

**AUDIT OF THE INTERNAL FUNDS
OF
ACCESS CENTER 2 SECONDARY SCHOOLS
AUGUST 2004**

**AUDIT COMMITTEE MEETING
SEPTEMBER 7, 2004**

**SCHOOL BOARD MEETING
OCTOBER 20, 2004**

OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Rudolph F. Crew, Ed.D.

Chief Auditor

Allen M. Vann, CPA

Assistant Chief Auditor

Jose F. Montes de Oca, CPA

Miami-Dade County School Board

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Dr. Solomon C. Stinson*

August 30, 2004

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

Ladies and Gentlemen:

The Office of Management and Compliance Audits has completed the audits of the internal funds of all 12 secondary schools from ACCESS Center 2. The audit period, depending on the school being audited, was either one or two fiscal years ended June 30, 2004.

The audits included a review of the internal funds and payroll records. We also reviewed the Community School Program records at schools having the program, which is accounted through the internal funds. In addition, a review of the Procurement Credit Card Program was performed at two schools, while food service program records and procedures were reviewed at one school. Property inventory results and analysis of property losses reported through the Plant Security Report process are not included in this report, because the latest physical inventories of property for all ACCESS Center 2 schools were published less than three months ago, at the June 2004 meeting. On that report, the schools from this ACCESS center did not report any "unlocated" items, and property losses reported through the Plant Security Report process were mostly in the area of computer equipment. Consequently, property inventories for ACCESS Center 2 schools will be conducted later this year, and will be published accordingly.

Our audits indicated that 8 of the 12 schools in this report were in compliance with prescribed policies and procedures and their internal funds and payroll records were maintained in good order. At four schools, there were exceptions in the areas of internal funds and payroll. Our review of the Procurement Credit Card Program and food service records and procedures disclosed that procedures were followed at the schools where such reviews were conducted.

The findings noted in this report were discussed with the appropriate ACCESS Center staff and principals, whose responses are included in this report and with which we concur. This report will be presented to the Audit Committee at its September 7, 2004 meeting and to the School Board at its October 20, 2004 meeting.

Sincerely,

Allen M. Vann, CPA
Chief Auditor

Office of Management and Compliance Audits

AMV:mtg

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I. INTRODUCTORY SECTION

BACKGROUND

Internal funds are monies collected and expended within a school which are used for financing the normal program of school activities not otherwise financed, for providing necessary and proper services and materials for school activities and other purposes consistent with the school program as established and approved by the School Board. Internal funds monies are collected in connection with summer program activities, school athletic events, fund-raising activities, gifts and contributions made by the band or athletic booster clubs, civic organizations, parent-teacher organizations, and commercial agencies and all other similar monies, properties or benefits. Internal funds which are temporarily idle shall, as required by law, be invested with designated depositories pursuant to policies of the School Board using any medium of investment of public funds, and may not exceed insurance protection or other legal collateral limits provided for such public funds. Some of the schools invested their idle funds in such designated depositories, while others invested them in the MDCPS-Money Market Pool Fund. The investments in the MDCPS-Money Market Pool Fund were made with an open-end maturity in that the funds remain invested and are accessible to the schools upon demand. The interest rates as of June 30, 2003 and June 30, 2004 were 2.37% and 1.86%, respectively. The principal of each individual school, and his/her staff, are charged with the responsibility of performing the actual internal accounting functions in accordance with the Manual of Internal Accounting¹.

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

The Office of Management and Compliance Audits has performed the audits of the internal funds accounts at the schools enumerated in the Table of Contents section of this report, as required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087, which requires that, "The School Board shall...provide for an annual audit of internal funds by a person certified by the State Board of Accountancy as a certified public accountant or a public accountant, or qualified internal auditing staff employed by the board. The auditor shall submit a signed, written report to the school board covering internal funds, which shall include any notations of any failure to comply with requirements of Florida Statutes, State Board Rules and policies of the school board, and commentary as to financial management and irregularities. Such audit shall be presented to the school board while in session and filed as a part of the public record." Emphasis was placed in determining compliance with various Florida Statutes, Board Rules, and particularly, the policies and procedures prescribed by the Manual of Internal Accounting¹.

¹At the School Board meeting of March 17, 2004, the School Board repealed the Manual of Internal Accounting and promulgated a new Manual of Internal Fund Accounting, under the final approval to amend School Board Rules 6Gx13- ~~3D-1.021~~ and 6Gx13- ~~3D-1.061~~, and to repeal to School Board Rule 6Gx13- ~~3D1.06~~. Although this action took effect, the Manual of Internal Accounting is cited in this Audit Report, because it was the official document during the 2002-03 and 2003-04 fiscal years. As agreed by the Office of the Controller and this office, enforcement of the Manual of Internal Fund Accounting will take effect, for audit purposes, beginning with the 2004-05 fiscal year.

SUPERINTENDENT OF SCHOOLS
Dr. Rudolph F. Crew

CURRICULUM AND INSTRUCTION
DEPUTY SUPERINTENDENT
Ms. Mercedes Toural

ACCESS CENTERS
ASSOCIATE SUPERINTENDENT
Ms. Willa S. Young

ACCESS CENTER 2
ASSISTANT SUPERINTENDENT
Ms. Erid Weisman

ACCESS CENTER 2 BUSINESS DIRECTOR
Dr. Ronnie L. Hunter

<u>SCHOOL</u>	<u>PRINCIPAL</u>
North Miami Senior	Mr. Carnell White
Nautilus Middle	Dr. Matthew Welker
Miami Beach Senior	Dr. Jeanne Friedman
Norland Middle	Ms. Cheryl Nelson
Dr. Michael M. Krop Senior	Mr. George Nuñez
Miami Norland Senior	Mr. Willie B. Turner
North Miami Beach Senior	Mr. Raymond Fontana
Highland Oaks Middle	Ms. Sally Alayon
Thomas Jefferson Middle	Ms. Ellen O. Wright
John F. Kennedy Middle	Ms. Kay Mikulas
North Miami Middle	Mr. Howard Weiner
Parkway Middle	Mr. Eugene Butler, Jr.

INTERNAL AUDITOR'S REPORT AND SUMMARY

SCOPE, OBJECTIVES, METHODOLOGY, OPINION, AND RESULTS

State Board of Education Rule 6A-1.087, Florida Administrative Code, requires District School Boards to provide for audits of the school internal funds. In accordance with the Audit Plan for the 2004-05 Fiscal Year, the Office of Management and Compliance Audits has audited the financial statements for the fiscal years ended June 30, 2003 and/or June 30, 2004, depending on the school being audited, of the schools listed in the Table of Contents section of this report. The financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. These financial statements are the responsibility of the administration. Our responsibility is to express an opinion on these financial statements based on our audits.

The objectives of our audits were to:

- **express an opinion on the financial statements of the schools,**
- **evaluate compliance by the schools with the policies and procedures prescribed by the Manual of Internal Accounting, and**
- **evaluate the internal control at the schools to determine the extent to which the control components promote compliance with the policies and procedures prescribed by the Manual of Internal Accounting.**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Using sampling techniques, we selected and tested a representative sample of receipts and disbursements of all the audited schools. We also analyzed selected activities where the schools generated significant resources. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The reports for the schools with audit exceptions were discussed, in draft form, with the principals and the ACCESS Center and school staffs at the exit conferences held for that purpose. The principals have provided written responses to the exceptions specifying what corrective actions will be implemented to prevent their recurrence. The responses from the principals were submitted for review to ACCESS Center 2 and then to District ACCESS Centers. The responses were forwarded to the Office of Management and Compliance Audits, which also reviewed them to assure corrective action was or will be taken and have been included, verbatim, with the audit report.

Financial Statements

In our opinion, the financial statements contained in this audit report present fairly, in all material respects, the changes in fund balances arising from cash transactions of the schools during the 2002-03 and/or 2003-04 fiscal years, depending on the school being audited, on the cash basis of accounting.

Compliance

In addition to the procedures performed for our audits of the financial statements of the schools, we tested compliance with selected policies and procedures prescribed by the Manual of Internal Accounting. The results of our tests of compliance indicate that, with respect to the items tested, the schools generally complied with the policies and procedures in the Manual of Internal Accounting. When significant matters came to our attention relating to noncompliance, they are reported in the AUDIT EXCEPTIONS section of the audit report for the school where the instances of noncompliance were noted and also in the SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS subsection of this report.

Internal Control Over Financial Reporting

In planning and performing our audits, we obtained an understanding of the internal control components established by the District administration. We documented our understanding of the internal control and assessed control risks. Our purpose in obtaining an understanding of the internal control and assessing control risks was to determine the nature, timing and extent of substantive tests of procedures to be performed. We determined that control policies and procedures were placed in operation by the school administration concerning the reliability of financial reporting, especially those relevant to cash receipts and disbursements and the safeguarding of assets as of June 30, 2004.

The scope of our audits also included an assessment of the controls in place at the schools to promote compliance with applicable laws, administrative rules, and District policies as codified in the Manual of Internal Accounting, which contains the procedures established to control the use of the internal funds. **The internal control environment at the schools is characterized by a lack of segregation of incompatible accounting duties, which are performed by the bookkeeper/treasurer that include collecting, receipting, and depositing funds, as well as posting and reconciling the books. This condition, which we consider to be a material weakness, results from the small size of the office staff, and is offset by the close supervision generally provided by the principal, who is the administrator responsible for all aspects of the operation of the school.** A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the school's financial records and cash receipts and disbursements may occur and not be detected within a timely period by school employees in the normal course of performing their assigned functions. When reportable conditions came to our attention regarding the cash receipts and disbursements and the Manual of Internal Accounting, these are noted in the AUDIT EXCEPTIONS section of the audit report for the school where the conditions were noted, and also in the SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS subsection of this report.

Our consideration of the internal control would not necessarily disclose all matters in the internal control components that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in any internal control, errors or irregularities may occur and not be detected.

