerical Personnel

## MANAGEMENT RESPONSE

The Principal held an ELL compliance meeting on October 25, 2012, with all administrative, instructional, and clerical personnel responsible for ELL documentation to ensure full compliance with all ESOL guidelines. A timeline for reviewing and updating LEP folders was established to ensure all requirements are being met, beginning with each new school year. A new ESOL Clerical person has been retained to ensure compliance. All current LEP folders were reviewed and subsequently corrected, as needed.

The ESOL Clerical person will review all incoming or new registrations to ensure compliance with ELL program guidelines. At the beginning of each school year, a new ELL/LEP Student Plan will be updated and printed out to include Program Participation on page 2 of the plan. As new ELL students enter the school, cumulative folders will be reviewed for compliance in all areas before being filed.

At the start of each new school year, LEP folders for students entering sixth grade will be reviewed for missing information. The elementary schools will be contacted for missing information, including CELLA Student Score Reports, and documentation will be placed in the students' LEP folder accordingly. The Notice to Parents/Guardians of Limited English Proficient (LEP) Students will be placed in LEP folders for all students in the program. Student schedules will be printed and placed in the LEP folders immediately to ensure compliance.

The team has also been instructed to ensure that LEP committees are convened regularly, properly documented, and detailed on the LEP plan. Students with six semesters or more will be discussed and reviewed for appropriate testing and the students' LEP folder will be updated accordingly.

If you should require additional information, please feel free to contact me at 305-385-0896.

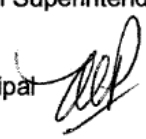
cc: Ms. Cynthia Gracia  
Ms. Lucy Iturrey

**MEMORANDUM**

November 6, 2012

**TO:** Dr. Alexis L. Martinez, Region Superintendent  
South Region Office

**FROM:** Mrs. Magda R. Pereira, Principal  
Southwood Middle School



**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT  
OF SOUTHWOOD MIDDLE SCHOOL FOR THE 2011-2012  
FISCAL YEAR - JULY 1, 2011 THROUGH JUNE 30, 2012**

This memorandum serves as a response to the relevant findings in the school audit report for Southwood Middle School for the 2011-2012 Fiscal Year.

**RECOMMENDATIONS**

- 1.1 **Going forward, ensure that similar purchases involving remodeling or improvement projects receive approvals from the region and District offices prior to commencing the work and/or engaging a vendor.**
- 1.2 **Establish source and availability of funds before making a purchase.**
- 1.3 **Ensure that all purchases comply with purchasing guidelines of the District.**
- 1.4 **Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; and that the supporting documentation, such as quotes and bids, is complete and appropriate.**
- 1.5 **School should take advantage of District bids when making purchases.**

**Responsible Person(s):** Principal, Assistant Principals, Treasurer, Activities/Athletics Coordinator, Magnet Lead Teacher, Club Sponsors, Athletic Coaches, and Department Chairperson

**Management Response:**

In order to ensure compliance with disbursement guidelines effective immediately, all capital improvement purchases involving remodeling or improvement projects will be initiated by the Principal in order to receive

approvals from the region and District offices, prior to engaging a vendor and/or commencing the work.

The Principal met with the Assistant Principals and the Treasurer on October 26, 2012 to review the findings and recommendations along with Section II, Chapter 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* and School Board Policies. The principal, specifically reviewed School Board Policy 6610 *Internal Accounts*. Effective immediately, the purchasing process for the 2012-2013 school year has been streamlined. On October 29, 2012, the Administration created a purchasing checklist, which moving forward must be attached to all purchase orders. Subsequently, a check and balance system has been implemented to ensure that all purchases adhere to the *Manual of Internal Fund Accounting* and all School Board Rules pertinent to expenditures. The designated Administrator must review the purchasing checklists, quotes, and all documents attached to the purchase order prior to submitting it to the Treasurer.

The Treasurer will review all documents submitted and attach the accounts available funds report to justify that adequate funds are available in the account. On a weekly basis, the Principal will meet with the Treasurer to review the purchase order checklist, the availability of funds report, and any quotes or documents attached to purchase orders.

Additionally, at the November 13, 2012 faculty meeting, the faculty and staff will receive professional development regarding School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000 which were implemented during the 2011-2012 fiscal year. Furthermore, the faculty and staff will receive training regarding the new internal purchasing process and procedures, implemented for the 2012-2013 school year.