In our opinion, the internal control at the schools as of June 30, 2004 generally functioned as designed by the District administration and implemented by the schools, which includes the lack of segregation of incompatible accounting duties performed by the bookkeeper/treasurer, as previously discussed.

OTHER FUNCTIONS REVIEWED

In addition to the audit of the internal funds, we also conducted certain auditing procedures to improve accountability at the school level and provide assurances to the administration about the operation of the following activities:

Payroll

A review of selected payroll procedures related to the preparation of the payroll and the distribution of the payroll checks was made at the schools to determine adherence to the Payroll Processing Procedures manual. Specifically, we determined that current payroll rosters were generally supported by adequately prepared daily payroll attendance sheets. We also determined that the functions of payroll preparation and authorization, and check distribution were performed by different employees.

Procurement Credit Card Program

To determine compliance with the Procurement Credit Card Program Policies & Procedures Manual, a review of the procurement credit card records and procedures **currently in effect** was made at selected schools. The authorized use of credit cards began as a pilot program in 1997, and has gradually expanded to include all schools and work locations. The internal controls over this program, as well as procurement credit card reconciliations and expenditure records were reviewed and evaluated to assure the existence of adequate controls and the proper disbursement of funds through this process.

Food Service

To determine compliance with the Food and Nutrition Procedures Manual, a review of the food service records and procedures was made at selected schools. The applications for the **2003-04 school year** for free and reduced price meals submitted by the students were reviewed to verify the students' eligibility, as well as the random sample verification of income required by the federal government. Cash collection procedures were also reviewed and evaluated to assure the existence of adequate controls.

The results of our audits for the individual schools are included within each school's report and are summarized in the following subsection.

SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS

The Office of Management and Compliance Audits has completed the audits of the internal funds of all 12 secondary schools from ACCESS Center 2. The audit period, depending on the school being audited, was either one or two fiscal years ended June 30, 2004. The scope of the audit conducted at these schools included the: (1) audit of the financial records for internal funds that includes a review of the community school records at those schools where there was a Community School Program; (2) review of the payroll records and procedures; (3) review of the Procurement Credit Card Program at two schools; and (4) review of food service procedures at one school.

INTERNAL FUNDS

- o We are pleased to report that the records were maintained in good order and in accordance with prescribed policies and procedures at 8 of the 12 schools (Page 12).
 - **We commend the administration and staff of these schools, as well as the ACCESS Center staff for supporting the schools' efforts to strive for excellence in this area.**
- o At North Miami Senior, invoices were either paid late or posted late to the MSAF system, and large disbursements were not properly supported. Also, collections from several picture activities were posted to the Yearbook account, the vendor had not been paid for these services, and there were not enough funds available to pay for all the outstanding liabilities. There were other discrepancies with the invoices, the bids, and the yearbook sponsor's receipt book. In addition, the yearbook activity did not raise enough funds and General Fund monies were used to pay some of the yearbook expenditures, not all yearbooks were sold, and not all the required yearbook documents were presented for audit. Finally, a sale of food items disclosed differences between potential revenues and collections posted to the account, and the activity failed to comply with the A la Carte Profit Sharing Program guidelines (Page 19).
- o At Nautilus Middle, the former principal requested an investigation from M-DCPS Police when, on May 2003, a deposit bag was stolen from the secretary's office. The deposit consisted of cash and checks. According to M-DCPS Police, the incident is an open criminal investigation, because there is insufficient information to identify any suspects (Page 39).
- o At Miami Beach Senior, the school contacted M-DCPS Police and submitted a Plant Security Report when an internal funds deposit and a cafeteria deposit disappeared from the schools' vault safe. According to the school administration, the treasurer placed the deposits inside the safe; however, they were missing from the safe the next day. Also according to the school administration, several individuals had access to the vault and drop safe, and the combinations had not been changed in many years (Page 48).
- o At Norland Middle, the review of the Community School records disclosed discrepancies between fees charged to students and the Approved Fee List, some not attendance rosters were not properly completed or not presented for audit, and student registration cards were either incomplete, not presented for audit, or disclosed inconsistencies when compared to the attendance rosters (Page 54).
 - **We recommend that the ACCESS Center office closely monitor the adherence of the procedures in the new Manual of Internal Fund Accounting² to prevent recurrence of these findings.**

² Enforcement of the new Manual of Internal Fund Accounting will take effect, for audit purposes, beginning with the 2004-05 fiscal year.

PAYROLL

- o At Nautilus Middle, overtime hours reported were not properly recorded or pre-approved, and several daily paid employees reported present on the Final Rosters did not have their attendance properly documented on the Daily Payroll Attendance Sheets (Page 39).
- **We recommend that the District office closely monitor the adherence to the procedures in the Payroll Processing Procedures manual to prevent recurring of these findings.**

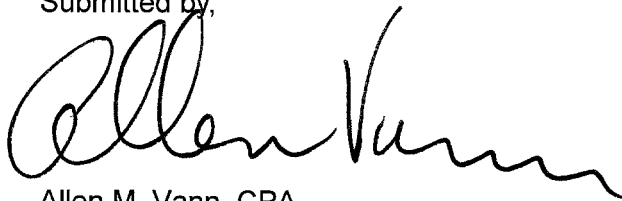
PROCUREMENT CREDIT CARD PROGRAM

- o A review of the Procurement Credit Card Program's records and procedures at two schools disclosed that there was general compliance with the Procurement Credit Card Program Policies & Procedures Manual (Page 12).

FOOD SERVICE

- o A review of the food service procedures at one school disclosed that there was general compliance with the Food and Nutrition Procedures Manual (Page 12).
- **We commend the administration and staff of these schools, as well as the ACCESS Center staff for supporting the schools' efforts to strive for excellence in these areas.**

Submitted by,



Allen M. Vann, CPA
Chief Auditor
Office of Management and Compliance Audits

Internal Audits Performed by:

Ms. Yvonne Barrios
Mr. Harry Demosthenes
Ms. Mayte Diaz
Ms. Germa Garcia

Mr. Reginald Lafontant
Ms. Liana Rangel
Ms. Latosha Styles
Ms. Tamara Wain, CPA


Audits Supervised and Reviewed by:

Ms. Maria T. Gonzalez, CPA
Ms. Teresita M. Rodriguez, CPA

MEMORANDUM

August 26, 2004

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

FROM: Mercedes Toural, Deputy Superintendent 
Curriculum and Instruction

SUBJECT: INTERNAL FUNDS AUDIT RESPONSES - SELECTED SECONDARY SCHOOLS IN ACCESS CENTER 2

ACCESS Centers staff has reviewed the responses to the audit of internal funds for the following schools:

- √ Nautilus Middle School
- √ Norland Middle School
- √ Miami Beach Senior High School
- √ North Miami Senior High School

I concur with the support plan enumerated by the Associate Superintendent to assist staff in the affected schools throughout the 2004-2005 school year and in the future.

This office will monitor the actions of the ACCESS Centers to prevent and eliminate audit exceptions in the area of internal funds.

MT:msh
M105
Attachments

cc: Ms. Willa S. Young
Ms. Enid Weisman

MEMORANDUM

August 24, 2004
WSY#M27/2004-2005

TO: Ms. Mercedes Toural, Deputy Superintendent
Curriculum and Instruction

FROM: Willa S. Young, Associate Superintendent
ACCESS Centers 

**SUBJECT: INTERNAL FUNDS AUDIT RESPONSES - SELECTED SECONDARY
SCHOOLS IN ACCESS CENTER 2**

Please find attached responses to the internal funds audits conducted for the 2002-2003 and 2003-2004 school years for the following schools:

- √ Nautilus Middle School
- √ Norland Middle School
- √ Miami Beach Senior High School
- √ North Miami Senior High School

I concur with ACCESS Center 2 Assistant Superintendent's plans to provide support to the affected personnel at these schools. This office will continue the practice of monitoring the ongoing actions of ACCESS Center 2 and these schools to prevent and eliminate future audit exceptions in internal funds.

WSY/PAG:msh
Attachments

cc: Ms. Enid Weisman

M E M O R A N D U M

August 20, 2004
EW/2004-05/#055
305-624-8802

TO: Ms. Willa S. Young, Associate Superintendent
ACCESS Operations

FROM: Enid Weisman, Assistant Superintendent
ACCESS Center 2



**SUBJECT: RESPONSE TO 2002-2004 INTERNAL FUNDS AUDITS FOR
SECONDARY SCHOOLS**

Attached please find the responses to the 2002-2004 internal audits conducted at Nautilus Middle School, Norland Middle School, Miami Beach Senior High School, and North Miami Senior High School prepared by each principal. Each principal has described immediate corrective actions that were taken to address the audit exceptions in their respective schools and the preventative strategies that will be established to prevent any recurrences.

With the support of the Business Director, the ACCESS center will ensure that each principal, school treasurer, and all affected personnel participate in the *Money Matters Support Program*. The Business Director will conduct quarterly mini-audits at each of the schools and will work closely with the principals and treasurers on a monthly basis to monitor proper maintenance of each school's internal funds as stipulated in the **new Manual of Internal Fund Accounting**.

We look forward to the opportunity to assist all school principals in assuring compliance with the policies and procedures in the **new Manual of Internal Fund Accounting**.

EW:sr

Attachments

cc: Mr. Jose Montes de Oca
Dr. Ronnie L. Hunter
Dr. Jeanne Friedman
Ms. Cheryl Nelson
Dr. Matthew Welker
Mr. Carnell White

MEMORANDUM

August 13, 2004
FW/2004-2005/#038
305-246-5934

TO: Ms. Willa S. Young, Associate Superintendent
ACCESS Centers


FROM: Freddie Woodson, Assistant Superintendent
ACCESS Center 6

SUBJECT: **RESPONSE TO 2003-2004 INTERNAL FUNDS AUDIT**

Please find enclosed the response to the internal funds audit conducted for the 2003-2004 school year for North Miami Senior High School. Attached you will also find a memorandum from Mr. Charles Hankerson, Principal, Pine Villa Elementary School, addressing the audit exception(s) for his former school.

The principal has delineated the actions and preventative monitoring strategies to prevent any audit exceptions at his present schoolsite.

The ACCESS Center will ensure that the principal, school treasurer and other selected staff members participate in the Money Matters Support Program. The Business Director will conduct mini-audits, closely monitor the financial transactions at the school, and work with the principal, to prevent a recurrence of audit exceptions.

 FW

FW:nkr
Attachments

cc: Mr. Jose Montes de Oca
Dr. Janice Cruse-Sanchez
Mr. Charles Hankerson

**ACCESS CENTER 2 SECONDARY SCHOOLS
AREAS OF AUDIT FINDINGS**

School	Page No.	Total per School	INTERNAL FUNDS					PAYROLL
			Fin. Mgt.	Disbursements	Ybk.	Fund-raising Act.	Other	
North Miami Senior	19	4		1	1	1	1	
Nautilus Middle	39	2	1					1
Miami Beach Senior	48	1	1					
Norland Middle*(1)	54	1					1	
Dr. Michael M. Krop Sr.**	60	None						
Miami Norland Sr. (1)	63	None						
No. Miami Beach Sr.**	66	None						
Highland Oaks Middle	69	None						
Thomas Jefferson Md.	72	None						
John F. Kennedy Md.	74	None						
North Miami Middle	76	None						
Parkway Middle (1)	78	None						
TOTAL		8	2	1	1	1	2	1

Notes

* Food service records and procedures were reviewed at this school.

** Procurement Credit Card Program procedures were reviewed at this school.

(1) This school was identified as one of the schools in the School Improvement Zone initiative, effective August 18, 2004.

**ACCESS CENTER 2 SECONDARY SCHOOLS
ANALYSIS OF CURRENT AND PRIOR FINDINGS**

**CURRENT AUDIT PERIOD
2002-03 AND 2003-04**

**PRIOR AUDIT PERIOD
2001-02**

SCHOOL

<p>North Miami Sr. (Page 19)</p>	<p>Disbursements</p> <ul style="list-style-type: none"> - some invoices paid and posted late - minimum of three quotes not presented for \$5,000 to almost \$10,000 disbursements - similar item regarding delays in payment discussed with former school administration during prior audit. <p>School and Personality Pictures</p> <ul style="list-style-type: none"> - \$3,204 collections from underclass and personality pictures posted to Yearbook account - school owed pictures vendor \$2,982 for pictures - Yearbook account had \$664 balance at year-end - balance not sufficient to cover outstanding liabilities - yellow copies of receipts totaling \$365 still attached to yearbook sponsor's receipt book - receipts issued for collections of 2003-04 yearbook and personality pictures; however, could not be traced to any deposit - according to sponsor, she remitted funds to treasurer; however, sponsor could not provide receipt issued by treasurer showing remittance of funds - vendor invoices not itemized; unable to verify prices charged - prices listed in 2002-03 underclass picture bid did not match prices in photographic contract; copies of some pages of 2003-04 bids presented for audit instead of complete bids. <p>Yearbook</p> <ul style="list-style-type: none"> - 2002-03 operating and distribution reports prepared incorrectly - \$4,795 transferred from General Fund-Miscellaneous account to pay for yearbook expenditures - of 150 yearbooks ordered, 60 yearbooks with \$4,080 value unsold at year-end - 2003-04 yearbook activity cancelled and refunds given for monies collected; however, bids and other yearbook forms not presented for audit - similar item discussed with former school administration during prior audit. 	<p style="text-align: center;">None</p>
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**ACCESS CENTER 2 SECONDARY SCHOOLS
ANALYSIS OF CURRENT AND PRIOR FINDINGS**

**CURRENT AUDIT PERIOD
2002-03 AND 2003-04**

**PRIOR AUDIT PERIOD
2001-02**

SCHOOL

<p>North Miami Sr. (Continued)</p>	<p>Fund-raising Activities</p> <ul style="list-style-type: none"> - combined difference of \$6,019 between potential revenues of \$54,625 and collections posted to account of \$48,606 for sale of Jamaican patties - patties purchased from outside vendor, although school participates in A la Carte Profit Sharing Program and patties should have been purchased through cafeteria - current principal discontinued sales in March of 2004. 	<p>Financial Management and Records</p> <ul style="list-style-type: none"> - review of bank reconciliations and records disclosed large number of adjustments - many adjustments may be result of transactions entered in error and reversed; however, a significant number was for overages and shortages - a few small checks not timely posted to MSAF system - delays ranged up to 85 days.
<p>Nautilus Middle* (Page 39)</p>	<p>Fund-raising Activities</p> <ul style="list-style-type: none"> - combined difference of \$6,019 between potential revenues of \$54,625 and collections posted to account of \$48,606 for sale of Jamaican patties - patties purchased from outside vendor, although school participates in A la Carte Profit Sharing Program and patties should have been purchased through cafeteria - current principal discontinued sales in March of 2004. 	<p>Financial Management</p> <ul style="list-style-type: none"> - former principal requested investigation from M-DCPS Police when, on May 2003, deposit bag stolen from secretary's office - collections consisted of \$1,690 cash and \$945 checks - according to M-DCPS Police, incident is open criminal investigation, because insufficient information to identify suspects. <p>Payroll</p> <ul style="list-style-type: none"> - several employees reported overtime hours, and according to payroll clerk she would sign in/out on behalf of employees - overtime pre-approval forms not presented for audit, while forms presented not signed by principal or designee - one employee worked 16 hours of overtime in excess of 40 hours during pay period in June 2004, and excess hours reported in subsequent pay period - according to payroll clerk, she wrote times in/out on Daily Payroll Attendance Sheet for excess hours on behalf of employee - several daily paid employees reported present on Final Rosters, although their presence not always recorded on Daily Payroll Attendance Sheets - according to school administration, employees present.

* Financial Management audit exceptions under same former school administration during both audit periods. Payroll audit exception under current school administration.

**ACCESS CENTER 2 SECONDARY SCHOOLS
ANALYSIS OF CURRENT AND PRIOR FINDINGS**

**CURRENT AUDIT PERIOD
2002-03 AND 2003-04**

**PRIOR AUDIT PERIOD
2001-02**

SCHOOL

<p>Miami Beach Sr. (Page 48)</p>	<p>Financial Management and Records</p> <ul style="list-style-type: none"> - school contacted M-DCPS Police and submitted Plant Security Report when internal funds deposit for \$579 and cafeteria deposit for \$1,990 disappeared from schools' vault safe - according to report, on March 8, 2004, armored car service did not come to school to pick up deposits - treasurer stored deposit bags inside vault's drop safe until next day pickup - next day, treasurer went to retrieve bags from safe and discovered missing - according to school administration, combinations not changed in many years, and several individuals had access to vault. 	<p style="text-align: center;">None</p>
<p>Norland Middle ** (Page 54)</p>	<p>Community School</p> <ul style="list-style-type: none"> - approved Fee Lists did not always agree with fees charged to students - some 2002-03 attendance rosters not presented for audit and one monthly attendance roster used to record three months' attendance - several student registration cards incomplete or with errors, while others not presented for audit - one attendance roster appeared to have been altered to agree with absences reported on one student registration card - few student registration cards did not show payments for some periods, while students marked present on attendance rosters, and no written explanations for discrepancies. 	<p>Fund-raising Activities</p> <ul style="list-style-type: none"> - difference of \$5,690 between potential sales of \$63,594 and deposited collections of \$57,904 from large Christmas Catalog Sale - collections from several orders from school staff, including sponsor, as well as students that paid with checks returned to school due to non-sufficient funds (NSF checks) could not be traced to account or to deposit packages as per sponsor, her order used to distribute merchandise as incentives to students; however, distribution list signed by recipients not presented

**Fund-raising Activities audit exception under former school administration. Community School audit exception under current school administration.

**ACCESS CENTER 2 SECONDARY SCHOOLS
ANALYSIS OF CURRENT AND PRIOR FINDINGS**

**CURRENT AUDIT PERIOD
2002-03 AND 2003-04**

**PRIOR AUDIT PERIOD
2001-02**

SCHOOL

<p>Norland Middle (Continued)</p>		<ul style="list-style-type: none"> - as per sponsor, items received from student orders paid with NSF checks either used to complete incomplete orders or discarded due to rodent infestation - Certificates of Loss not presented for audit - vendor provided over 100 free items, reportedly, to cover some incomplete orders - same sponsor responsible for Eight Grade Banquet, and although list of 39 names to document complimentary admissions presented for audit, it did not include signatures of recipients of tickets.
<p>Miami Norland Sr. (Page 63)</p>	<p style="text-align: center;">None</p>	<p>Financial Management and Internal Controls over Receipts</p> <ul style="list-style-type: none"> - audit/investigation performed at request of Internal Funds Accounting Office when it was discovered that the former treasurer delayed depositing \$6,189 consisting mostly of cash - audit/investigation discovered that between December 2001 and February 2002, former treasurer did not issue receipts and delayed depositing collections, apparently to cover up misappropriations - when confronted by auditors and M-DCPS Police, former treasurer admitted to misappropriating about \$3,500 - former treasurer arrested, charged with grand theft, and subsequently resigned from Miami-Dade County Public Schools - case referred to State Attorney's Office; pending further proceedings - loss of funds also reported in prior audit, during tenure of this former treasurer - during May and June 2002, \$91,942 deposited, but only \$91,500 posted to MSAF, for an unexplained difference of \$442 - unable to determine propriety of some amounts posted and deposited during this period because supporting documentation showed discrepancies