If you need any additional information, please do not hesitate to contact me at (305) 251-5361.

cc: Ms. Cynthia Gracia  
Ms. Lucy Iturrey

MRP/sh

MEMORANDUM

November 5, 2012

TO: Dr. Pablo G. Ortiz, Assistant Superintendent  
Education Transformation Office (ETO)

FROM: Gregory M. Bethune, Principal *GB*  
Miami Central Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF MIAMI CENTRAL  
SENIOR HIGH SCHOOL FOR THE 2011-2012 SCHOOL YEAR

The following is in response to the findings in the school audit report of Miami Central Senior High School. A Management Plan has been developed to address the recommendation listed below.

**FINDING**

**Year-End Athletic Ticket Inventory Not Prepared At Year-End Game And Reports Not Presented For Audit**

**RECOMMENDATIONS**

- 1.1 Review with Athletic Department staff the procedures regarding the preparation of the athletic ticket inventory, the reconciliation of ticket sales, and the preparation of game reports for awareness and understanding of the guidelines.
- 1.2 Periodically review the game reports and ticket sales to ensure compliance with the procedures.

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

**Management Response:**

The Principal has thoroughly reviewed the findings cited in the Internal Funds Audit Report for the 2011 – 2012 fiscal year. The school was negligent in producing and providing proof of completed game reports for the 2011 football season. In addition to the lack of availability of game reports, there was an inability to prove that the proper channels were taken concerning counterfeit ticket sales. In an effort to correct these deficiencies the following steps were taken:

A meeting was conducted with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer to review, develop and implement a corrective action plan and identify strategies to monitor and ensure future compliance at the conclusion of athletic events. The aforementioned responsible individuals have been directed to ensure that the appropriate steps are taken to maintain accurate record keeping as it relates to ticket sales. During the meeting, the Principal reviewed Section III, Chapter 1 of the *Manual of Internal Fund Accounting*, which establishes the policies and procedures for the Athletic program. The Principal instructed the Treasurer and the Athletic Administration to closely monitor the process to ensure accurate procedures are adhered to in a timely manner. The Principal will verify that the procedures are followed as they relate to the recording and reporting of ticket sales, game reports and ticket counts.

Additionally, the Principal directed his staff to alert him of any possible fraudulent activity detected at athletic events related to the ticket sales so it can be reported to the proper authorities.

The Assistant Principal, Athletic Business Manager and the Treasurer will monitor the Athletic account on an on-going basis and update the Principal weekly regarding the status of the game reports.

The Principal along with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer will participate in the District supported Money Matters Support Program. The Principal will meet periodically with the Treasurer to review compliance with all procedures related to internal funds purchases and the procedures for making disbursements and maintaining proper accountability and documentation as well as all District weekly briefings relating to Internal Fund purchases.

#### **FINDING**

### **2. Disbursements Related To Educational Excellence School Advisory Council And Other Areas Inappropriately Processed Through The Instructional Materials And Supplies (FUND 9) Account**

#### **RECOMMENDATION**

**2.1 Review the disbursement procedures with the staff to ensure a proper understanding of the requirements and expectations.**

**2.2 Monitor purchases made through the Fund 9 account to ensure that they are allowable as delineated in the Manual.**

**2.3 Monitor the Fund 9 account to ensure it is replenished in a timely fashion.**

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

#### **Management Response**

The Principal met with the school's Treasurer to review Section III, Chapter 9 of the *Manual of Internal Fund Accounting* which delineates the procedures for processing disbursements using the Instructional Material and Supplies (Fund 9) Account. As a result, the Principal and Treasurer have a thorough understanding of the general accounting policies and procedures regarding Fund 9 revenues and replenishment procedures. Effective immediately, the Fund 9 account will be closely monitored to guarantee the replenishment during the fiscal year when 25% of the threshold limit has been expended by the school.

In an effort to ensure that the proper allowable purchases are made through Fund 9, the following will take place:

- The principal and treasurer will participate in the ongoing Money Matters trainings.
- The treasurer will continue to seek clarification through the Business Manager on any purchases or situations not clearly defined in the *Manual of Internal Fund Accounting*.
- The principal and the treasurer will meet weekly to discuss all purchases made through Fund 9 and its replenishment in a timely manner.