**ACCESS CENTER 2 SECONDARY SCHOOLS
ANALYSIS OF CURRENT AND PRIOR FINDINGS**

**CURRENT AUDIT PERIOD
2002-03 AND 2003-04**

**PRIOR AUDIT PERIOD
2001-02**

SCHOOL

<p>Miami Norland Sr. (Continued)</p>		<ul style="list-style-type: none"> - after former treasurer was removed, postings and deposits contained discrepancies because sometimes were done by someone other than individual responsible for receiving collections and making deposits. <p>Disbursements</p> <ul style="list-style-type: none"> - several late disbursements - delays ranged up to seven months - several disbursements of over \$3,000 not supported by three telephone quotes or bids - few disbursements not supported by invoices - expenditures for cap and gown accessories and magazines improperly paid from General Fund and included overpayments in excess of \$4,000 for caps and gowns. <p>Yearbook</p> <ul style="list-style-type: none"> - yearbook activities did not raise enough funds to pay for yearbooks - school used \$830 of current year's yearbook collections and transferred to yearbook account \$3,100, \$2,000, and \$1,238 from Senior Class, Class of 2002, and Quill and Scroll accounts, respectively to have enough funds to pay final invoice of \$11,875 - payment for personality pictures of \$966 could not be made because balance in this account, used to pay for yearbook - required picture bids were not presented for audit; therefore unable to determine whether the profit percentages correct - school still owes balance of \$499 to yearbook publisher for 2000-01 yearbook, and publisher assessed school almost \$100 in finance charges for non-payment - yearbook sales price ranged between \$50 and \$70, while yearbook cost was \$126 - some charges on final invoice could not be traced to yearbook bid or addenda signed by principal.
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**ACCESS CENTER 2 SECONDARY SCHOOLS
ANALYSIS OF CURRENT AND PRIOR FINDINGS**

SCHOOL	CURRENT AUDIT PERIOD 2002-03 AND 2003-04	PRIOR AUDIT PERIOD 2001-02
Miami Norland Sr. (Continued)		<p>District Funds</p> <ul style="list-style-type: none"> - school received \$10,000 from District to purchase and replace weight training equipment - instead, funds spent on football gear and portable communications system - according to school administration, change in use of funds approved by District; however, approval for change not documented - portable communication system cost \$3,360, and telephone quotations not presented for audit - system had not been tagged for property control purposes.

**SCHOOLS WITH NO AUDIT EXCEPTIONS NOTED DURING
BOTH AUDIT PERIODS ARE EXCLUDED FROM THIS SECTION**

II. INDIVIDUAL AUDIT REPORTS AND RESPONSES
(Schools with audit exceptions are listed first)

NORTH MIAMI SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 800 N. E. 137 Street, North Miami, Florida 33161

Date School Established: 1951

Grades: 9-12

Principals: Mr. Charles E. Hankerson (Through March 2003; presently at Pine Villa Elementary School)
 Mr. Carnell White

Treasurers: Ms. Olga Sanchez (Through February 2004)
 Ms. Susie Easterling

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:				
City National Bank of Florida	--	--	\$13,875.10	\$73,405.35
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	218,611.40	
	Open-end	1.86		<u>202,762.99</u>
TOTAL			<u>\$232,486.50</u>	<u>\$276,168.34</u>

NORTH MIAMI SENIOR HIGH SCHOOL (Continued)

AUDIT EXCEPTIONS

Disbursements

1. Our review of disbursements during the audit period disclosed some instances where invoices were paid late and were not timely posted to the MSAF system. We also noted that disbursements for the Homecoming and Senior Prom ballroom decorations, ranging from \$5,000 to almost \$10,000, were made to the same vendor and the required minimum solicitation of three quotes were not presented for audit. Sections 4-1 and 4-2 of the Manual of Internal Accounting and Section II, Chapters 4 and 5 of the new Manual of Internal Fund Accounting establish the procedures for the proper disbursement of funds. We recommend compliance with these procedures. A similar item regarding delays in payment was discussed with the former school administration during the prior audit.

School and Personality Pictures

2. Two underclass pictures and four personality pictures activities were conducted during the audit period. Our review of these activities disclosed the following discrepancies:
 - a. A total of \$3,204 in collections from all these activities was posted to the Yearbook account in the Classes and Clubs Fund, although vendor payments corresponding to these activities could not be traced to any account. We contacted the vendor and discovered that payments had not been made for any of these activities. Based on the invoices received, the school owed the vendor \$2,982, including amounts owed for a personality picture activity held during the 2001-02 fiscal year. At June 30, 2004 the Yearbook account had a balance of only \$664; therefore, not enough funds are available in the account to cover these outstanding liabilities.
 - b. A review of the official receipt book in the custody of the yearbook sponsor disclosed several yellow copies of receipts totaling \$365. These receipts were issued by the sponsor for collections of yearbook and personality pictures sales during the 2003-04 fiscal year; however, they could not be traced to any deposit or account. According to the sponsor, she remitted the funds collected to the treasurer, but could not provide us with a receipt showing that funds were remitted. We were able to determine that one of the vendor invoices, noted above, corresponded to this activity.
 - c. Vendor invoices were not itemized; therefore, we were unable to verify that prices charged to students matched those on the bids.
 - d. The prices listed in the underclass picture package winning bid, corresponding to the 2002-03 fiscal year, did not match the package prices listed in the photographic contract presented for audit. The school picture bids for the 2003-04 fiscal year were not presented for audit; instead, copies of the first page of two of the three bids were presented for audit.

Sections 7-1, 7-2 and 7-3 of the Manual of Internal Accounting and Section IV, Chapters 2 and 4 of the new Manual of Internal Fund Accounting establish the procedures for conducting fund-raising and school picture activities. We recommend compliance with the established procedures. We recommend that the administration closely monitor these activities to prevent recurrence of these conditions in the future. We also recommend that the photographer be immediately paid from the General Fund-Miscellaneous account.

NORTH MIAMI SENIOR HIGH SCHOOL (Continued)

Yearbook

3. Our review of the 2002-03 yearbook activity disclosed that the operating and distribution reports were prepared incorrectly, and had to be recreated by the auditor to analyze the operation. In addition, \$4,795 was transferred in from the General Fund-Miscellaneous account to pay for the yearbook expenditures and avoid a deficit account balance. We also noted that of the 150 yearbooks ordered by the school, 60 yearbooks with a sales value of \$4,080 remained unsold at year-end. Although the yearbook activity was cancelled and refunds were given for the 2003-04 fiscal year, the yearbook bids, the bid tabulation and the committee appraisal forms were not presented for audit. A similar item was discussed with the former school administration during the prior audit. Section 7-12 of the Manual of Internal Accounting and Section IV, Chapter 6 of the **new** Manual of Internal Fund Accounting establish the procedures for conducting the yearbook activity. We recommend compliance with these procedures.

Fund-raising Activities

4. Our review of the fund-raising activities during the audit period disclosed a combined difference of \$6,019 between potential revenues of \$54,625 and collections posted to the account of \$48,606 for the sale of Jamaican patties. In addition, the patties were purchased from an outside vendor, although the school participates in the A la Carte Profit Sharing Program and the patties should have been purchased through the cafeteria. According to the current principal, sales were discontinued in March of 2004, when he became aware of the program requirements. Sections 7-1 and 7-2 of the Manual of Internal Accounting and Section IV, Chapter 2 of the **new** Manual of Internal Fund Accounting establish the procedures to properly conduct fund-raising activities. We recommend compliance with these procedures.

OTHER COMMENTS

Internal Funds

The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. However, as indicated by the findings, the school administration should emphasize adherence to the policies and procedures in the Manual of Internal Accounting, which establishes the system of internal controls designed by the District administration.

Payroll

There was general adherence to payroll procedures.

REGION II

SCHOOL - 7591 NORTH MIAMI SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE	
ATHLETICS	7,122.85	62,418.79	102,954.04	38,127.41	4,715.01	
MUSIC	2,126.62	1,764.00	2,258.05	.00	1,632.57	
CLASSES AND CLUBS	74,960.14	293,382.59	306,570.89	756.51	62,528.35	
TRUST	22,364.31	116,774.19	91,252.61	14,909.25-	32,976.64	
PROPERTY DEPOSITS	1,829.50	696.50	.00	.00	2,526.00	
INSTRUCTIONAL AIDS	8,988.14	8,941.65	6,278.41	10.00-	11,641.38	
GENERAL	77,276.72	82,911.82	34,574.26	23,964.67-	101,649.61	
INSTRUCTIONAL MATE	2,744.68	35,700.22	29,109.68	.00	9,335.22	
PRODUCTION/SERVICE	4,704.26	5,610.25	4,832.79	.00	5,481.72	
TOTAL	202,117.22	608,200.01	577,830.73	.00	232,486.50	
CHECKING	13,875.10	INVESTMENTS	.00 SBMMF	218,611.40	TOTAL	232,486.50
			ACCOUNTS PAYABLE	.00		

ACCESS CENTER II

SCHOOL - 7591 NORTH MIAMI SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	4,715.01	58,551.04	86,165.01	29,172.23	6,273.27
MUSIC	1,632.57	4,259.00	2,758.25	99.15-	3,034.17
CLASSES AND CLUBS	62,528.35	266,082.72	263,037.30	717.42	66,291.19
TRUST	32,976.64	100,329.64	66,572.79	15,120.05-	51,613.44
PROPERTY DEPOSITS	2,526.00	752.50	.00	.00	3,278.50
INSTRUCTIONAL AIDS	11,641.38	2,793.20	3,342.53	4.00-	11,088.05
GENERAL	101,649.61	51,224.68	21,218.36	14,384.95-	117,270.98
INSTRUCTIONAL MATE	9,335.22	29,769.54	27,865.06	281.50-	10,958.20
PRODUCTION/SERVICE	5,481.72	3,657.50	2,778.68	.00	6,360.54
TOTAL	232,486.50	517,419.82	473,737.98	.00	276,168.34

CHECKING	73,405.35	INVESTMENTS	.00	SBMMF	202,762.99	TOTAL	276,168.34
			ACCOUNTS PAYABLE		.00		

MEMORANDUM

August 18, 2004

TO: Ms. Enid Weisman, Assistant Superintendent
Access Center 2

FROM: Carnell A. White, Principal *CAW*
North Miami Senior High School

**SUBJECT: RESPONSE TO INTERNAL FUNDS AUDIT FOR JULY 1, 2002
THROUGH JUNE 30, 2004**

The principal has taken immediate actions to implement corrective and preventive strategies in response to the cited audit exceptions for the audited period of July 1, 2002 through June 30, 2004. The principal has met with the activities director, appropriate club sponsors and the newly appointed treasurer to discuss the audit report. In addition, a sponsor's handbook has been developed and published. All personnel authorized to sponsor a club or organization will be required to participate in inservice training before any fund-raising is approved. The ACCESS Center 2 Business Manager will conduct the inservice training.