#### **FINDING**

### **3. Inadequate Controls Over Yearbook Sales**

#### **RECOMMENDATION**

**3.1 Ensure that staff understands and adheres to the procedures for completing yearbook reports, and maintaining on file complete documentation related to the activity.**

**3.2 Direct the yearbook sponsor to supervise all financial transactions processed by the treasurer and also direct the sponsor to prepare all reports.**

3.3 Order yearbooks in quantities which are commensurate with student demand.

3.4 Ensure that the yearbooks' cost per unit is properly estimated to charge students as close to cost as possible.

3.5 Periodically meet with yearbook sponsor and the treasurer to monitor the activity's progress and discuss the status of the ongoing sales campaign.

**Person(s) Responsible: Principal, Assistant Principal, Activities Director, Yearbook Sponsor and Treasurer**

**Management Response**

The principal has reviewed the findings regarding the yearbook sales. The following steps will ensure full compliance when purchasing yearbooks in the future:

- All future yearbook orders will depend on student demand and previous years' sales.
- A new yearbook sponsor has been hired and has attended trainings regarding yearbook sales and administrative expectations regarding orders.
- The sale of yearbooks online has been discontinued.
- A school wide pre-sale campaign for yearbooks will take place earlier than in previous years.
- All operating reports will be submitted in a pre-designated manner.

**FINDING**

**4. Inadequate Controls Over Property Inventory Result In Loss of Equipment**

**RECOMMENDATIONS**

4.1 Devise and Implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.

4.2 Ensure that the entire school staff, especially those in charge of property management is fully aware of the procedures for safeguarding and maintaining control over property.

4.3 Strengthen the monitoring and accounting of property, and periodically conduct in house property inventories.

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

**Management Response**

In reviewing the property audit, there were several items that allegedly were destroyed with the demolition of Carter Hall. Several large ticket items were destroyed, but no paperwork to support this claim was ever presented to the auditor.

In order to ensure that the existing exception regarding property doesn't re-occur the following will take place:

- In House Property Reviews held Semi-Annually
- Survey out all non-essential items with Position Control Numbers
- Maintain all property records(Incoming and Outgoing Property) in one centralized location
- Assign an administrator to conduct the In House Property Reviews
- Properly house and maintain all items under Property Control

cc: Ms. Martha H. Montiel

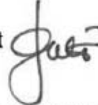


MEMORANDUM

November 12, 2012  
JLD#025/2012-2013  
305-572-2800

TO: Ms. Valtena Brown, Chief Operating Officer  
School Operations

FROM: Jose L. Dotres, Region Superintendent  
North Region Office



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

Please find attached the responses to the audit findings for the 2010-2012 fiscal year for Palm Springs Elementary School, Oak Grove Elementary School, West Hialeah Gardens Elementary School, W.J. Bryan Elementary School, Fienberg Fisher K-8 Center, Andover Middle School and Jose Marti MAST 6-12 Academy. North Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Palm Springs Elementary**

**1. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances**

The North Region Office Financial/Business Operations Director will solicit assistance from the Division of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the school's mini-reviews will be submitted to the North Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Oak Grove Elementary**

**1. Controls Over the bookkeeping function were inadequate and former treasurer fraudulently issued checks and misappropriated funds**

The North Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the District procedures as outlined in the Manual of Internal Fund Accounting for monitoring account balances, maintaining checkbook balances and adjustments to ensure accurate monthly reconciliation reports.

The Financial/Business Operations Director instructed the Principal to establish a systematic plan to ensure proper safeguarding of schools' funds as it pertains to the receipt and deposit of funds, maintenance of the checkbook and disbursement of funds.

**West Hialeah Gardens Elementary**

**1. English Language Learner's (ELL) Student Records Resulted in Potential FTE Funding Disallowances**

The North Region Office Financial/Business Operations Director will solicit assistance from the Division of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the school's mini-reviews will be submitted to the North Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**W.J. Bryan Elementary**

**1. Inadequate recordkeeping, documenting, and reporting of payroll.**

The North Region Office Financial/Business Operations Director instructed the Principal to review with staff the Payroll Processing Procedures Manual and establish a systematic plan to ensure proper sign-in/out procedures are followed.

The North Region Office Financial/Business Operations Director instructed the Principal to establish a systematic review of payroll and ancillary documentation prior to payroll approval to ensure that the documentation supports the payroll reported.

**Fienberg Fisher K-8 Center**

**1. Questionable purchases and bookkeeping function not compliant with district policy.**

The North Region Office Financial/Business Operations Director has instructed the Principal to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place to safeguard schools' funds.

The North Region Office Financial/Business Operations Director will solicit assistance from the District and neighboring schools to conduct mini-reviews of all receipt and disbursement of funds.