During the 2004-2005 school year, the principal will meet bi-weekly with the treasurer and activities director to ensure compliance with the **new Manual of Internal Fund Accounting**. All yearbook operations have been discontinued as of December 2003. In the future, this administration will take an active role in monitoring full compliance with all established procedures in the **new Manual of Internal Fund Accounting** pertaining to yearbook operations.

The principal will also confer with ACCESS Center 2 Business Director and District Business Manager for guidance and support in maintaining full compliance with all guidelines found in the **new Manual of Internal Fund Accounting**.

I thank you and your staff for your continued support and assistance. Should you have any questions and/or concerns please do not hesitate to contact me at 305-891-6590.

CAW/asa

cc: Dr. Ronnie L. Hunter

Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
North Miami Senior High School
Mr. Carnell White, Principal

AUDIT EXCEPTION(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
1. <u>Disbursements</u>	<ul style="list-style-type: none"> The principal met with the treasurer and the activities director and reviewed the audit findings and Sections 4-1 and 4-2 of the <u>Manual of Internal Accounting and Section II, Chapters 4 and 5 of the new Manual of Internal Fund Accounting.</u> (August 2004) The principal directed the treasurer to pay all invoices and post to the MSAF system in a timely manner. He further directed the treasurer to print out the record of disbursements at the end of the business day each Friday and submit to the principal for review. (August 2004) The principal directed the treasurer to establish a log for outstanding invoices. The log will include the name of the vendor, invoice number, amount due, due date, date of disbursement and the check number. (August 2004) The principal directed the treasurer and the activities director to ensure that the three written bids are solicited as required in the manual. (August 2004) 	<ul style="list-style-type: none"> The principal will review with the treasurer all outstanding invoices on a weekly basis. He will check to ensure that the invoices are not past due. Discrepancies will be addressed immediately with the treasurer. The principal will review the printout of transactions posted to the MSAF system daily to ensure that funds were posted in a timely manner. On a weekly basis, the principal will meet with the treasurer to review all financial transactions to ensure timeliness. Discrepancies will be corrected immediately. The principal will review the log on a weekly basis to ensure that invoices are paid on a timely manner. Concerns will be addressed immediately with the treasurer. 	<p>Principal Treasurer Activities Director</p> <p>Principal Treasurer</p> <p>Principal Treasurer</p>

Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
North Miami Senior High School
Mr. Carnell White, Principal

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>2. <u>School and Personality Pictures</u></p>	<ul style="list-style-type: none"> The principal met with the treasurer, activities director, and the yearbook sponsor and reviewed the audit finding. (August 2004) The principal directed the yearbook sponsor to submit deposits to the treasurer indicating the proper account. He further directed the yearbook sponsor to submit the invoices to the treasurer for timely payment. (August 2004) The principal instructed the treasurer to post collections as indicated by the sponsor and pay invoices from the account where the funds were deposited in a timely manner. He further instructed her to ensure that there are sufficient funds in the account. (August 2004) The principal issued a directive to all employees authorized to have custody of an official receipt book to remit all collections with the treasurer on the day of receipt in the manner prescribed by the new <u>Manual of Internal Fund Accounting</u>. (August 2004) 	<ul style="list-style-type: none"> The principal will meet with the treasurer weekly to reconcile all deposits with the MSAF printout ensuring that deposits are posted to the correct account. Discrepancies will be addressed immediately. The principal will check with the yearbook sponsor weekly to ensure that there are no invoices that are more than thirty days. If errors are encountered, the principal will ensure that these are corrected immediately. The principal, on a weekly basis, will review the recap of collections, the yearbook sponsor's receipt book, the receipt from the treasurer, the check requisitions, and the MSAF printout to ensure that all monies collected have been posted to the correct account and payments have been made from the correct account. Errors will be addressed immediately. 	<p>Principal Treasurer Activities Director</p> <p>Principal Yearbook Sponsor Treasurer</p> <p>Principal Yearbook Sponsor Treasurer</p>

**Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
North Miami Senior High School
Mr. Carnell White, Principal**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>2. Cont'd.: <u>School and Personality Pictures</u></p>	<ul style="list-style-type: none"> The principal directed the yearbook sponsor to submit the receipt book to the treasurer on a weekly basis. He further directed the yearbook sponsor to get a receipt each time a deposit is remitted and to attach a copy of the receipt to the monthly operating report. (August 2004) The principal directed the treasurer to only pay from itemized, original invoices to ensure that the invoices represent the items as stated in the bid. (August 2004) The principal directed the treasurer to follow the procedures for picture bids as outlined. The principal also directed the sponsor to present a copy of all bids to the treasurer. The principal further directed the activities director to meet with him before approving a date for underclass pictures. (August 2004) 	<ul style="list-style-type: none"> The principal, on a monthly basis, will review the monthly operating reports with the yearbook sponsor and the treasurer to ensure that the sponsor has a receipt from the treasurer for each deposit. Failure to adhere to guidelines will result in disciplinary action for the treasurer and the yearbook sponsor. The principal, before signing a check, will be sure that the treasurer has presented him with a copy of the itemized invoice, check requisition from the proper account, the check, and a printout of the yearbook account balance before the check is signed. The principal, before approving the date for pictures will check that he has signed the bid for the appropriate year, and that it is clear to the sponsor, the photographer, and the treasurer that there will be no varying from the bid that was approved. 	<p>Principal Yearbook Sponsor Treasurer</p> <p>Principal Treasurer</p> <p>Principal Yearbook Sponsor Treasurer</p>

Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
North Miami Senior High School
Mr. Carnell White, Principal

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
3. <u>Yearbook</u>	<ul style="list-style-type: none"> The principal met with the yearbook sponsor, the activities director, and the treasurer and reviewed the audit findings and the referenced sections of the new <u>Manual of Internal Fund Accounting</u>. (August 2004) The principal met with the yearbook sponsor, activities director, and the treasurer to review potential yearbook revenues and to address any shortfalls. This meeting will occur monthly to address any shortfalls in the yearbook. (August 2004) The principal met with the yearbook sponsor, the activities director, and the treasurer and directed them to complete the proper documentation for the yearbook activity and present it for audit as required. (August 2004) The principal has established a revised procedure that all school personnel involved in the yearbook activity will participate in an inservice training for yearbook productions. The training will 	<ul style="list-style-type: none"> The principal directed the yearbook sponsor and the treasurer to follow the procedures as outlined in Section 7-12 of the <u>Manual of Internal Accounting</u> and Section IV, Chapter 2 of the new <u>Manual of Internal Fund Accounting</u>. The principal, on a periodic basis, will review the guidelines for yearbook procedures with appropriate staff. During the 2004-2005 school year, the principal will review the appropriate sections of the new <u>Manual of Internal Fund Accounting</u>. The principal, on a monthly basis, will review with the treasurer and the yearbook sponsor, the yearbook activity including the monthly operating reports to ensure that activities will cover the cost of the yearbook. If the principal has concerns, he will discuss strategies to increase sales with the yearbook sponsor. The principal will check the monthly operating reports and the yearbook distribution reports at the time of distribution to ensure that they are 	<p>Principal Yearbook Sponsor Activities Director</p> <p>Principal Yearbook Sponsor Activities Director</p> <p>Principal Yearbook Sponsor Activities Director</p> <p>Principal Yearbook Sponsor Treasurer Selected Staff</p>

Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
North Miami Senior High School
Mr. Carnell White, Principal

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
4. <u>Fund-Raising Activities</u>	<p>include but not be limited to the following:</p> <ul style="list-style-type: none"> ❖ Establishing a budget ❖ Conducting fundraising ❖ Appropriate preparation of operating and distribution reports ❖ Yearbook bid procedures ❖ Bid tabulations ❖ Committee tabulation forms (August 2004) <ul style="list-style-type: none"> • The principal issued a directive that all fund-raising items related to the sale of food will follow the guidelines of the A la Carte Profit Sharing Program. (August 2004) • The principal directed the activities director, club sponsors, and the cafeteria manager to meet with him prior to the sale of any food items. • The principal directed the activities director to ensure that food items being sold have been pre-approved by him and guidelines are being followed as per the A la Carte Profit Sharing Program. 	<p>complete and accurate. Discrepancies will be addressed immediately.</p> <ul style="list-style-type: none"> • The principal will attend selected sessions of the inservice to ensure that designated staff is in attendance and to ensure that the sessions meet his expectations. • The principal, on an ongoing basis, will meet with the activities director to review the activity log. He will ensure that all sales related to the A la Carte Profit Sharing Program have been signed by him, indicating his approval of the activity and the sponsor(s) is/are aware of the guidelines of the program. Sales not meeting the guidelines will be suspended immediately. • The principal, on an unannounced basis, will visit the area where food is being sold to ensure that the sale has his approval and he has met with the sponsor and reviewed the guidelines. 	<p>Principal</p> <p>Principal Activities Director</p> <p>Principal Cafeteria Manager Activities Director</p>

Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
North Miami Senior High School
Mr. Carnell White, Principal

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>4. <u>Fund Raising Activities Cont'd.</u></p>	<ul style="list-style-type: none"> The principal directed the activities director to ensure that all club sponsors complete the monthly operating reports in a timely manner. 	<p>Sales not in compliance will be Suspended immediately.</p> <ul style="list-style-type: none"> The principal will review the monthly operating reports and check that all food items are itemized. Further, the principal will require that differences are accounted for on Certificates of Loss, Certificates of Disposal, and/or Complimentary List forms. 	<p>Principal Activities Director Club Sponsors</p>

MEMORANDUM

August 17, 2004

TO: Mr. Freddie Woodson, Assistant Superintendent
ACCESS Center 6

FROM: Charles E. Hankerson, Principal *CEH*
Pine Villa Elementary School

SUBJECT: **RESPONSE TO INTERNAL FUND AUDITS OF NORTH
MIAMI SENIOR HIGH SCHOOL JULY 1, 2003
THROUGH JUNE 30, 2004**

The purpose of this memorandum is to respond to the above mentioned audit periods for North Miami Senior High School. This administrator has implemented a number of procedures to prevent a similar situation at his current location. A meeting has been held with the assistant principal and bookkeeper to share pertinent findings in the audit report as it relates to Pine Villa Elementary School. All applicable sections of the **new Manual of Internal Fund Accounting** have been reviewed to ensure a thorough understanding of the responsibilities of each individual as they relate to an elementary school.