The North Region Office Financial/Business Operations Director instructed the Principal to review with staff Section II Chapter 5 of The Manual of Internal Fund Accounting to ensure bank reconciliation procedures are followed in a timely manner.

**Andover Middle**

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

The North Region Office Financial/Business Operations Director instructed the Principal to review with staff the Payroll Processing Procedures Manual and establish a systematic plan to ensure proper sign-in/out procedures are followed.

The North Region Office Financial/Business Operations Director instructed the Principal to establish a systematic review of payroll and ancillary documentation prior to payroll approval to ensure that the documentation supports the payroll reported.

**1. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances**

The North Region Office Financial/Business Operations Director will solicit assistance from the Division of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the school's mini-reviews will be submitted to the North Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Jose Marti MAST 6-12 Academy**

**1. School Non-Compliant With Certain Fundraising/Student Activities And Disbursement Guidelines**

The Financial/Business Operations Administrative Director instructed the Principal to become thoroughly familiar with Section II, Chapter 6 and Section III, Chapter 9 of the Manual of Internal Fund Accounting and School Board Policy 6610, *Internal Accounts* and to develop, implement, a systematic plan to ensure that Disbursements/Expenditures meet the stipulated guidelines.

School Principals will participate in the District's Mandatory Money Matters Support Program.

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

JLD/VSP/sr

Attachments

cc: Dr. Daniel Tosado  
Ms. Cynthia Gracia  
Ms. Vivian M. Santiesteban-Pardo

**MEMORANDUM**

November 6, 2012

AP#040/2012-13

**TO:** Ms. Valtena Brown, Chief Operating Office  
School Operations

**FROM:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**SUBJECT:** **CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORTS  
FOR AUBURNDALE ELEMENTARY, CITRUS GROVE ELEMENTARY,  
SWEETWATER ELEMENTARY AND EDISON PARK K-8 CENTER**

The following is a response to relevant findings in the schools audit reports.

Central Region Office has reviewed the audit response for the above-mentioned schools.

**AUBURNDALE ELEMENTARY  
RECOMMENDATIONS:**

- 1.1 Review with staff and administration the sign-in in/out payroll procedures and the proper documentation of payroll hours, especially part-time employees.
- 1.2 Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.

**CITRUS GROVE ELEMENTARY  
RECOMMENDATIONS:**

- 1.1 Re-address staff assignments in charge of the operation of the program and request re-training of staff.
- 1.2 Discuss the receipting and depositing procedures with personnel for awareness and understanding of the requirements and expectations.
- 1.3 Ensure that official receipts are issued every time monies exchange hands.
- 1.4 Ensure that the Receipts/Deposits log is used consistently.

- 1.5 Discuss student attendance/payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.
- 1.6 Ensure that records are maintained in a secure area and direct the After School Care Program manager to monitor and safeguard all attendance and reimbursement records.
- 1.7 Ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 1.8 Strengthen oversight of the program and periodically meet with the After School Care Program manager to review the activity of the program.
- 1.9 Periodically review student lunch statuses to ensure that rates charged are accurate and update student registration cards accordingly.

**SWEETWATER ELEMENTARY  
RECOMMENDATIONS:**

- 1.1 Review deposit package documentation and official teacher's receipt books to ensure that all monies collected are being deposited.
- 1.2 Periodically review the attendance and payment records to ensure their completeness and accuracy.

**EDISON PARK K-8 CENTER  
RECOMMENDATIONS:**

- 1.1 Coordinate the project with the Office of Facilities (with approval from the Region Office) to oversee its completion; and process the purchase of the remainder of the sound/projection system through the appropriate District channels. Going forward, the school should route similar projects through the Region Office for approval and proper coordination with other District offices, including Procurement Management Services.
- 1.2 Strengthen controls over the disbursement function to ensure that disbursements are made according to the specific account guidelines; that the supporting documentation, such as quotes and bids, is complete and appropriate.

- 1.3 **Ensure that separate Trust Fund accounts are utilized to account for grants and donations with different spending requirements.**
- 1.4 **Contact the grantor to request an extension for using expired grant funds or return funds to the grantor. If grantor allows future use, post grants in separate Trust Fund accounts for better accountability.**

As a result of the audit findings, the following support activities will be implemented at the Region level:

- The affected principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Administrative Director will review internal funds records periodically throughout the school year to ensure compliance with the Manual of Internal Fund Accounting.
- The Administrative Director will direct Principals to attend financial training workshops to help successfully monitor funds. The first training was held on October 9, 2012 and the second training will be held on November 15, 2012.

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

cc: Ms. Jennifer D. Andreu  
Ms. Cynthia Gracia

MEMORANDUM

November 8, 2012

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

FROM: Dr. Alexis Martinez, Region Superintendent  
South Region Office



SUBJECT: **RESPONSES TO AUDIT REPORT OF SOUTH REGION OFFICE SCHOOLS**

Please find attached the responses to the audit findings for the 2011-2012 fiscal year for Gloria Floyd Elementary School, F.C. Martin K-8 Center, Irving & Beatrice Peskoe K-8 Center, Hammocks Middle School, and Southwood Middle School. South Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Gloria Floyd Elementary School**

**1. Discrepancies in Special Education (SPED) Student Records Resulted in Potential Full-Time (FTE) Funding Disallowances**

The South Region Office Financial/Business Operations Director will solicit assistance from the SPED Department to conduct mini-reviews each semester for compliance in selected areas of SPED Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Frank C. Martin K-8 Center**

**1. Follow-Up to Prior Year Audit Disclosed Non-Compliance with Certain Recordkeeping , Deposit Procedures and Data Security Controls**

The Financial/Business Operations Director instructed the Principal to thoroughly review M-DCPS Weekly Briefing No. 5164 and establish a systematic plan to follow to ensure the proper safeguarding of the schools' funds.

The Financial/Business Director instructed the Principal to review Section V, Chapter 1 of the *Manual of Internal Fund Accounting* and to ensure that the inventory of pre-numbered forms was properly maintained.

The Financial/Business Director instructed the Principal to review Weekly Briefing No. 7784 and periodically review access to the WGBM and WGBA applications and ensure compliance.

**2. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances**

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

### Irving & Beatrice Peskoe K-8 Center

#### **1. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances**

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

### Hammocks Middle School

#### **1. Inadequate Recordkeeping, Documenting, And Reporting of Payroll**

The Financial/Business Operations Administrative Director instructed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systemic, approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Attendance Sheet.

The Financial/Business Operations Administrative Director will conduct two site-reviews to ensure compliance with all the guidelines found in the *Payroll Processing Procedures Manual* and to observe the sign-in procedure for hourly employees.

#### **2. English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances**

The Financial/Business Operations Administrative Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

### Southwood Middle School

#### **1. School Non-Compliant With Certain Disbursements Guidelines**

The Financial/Business Operations Administrative Director instructed the principal to become thoroughly familiar with Section II, Chapter 6 and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* and School Board Policy 6610, *Internal Accounts* and to develop, implement, and submit a written plan to ensure that Disbursements/Expenditures meet the stipulated guidelines.

School Principals will participate in the District's Mandatory Money Matters Support Program.

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

ALM/li  
M#34


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



**MEMORANDUM**

**November 15, 2012**

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

**FROM:** Valtena G. Brown, Chief Operating Officer   
School Operations

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

School Operations has reviewed the audit exceptions cited in the 2010-2011 and/or 2011-2012 fiscal year(s) audit reports of the following 16 schools reporting to the North, Central and South Region Offices: Andover Middle School, Fienberg/Fisher K-8 Center, Jose Marti MAST Academy; Oak Grove Elementary School, Palm Springs Elementary School, W. J. Bryan Elementary School, West Hialeah Gardens Elementary School, Sweetwater Elementary School, Edison Park K-8 Center, Citrus Grove Elementary School, Auburndale Elementary School, Gloria Floyd Elementary School, Frank C. Martin K-8 Center, Irving & Beatrice Peskoe K-8 Center, Southwood Middle School, and Hammocks Middle School

- School Operations will review results quarterly of the Region Business Directors' reviews of selected areas of Internal Funds, including Bank Reconciliations and Recordkeeping, Receipts/Deposits, Disbursements, Field Trips, Fundraising and School Activities. Similarly, School Operations will review quarterly reviews in the area of Payroll, Principal-Operated After School Care Programs, FTE records and procedures, and school site data security to ensure continued compliance with District policy.
- Discrepancies with the areas cited above will be investigated through the appropriate Region Office.
- School Operations will work collaboratively with Region Offices and facilitate appropriate training and assistance from District Offices in the areas of Internal Funds, Payroll, Principal-Operated After School Care Programs, FTE records and procedures and Data Security, respectively.
- Furthermore, School Operations will keep on file Region results of the mini-reviews held with principals in selected areas noted in these schools' audit findings/responses.
- The Money Matters Support Program will provide information to school site administration and staff on best business practices, including proper implementation of Internal Funds procedures and related financial areas of concern.