Strategies and procedures have been implemented to ensure accountability and compliance as delineated in the new manual. If I am assigned to a senior high school in the future, I will utilize the attached identified strategies in this audit to avoid the recurrence of exceptions.

This administrator will seek assistance from the ACCESS Center Business Director for added professional development to ensure compliance with established guidelines outlined in the manual. Should you have further questions, please feel free to contact me at your convenience.

cc: Dr. Janice Cruse-Sanchez

Charles E. Hankerson, Principal
Pine Villa Elementary School
Former Principal, North Miami Senior High School
Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
at North Miami Senior High School

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>1. <u>Disbursements</u></p>	<p><i>The principal has taken the following corrective actions at his present site to prevent audit exceptions:</i></p> <ul style="list-style-type: none"> • The principal has reviewed the audit exceptions of North Miami Senior High School with his current bookkeeper and the assistant principal at Pine Villa Elementary School.(August 2004) • The principal will establish a committee consisting of the principal, bookkeeper and assistant principal who will review disbursement of funds. (August 2004) • The principal directed the bookkeeper to create a monthly disbursement log. (August 2004) 	<p><i>In the event that this administrator is assigned to a senior high school, the following strategies to maintain compliance will be implemented:</i></p> <ul style="list-style-type: none"> • The principal would review with the bookkeeper all outstanding invoices on a weekly basis. He would check to ensure that the invoices are not past due. Discrepancies would be addressed immediately with the bookkeeper. • The principal would meet with the established committee to review the findings and make corrections as needed. • The principal will review the monthly log to ensure that it contains all disbursements and that timely payments were made. All discrepancies will be addressed immediately. 	<p>Principal Bookkeeper</p> <p>Principal Assistant Principal</p> <p>Principal</p>

**Charles E. Hankerson, Principal
Pine Villa Elementary School
Former Principal, North Miami Senior High School
Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
at North Miami Senior High School**

AUDIT RESPONSES			PERSON(S) RESPONSIBLE
AUDIT EXCEPTIONS(S)	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>1. <u>Disbursements</u> <u>Cont'd</u></p>	<ul style="list-style-type: none"> • The principal instructed the bookkeeper to pay all invoices and post to the MSAF system in a timely manner. (August 2004) • The principal instructed the bookkeeper at the present school to ensure that the three required bids are solicited as required. (August 2004) 	<ul style="list-style-type: none"> • The principal will review the bids for accuracy and completion. If the necessary bids have not been solicited, he will not approve the activity. 	<p>Principal Bookkeeper</p> <p>Principal Bookkeeper</p>
<p>2. <u>School and Personality Pictures</u></p>	<p><i>In the event that this administrator is assigned to a senior high school, the following corrective actions would be practiced to maintain compliance:</i></p> <ul style="list-style-type: none"> • The principal would meet with the treasurer, principal's designee, yearbook sponsor and activities director to review the audit report and appropriate sections of the <u>new Manual of Internal Fund Accounting, Section IV, Chapters 2 and 4.</u> 	<p><i>In the event that this administrator is assigned to a senior high school, the following strategies to maintain compliance will be implemented:</i></p> <ul style="list-style-type: none"> • The principal would conduct a weekly review of the MSAF printout with the treasurer to ensure accurate posting of all deposits to the appropriate accounts. 	<p>Principal Treasurer</p>

**Charles E. Hankerson, Principal
Pine Villa Elementary School
Former Principal, North Miami Senior High School
Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
at North Miami Senior High School**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
2. <u>School and Personality Pictures Cont'd</u>	<ul style="list-style-type: none"> • The principal would instruct the yearbook sponsor to present deposits to be posted and invoices indicating appropriate accounts to the treasurer in a timely manner. • The principal would direct the treasurer to make deposits and post collections from appropriate accounts in a timely manner. • The principal would direct the yearbook sponsor to safeguard the receipt book and present receipts to treasurer at time of deposit. In addition, a copy of the receipt is to be attached to the monthly operating report. 	<ul style="list-style-type: none"> • The principal would make sure with the yearbook sponsor that there are no outstanding invoices for more than thirty days. Any errors would be corrected immediately. • The principal would periodically review with the treasurer the MSAF printout to ensure that all monies collected have been posted to, and payments made from, the appropriate account. 	<p>Principal Yearbook Sponsor Treasurer</p> <p>Principal Treasurer</p>

**Charles E. Hankerson, Principal
Pine Villa Elementary School
Former Principal, North Miami Senior High School
Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
at North Miami Senior High School**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
2. <u>School and Personality Pictures Cont'd</u>		<ul style="list-style-type: none"> • In addition, he would verify the dates to ensure bid is being approved for the current year. 	
3. <u>Yearbook</u>	<p><i>In the event that this administrator is assigned to a senior high school, the following corrective actions would be practiced to maintain compliance:</i></p> <ul style="list-style-type: none"> • The principal would meet with the yearbook sponsor and the treasurer to review the audit findings. Further, the principal would direct the yearbook sponsor and the treasurer to follow the procedures as outlined in the new <u>Manual of Internal Fund Accounting, Section IV, Chapter 6.</u> • The principal would meet on a monthly basis to monitor yearbook activities with the yearbook sponsor, activities director, and the treasurer to identify any possible shortfalls or potential revenues. 	<p><i>In the event that this administrator is assigned to a senior high school, the following strategies to maintain compliance will be implemented:</i></p> <ul style="list-style-type: none"> • The principal would review sections of the <u>new Manual of Internal Fund Accounting</u> as it pertains to yearbook guidelines with appropriate staff. • The principal would discuss the monthly operating reports with the treasurer and the yearbook sponsor to make sure that activities conducted generate sufficient funds to cover the cost of the yearbook. If sufficient funds are not being generated, a strategy to increase sales would be discussed. 	<p>Principal Yearbook Sponsor Treasurer</p> <p>Principal Yearbook Sponsor Treasurer</p>

**Charles E. Hankerson, Principal
Pine Villa Elementary School
Former Principal, North Miami Senior High School
Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
at North Miami Senior High School**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
3. <u>Yearbook Cont'd</u>	<ul style="list-style-type: none"> The principal would meet with the yearbook sponsor, the activities director, and the treasurer and direct them to complete the proper documentation for the yearbook activity and present same for audit as required. 	<ul style="list-style-type: none"> The principal would ensure the completion and accuracy of the final monthly operating report, and the yearbook distribution report, at the conclusion of the activity and at the time of distribution. 	Principal Yearbook Sponsor Treasurer
4. <u>Fund Raising Activities</u>	<p><i>In the event that this administrator is assigned to a senior high school, the following corrective actions would be practiced to maintain compliance:</i></p> <ul style="list-style-type: none"> The principal would meet with the treasurer, assistant principal, activities director, and other appropriate staff to review the <u>new Manual of Internal Fund Accounting, Section IV, Chapter 2.</u> The principal would meet with the activities director and the cafeteria manager and review the 	<p><i>In the event that this administrator is assigned to a senior high school, the following strategies to maintain compliance will be implemented:</i></p> <ul style="list-style-type: none"> The principal would review the monthly operating reports and check that all food items are itemized and accounted for. Further, the principal would require that differences were accounted for on Certificates of Loss, Certificates of Disposal, and/or Complimentary List forms. 	Principal Treasurer

Charles E. Hankerson, Principal
Pine Villa Elementary School
Former Principal, North Miami Senior High School
Action Plan for the 2002-2003 and 2003-2004 Audit Exceptions
at North Miami Senior High School

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
	<p>guidelines of the A la Carte Profit Sharing Program.</p> <ul style="list-style-type: none"> • The principal would direct the club sponsor to complete the operating reports monthly. • The principal would ensure that items being sold have been pre-approved and guidelines are being followed as per the A la Carte Profit Sharing Program. 	<ul style="list-style-type: none"> • The principal, on an unannounced basis, would visually inspect the area where food items are being sold. In addition, he would meet with the cafeteria manager and verify that the food items were purchased from the cafeteria. Sales not in compliance would be halted at once. 	Principal Cafeteria Manager Club Sponsor

NAUTILUS MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 4301 North Michigan Avenue, Miami Beach, Florida 33140

Date School Established: 1949

Grades: 7-8

Principals: Mr. Freddie Pittman, Sr. (Through June 2003; retired)
 Dr. Matthew Welker

Treasurers: Ms. Stacey Coleman (Through October 2003)
 Ms. Dana Lewis

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:				
Wachovia Bank, N. A.	--	0.15	\$ 10,508.99	
	--	0.10		\$ 29,090.15
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	19,757.08	
	Open-end	1.86		20,156.49
TOTAL			<u>\$ 30,266.07</u>	<u>\$ 49,246.64</u>

NAUTILUS MIDDLE SCHOOL (Continued)

AUDIT EXCEPTIONS

Financial Management

1. The former principal requested an investigation from M-DCPS Police when, on May 2003, a deposit bag was stolen from the secretary's office. According to the former treasurer, she took the deposit bag to that office for safekeeping. The collections consisted of \$1,690 in cash and \$945 in checks. According to M-DCPS Police, the incident is an open criminal investigation, because there is insufficient information to identify any suspects. We recommend that the school administration continue to monitor this area to properly safeguard the funds of the school.