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

VGB:cg  
M053

cc: Dr. Daniel Tosado  
Region Superintendents  
Region Business Directors

MEMORANDUM

November 9, 2012  
PGO/2012-2013/M024  
305-995-1168

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

FROM: Dr. Pablo G. Ortiz, Assistant Superintendent  
Education Transformation Office 

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF MIAMI CENTRAL  
SENIOR HIGH SCHOOL FOR THE 2011-2012 SCHOOL YEAR

Please find attached the response to the internal funds audit for the 2011-2012 fiscal year for Miami Central Senior High School. The Education Transformation Office (ETO) has reviewed the audit exceptions cited. The following support activities will be implemented.

**Year-End Athletic Ticket Inventory Not Prepared At Year-End Game And Reports Not Presented For Audit**

- 1.1 Review with Athletic Department staff procedures regarding the preparation of the athletic ticket inventory, the reconciliation of ticket sales, and the preparation of game reports for awareness and understanding of the guidelines.
- 1.2 Periodically review the game reports and ticket sales to ensure compliance with the procedures.
  - The Education Transformation Office Administrative Director directed the Principal to meet with the new Athletic Business Manager, Athletic Director and Treasurer to thoroughly review the procedures for the preparation of the athletic ticket inventory, reconciliation of ticket sales and the preparation of game reports.

**Disbursements Related To Educational Excellence School Advisory Council And Other Areas Inappropriately Processed Through The Instructional Materials And Supplies (FUND 9) Account**

- 2.1 Review the disbursement procedures with the staff to ensure a proper understanding of the requirements and expectations.
- 2.2 Monitor purchases made through the Fund 9 account to ensure that they are allowable as delineated in the Manual.
- 2.3 Monitor the Fund 9 account to ensure it is replenished in a timely fashion.
  - The Principal was instructed to personally review disbursements, ensuring that they are included in the list of allowable expenditures using Fund 9 revenue.
  - The Principal was instructed to monitor the timely reconciliation of Fund 9
  - The Education Transformation Office Administrative Director will monitor compliance of internal funds procedures by reviewing monthly financial reports and conducting site visits to verify.

**Inadequate Controls Over Yearbook Sales**

- 3.1 Ensure that staff understands and adheres to the procedures for completing yearbook reports, and maintaining on file complete documentation related to the activity.
- 3.2 Direct the yearbook sponsor to supervise all financial transactions processed by the treasurer and also direct the sponsor to prepare all reports.
- 3.3 Order yearbooks in quantities which are commensurate with student demand.

3.4 Ensure that the yearbooks' cost per unit is properly estimated to charge students as close to cost as possible.

3.5 Periodically meet with yearbook sponsor and the treasurer to monitor the activity's progress and discuss the status of the ongoing sales campaign.

- The Principal has been directed to closely monitor 2012-2013 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner.

**Inadequate Controls Over Property Inventory Result In Loss of Equipment**

4.1 Devise and Implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.

4.2 Ensure that the entire school staff, especially those in charge of property management is fully aware of the procedures for safeguarding and maintaining control over property.

4.3 Strengthen the monitoring and accounting of property, and periodically conduct in house property inventories.

- The Principal has been directed to meet with all persons assigned to property accounting. All parties have reviewed the *Manual of Property Control Procedures*. The property accounting will be reassigned to an Assistant Principal. A system will be in place to inventory property at the end of each trimester as well as to dispose of old, unused property in a timely manner.

The school's Principal will be required to participate in the mandatory District Money Matters Support Program during the 2012-2013 school year.

The Education Transformation Office will continue to work with the Principal to promote efficient fiscal practices. Should you have any questions, please contact me at (305) 995-3091.

cc: Ms. Martha H. Montiel  
Ms. Cynthia Gracia  
Mr. Gregory M. Bethune

PGO:wc  
M024



# MIAMI-DADE COUNTY PUBLIC SCHOOLS ANTI-DISCRIMINATION POLICY

## *Federal and State Laws*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **In Addition:**

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

*Revised: (07-11)*

# MIAMI-DADE COUNTY PUBLIC SCHOOLS



## INTERNAL AUDIT REPORT SELECTED SCHOOLS DECEMBER 2012



Office of Management and Compliance  
Audits

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