Payroll

2. Our review of the current payrolls disclosed the following discrepancies:
 - a. Several employees reported overtime hours, and according to the payroll clerk, the employees would not sign in/out on the Daily Payroll Attendance Sheets; instead, she would sign in/out on behalf of the employees. In addition, the required pre-approval forms presented for audit were not signed by the principal or his designee, while many others were not presented for audit.
 - b. One employee who reported 16 hours of overtime in excess of the maximum of 40 hours, during a pay period in June 2004, was paid for those hours in the subsequent pay period. According to the payroll clerk, she wrote the times in and out on the Daily Payroll Attendance Sheet on behalf of the employee for the 16 hours.
 - c. Several daily paid employees were reported present on the Final Rosters, although they had not indicated their presence for those days on the Daily Payroll Attendance Sheets. According to the school administration, these employees were present.

Chapters 1 and 2 of the Payroll Processing Procedures manual establish the procedures for employees to sign in and out and for maintaining Daily Payroll Attendance Sheets. They also provide guidelines to properly report hours worked. We recommend compliance with the established procedures and closer monitoring of the payroll function by the school administration.

OTHER COMMENT

Internal Funds

The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration, except as noted above. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting, except as noted above.

REGION II SBM

SCHOOL - 6541 NAUTILUS MIDDLE SCHOOL

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	1,156.46	63,366.56	62,857.31	15.09	1,680.80
CLASSES AND CLUBS	3,547.22	93,715.82	92,202.80	1,659.58	6,719.82
TRUST	10,910.34	33,008.23	34,326.92	1,263.99	10,855.64
PROPERTY DEPOSITS	1,592.71	975.50	1,565.00	.00	1,003.21
INSTRUCTIONAL AIDS	2,732.20	4,161.00	3,076.35	2.87	3,819.72
GENERAL	12,462.96	24,527.02	33,858.23	2,941.53-	190.22
INSTRUCTIONAL MATE	8,569.97	25,351.33	27,924.64	.00	5,996.66
TOTAL	40,971.86	245,105.46	255,811.25	.00	30,266.07

CHECKING	10,508.99	INVESTMENTS	.00	SBMMF	19,757.08	TOTAL	30,266.07
			ACCOUNTS PAYABLE		.00		

ACCESS CENTER II
 SCHOOL - 6541 NAUTILUS MIDDLE SCHOOL

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	1,680.80	34,483.60	33,080.46	307.44-	2,776.50
CLASSES AND CLUBS	6,719.82	40,701.67	36,008.94	2,335.97-	9,076.58
TRUST	10,855.64	15,474.04	13,096.24	1,921.57-	11,311.87
PROPERTY DEPOSITS	1,003.21	227.50	.00	.00	1,230.71
INSTRUCTIONAL AIDS	3,819.72	4,633.00	2,383.70	1,722.48-	4,346.54
GENERAL	190.22	8,895.15	5,118.52	6,287.46	10,254.31
INSTRUCTIONAL MATE	5,996.66	28,698.56	24,445.09	.00	10,250.13
TOTAL	30,266.07	133,113.52	114,132.95	.00	49,246.64

CHECKING 29,090.15 INVESTMENTS .00 SBMMF 20,156.49 TOTAL 49,246.64
 ACCOUNTS PAYABLE .00

MEMORANDUM

August 16, 2004

TO: Mrs. Enid Weisman, Assistant Superintendent
ACCESS Center 2

FROM: Matthew J. Welker, Ed.D., Principal
Nautilus Middle School



SUBJECT: **RESPONSE TO AUDIT REPORTS FOR NAUTILUS MIDDLE SCHOOL
JULY 1, 2002 THROUGH JUNE 30, 2004**

I have reviewed and discussed the audit findings for July 1, 2002 through June 30, 2004 with all affected personnel to reinforce their understanding of the necessity to implement sound accounting practices and the importance of following the procedures outlined in Chapters 1 and 2 of the Payroll Processing Procedures manual. Further, the treasurer has been instrumental in the implementation of the policies and procedures stipulated in the **new** Manual of Internal Fund Accounting.

The principal has reviewed and thoroughly discussed the audit findings with all affected personnel to reinforce their understanding of the need for diligence in payroll reporting and accounting practices. The procedures associated with daily attendance and payroll was reviewed and discussed with the faculty at the opening of schools meeting.

Additional training involving all affected personnel, including assistant principals, the payroll clerk, all secretaries, and the treasurer, will be conducted to ensure greater understanding of internal accounting and payroll procedures. The principal will institute a tiered review process involving the payroll clerk and the assistant principals in the review of payroll. Internal accounting and payroll processing will be checked on a monthly basis to ensure compliance with the guidelines found in the **new** Manual of Internal Fund Accounting and Payroll Processing Procedures manual. The procedures described in the attached action plan will ensure that there will not be a recurrence of the cited deficiencies.

If additional information is required, you may contact me at (305) 532-3481.

cc: Dr. Ronnie Hunter, Director

**Action Plan for the 2002-2003 and 2003-2004
Audit Exceptions at Nautilus Middle School
DR. MATTHEW WELKER, PRINCIPAL**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>1. <u>Financial Management</u></p>	<p><i>The principal has taken the following corrective actions:</i></p> <ul style="list-style-type: none"> The principal relocated the treasurer's office next to the principal's office and the door lock has been removed from the school's master key system. (June 2003) The principal created a vault room between the treasurer's office and the principal's office. (June 2003) The principal moved the school's safe into the vault room and the room door lock has been removed from the school's master key system. (June 2003) The principal created a security protocol that requires the principal or a designated assistant principal to unlock the vault room and supervise the opening of the safe. (June 2003) 	<p><i>The strategies listed below will be implemented to prevent the recurrence of cited audit exceptions:</i></p> <ul style="list-style-type: none"> The principal, on a daily basis, will systematically check the security protocols to ensure that the vault room and the safe are secured. In the event the principal is out of the building, his designated assistant principal will follow the procedures as outlined by the principal. The principal, on an unannounced basis, will observe the opening of the vault room and the safe to ensure that the designated assistant principal and the treasurer remain in the room when deposits are delivered to armored car personnel. 	<p>Principal</p> <p>Principal Assistant Principal Treasurer</p>

**Action Plan for the 2002-2003 and 2003-2004
Audit Exceptions at Nautilus Middle School
DR. MATTHEW WELKER, PRINCIPAL**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
1. <u>Financial Management Cont'd.</u>	<ul style="list-style-type: none"> • The principal created a safeguard whereby the principal, treasurer, and designated assistant principal are the only employees who know the combination to the school's safe. (June 2003) • The principal directed the designated assistant principal and the treasurer to remain in the room when deposits are delivered to the armored car personnel. (June 2003) 		
2. <u>Payroll</u>	<ul style="list-style-type: none"> • The principal thoroughly reviewed the <u>Payroll Processing Procedures</u> manual with the administrative team, the payroll clerk, and the back-up payroll clerk. (August, 2004) • The principal directed the payroll clerk not to sign in/out for any employee other than herself. (August 2004) 	<ul style="list-style-type: none"> • The principal, at the end of each pay period, will check to ensure that the payroll clerk is not signing in/out for other employees. If the payroll clerk signs in/out for other employees, she will receive a written warning from the principal. 	Principal Payroll Clerk Administrative Team Back-up Payroll Clerk

**Action Plan for the 2002-2003 and 2003-2004
Audit Exceptions at Nautilus Middle School
DR. MATTHEW WELKER, PRINCIPAL**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>2. <u>Payroll Cont'd.</u></p>	<ul style="list-style-type: none"> The principal directed the payroll clerk to present for his signature and approval, all requests for overtime in advance. He further directed her to attach the signed forms to the working payroll roster. (August 2004) The principal directed the payroll clerk to follow the procedures as outlined in the <u>Payroll Processing Procedures</u> manual and pay employees for the hours they work in the payroll period being processed. He further directed her not to "bank" hours for employees. (June 2004) The principal directed the payroll clerk to pay particular attention to the proper maintenance of the daily attendance sheets to include the proper maintenance of supporting documentation when employees have taken leave and employees signing in when present. (June 2004) 	<ul style="list-style-type: none"> The principal will check the payroll documentation, along with the working roster, each payroll-reporting period to ensure that it includes copies of his signed approval for overtime. The principal, when checking the working payroll roster, will have the payroll clerk sit with him and verify that the hours being reported are for the pay period being processed. If there are discrepancies, he will have the clerk correct the errors. He will not complete the payroll process until all errors have been corrected. The principal, prior to approving the payroll, will meet with the payroll clerk and the assistant principal to do a final review of the payroll records. During the final review, the principal will thoroughly check the hourly payroll, overtime payroll, leave cards and supporting documentation to ensure that daily payroll is accurate, hourly computations are correct, and the information entered into the system 	<p>Principal Payroll Clerk</p> <p>Principal Payroll Clerk</p> <p>Principal Payroll Clerk Assistant Principal</p>

**Action Plan for the 2002-2003 and 2003-2004
Audit Exceptions at Nautilus Middle School
DR. MATTHEW WELKER, PRINCIPAL**

AUDIT EXCEPTIONS(S)	AUDIT RESPONSES		PERSON(S) RESPONSIBLE
	IMMEDIATE CORRECTIVE ACTIONS	PREVENTATIVE MONITORING STRATEGIES	
<p>2. <u>Payroll Cont'd.</u></p>		<p>matches the supporting payroll records. Additionally, the principal will compare the total hours worked on both the working and final rosters. The principal will not approve the final payroll until all errors and discrepancies have been corrected.</p>	

MIAMI BEACH SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 2231 Prairie Avenue, Miami Beach, Florida 33139

Date School Established: 1926

Grades: 9-12

Principal: Dr. Jeanne Friedman

Treasurer: Ms. Anna L. Echevarria

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:					
SunTrust Bank	--	--	--	\$71,813.20	\$50,599.23
Investments:					
SunTrust Bank	05/12/05	12 Mos.	1.00		3,000.00
MDCPS-Money Market Pool Fund	Open-end	--	2.37	224,423.28	
	Open-end	--	1.86		214,111.76
TOTAL				<u>\$296,236.48</u>	<u>\$267,710.99</u>

MIAMI BEACH SENIOR HIGH SCHOOL (Continued)

AUDIT EXCEPTION

Financial Management and Records

1. The school contacted M-DCPS Police and submitted a Plant Security Report when the treasurer discovered that an internal funds deposit for \$579 and a cafeteria deposit for \$1,990 had disappeared from the schools' vault safe. According to the report and the school administration, on March 8, 2004, two deposit bags had been placed inside the vault's drop safe because the armored car service had not come to the school to pick up the deposits. On March 9, 2004, the treasurer discovered that when she opened the drop safe the money bags were missing. According to the school administration, the vault and the drop safe's combinations had not been changed in many years, and several individuals from the day and night school had access to the vault and the drop safe. We recommend that greater care be placed in the safeguarding of the collections to avoid future theft of funds. We also recommend that when monies are placed or retrieved from the safe that two persons jointly perform this duty to improve internal controls over collected funds.

OTHER COMMENTS

Internal Funds

The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration, except as noted above. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting, except as noted above.

Payroll

There was general adherence to payroll procedures.

REGION II

SCHOOL - 7201 MIAMI BEACH SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	35,488.47	30,702.52	67,745.84	12,811.53	11,256.68
MUSIC	3,810.96	8,443.50	6,922.28	138.81-	5,193.37
CLASSES AND CLUBS	61,180.04	237,472.90	233,864.97	16,350.79	81,138.76
TRUST	67,487.86	99,585.53	100,197.29	459.12	67,335.22
INSTRUCTIONAL AIDS	8,633.33	11,292.00	11,566.92	.00	8,358.41
GENERAL	52,496.58	156,088.60	68,776.55	29,482.63-	110,326.00
INSTRUCTIONAL MATE	13,530.54	26,829.11	27,731.61	.00	12,628.04
TOTAL	242,627.78	570,414.16	516,805.46	.00	296,236.48

CHECKING	71,813.20	INVESTMENTS	.00	SBMMF	224,423.28	TOTAL	296,236.48
			ACCOUNTS PAYABLE		.00		

ACCESS CENTER II

SCHOOL - 7201 MIAMI BEACH SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	11,256.68	40,330.63	106,411.37	95,889.71	41,065.65
MUSIC	5,193.37	15,243.50	14,506.01	167.49-	5,763.37
CLASSES AND CLUBS	81,138.76	223,081.92	233,446.20	27,946.08	98,720.56
TRUST	67,335.22	115,618.74	130,228.03	21,565.23-	31,160.70
INSTRUCTIONAL AIDS	8,358.41	9,983.00	9,586.47	.00	8,754.94
GENERAL	110,326.00	151,487.96	94,425.32	102,103.07-	65,285.57
INSTRUCTIONAL MATE	12,628.04	23,003.06	18,670.90	.00	16,960.20
TOTAL	296,236.48	578,748.81	607,274.30	.00	267,710.99

CHECKING	50,599.23	INVESTMENTS	3,000.00	SBMMF	214,111.76	TOTAL	267,710.99
			ACCOUNTS PAYABLE		.00		

MEMORANDUM

August 17, 2004

TO: Ms. Enid Weisman, Assistant Superintendent
ACCESS Center 2

FROM: Jeanne Friedman, Principal
Miami Beach Senior High

**SUBJECT: RESPONSE TO INTERNAL FUND AUDIT FOR JULY 1, 2002
THROUGH JUNE 30, 2004**

In response to the above-mentioned audit period for Miami Beach Senior High School, this administrator has discussed the audit report and all applicable sections of the **new Manual of Internal Fund Accounting** with the assistant principals, treasurer, clerical staff, activities director, athletic director, club sponsors, and faculty members. This action was taken to ensure an understanding and compliance of all internal accounting procedures. Applicable sections of the document will be reviewed with all faculty and staff members throughout the 2004-2005 school year.

Corrective actions have been taken by this administrator to address and remedy the area cited as an audit exception. Procedures have also been developed and implemented to ensure compliance with the guidelines and procedures found in the new comparable sections of the new manual. This information has been reviewed with the assistant principals, purchasing clerk, treasurer, athletic director, activities director, and faculty to avoid future audit exceptions.

Financial Management and Records

The principal has implemented the following corrective actions:

- The principal took steps to have the combination to the vault and the drop safe changed. (August 2004)
- The principal directed the bookkeeper to inform her if the armored car service fails to make a pickup. (August 2004)
- The principal has limited the number of people who can visit the safe during the school day. Further, she recommended that the vault where the drop safe is housed remain locked when not in use by authorized employees. (August 2004)
- The principal has directed the treasurer to have another person (designated by the principal) accompany her when monies are placed in or retrieved from the safe. She further directed the treasurer to establish a sign-in log for persons entering the vault. (August 2004)

The principal will implement the following preventative actions to prevent a recurrence of the audit exception:

- The principal will ensure that only essential persons that she has designated will have access to the combination to the vault once the new combination is installed.
- The principal will make alternate provisions for getting the funds to the bank when the armored car fails to make a pickup.
- The principal, on an ongoing basis, will check that the vault is locked during the open school hours, and that only those persons she authorized are accessing the vault.
- The principal, on an ongoing basis, will review the sign-in log to make sure that it reflects two persons entering the vault. In addition, she will visually inspect the vault during the day to ensure that two persons are entering the vault when monies are being placed in or retrieved from the safe.

This administrator will continue to take an active role in the implementation and monitoring of all internal fund activities throughout the 2004-2005 school year and in the future. Continued utilization of the District Business Manager and ACCESS Center 2 Business Director as added resources will further help to ensure compliance with the guidelines found in the **new Manual of Internal Fund Accounting**.

Please feel free to contact me at 305-532-7114 if you have any questions or concerns regarding the information being provided.

cc: Dr. Ronnie Hunter

NORLAND MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 1235 N. W 192 Terrace, Miami, Florida 33169

Date School Established: 1963

Grades: 6-8

Principal: Ms. Cheryl Nelson

Treasurers: Ms. Dorothy Lewin (Through January 2004)
 Ms. Mae Anderson

Community School Assistant Principal: Mr. Bennie Reeves, Jr. (Through June 2003)*

Community School Secretary: Ms. Lynda Moise*

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:				
Wachovia Bank, N.A.	--	0.14	\$13,028.83	
	--	0.10		\$ 7,368.20
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	63,861.42	
	Open-end	1.86		65,202.67
TOTAL			<u>\$76,890.25</u>	<u>\$72,570.87</u>

*The Community School became a principal-operated program after June 2003.

NORLAND MIDDLE SCHOOL (Continued)

AUDIT EXCEPTION

Community School

1. Our review of the community school operation disclosed the following discrepancies:
 - a. Fees charged for several courses did not agree with or were not listed in the Approved Fee List for the 2002-03 fiscal year, while the fees on the Approved Fee List for the 2003-04 fiscal year did not always match fees charged to students.
 - b. During the 2002-03 fiscal year some attendance rosters were not presented for audit and one monthly attendance roster was used to record attendance for three months.
 - c. Several student registration cards were incomplete or contained errors, while others were not presented for audit.
 - d. One attendance roster appeared to have been altered to agree with absences reported on one student registration card.
 - e. A few student registration cards did not show payment for some periods, while students were marked present on the attendance rosters, and there were no written explanations for the discrepancies.

The Community School Procedures manual establishes the procedures for approving fees, maintaining student registration cards and attendance rosters, recording payments, and retaining records for audit. We recommend compliance with these procedures and closer monitoring of this activity by the school administration. After June 2003, the Community School Program was closed and only a principal-operated program with the Learning Is Fun Everyday (L.I.F.E.) Program is currently offered at the school.

OTHER COMMENTS

Internal Funds

The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration, except as noted above. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting, except as noted above.

Food Service and Payroll

There were no significant audit exceptions noted in our review of the food service records. In addition, there was general adherence to payroll procedures.

REGION II SBM

SCHOOL - 6571 NORLAND MIDDLE SCHOOL

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	625.12	2,277.44	2,362.70	.00	539.86
CLASSES AND CLUBS	29,090.79	154,069.58	165,557.46	16,403.62	34,006.53
TRUST	5,556.79	131,601.72	110,635.57	18,720.47-	7,802.47
PROPERTY DEPOSITS	1,513.14	2,502.50	.00	.00	4,015.64
SCHOOL STORE	1,099.68	292.00	114.86	.00	1,276.82
INSTRUCTIONAL AIDS	1,980.51	8,802.10	6,197.37	57.90	4,643.14
GENERAL	8,710.71	4,891.22	8,193.46	2,441.44	7,849.91
INSTRUCTIONAL MATE	9,069.69	20,317.02	22,761.67	182.49-	6,442.55
COMMUNITY SCHOOL	7,337.40	48,903.84	45,927.91	.00	10,313.33
TOTAL	64,983.83	373,657.42	361,751.00	.00	76,890.25

CHECKING 13,028.83 INVESTMENTS .00 SBMMF 63,861.42 TOTAL 76,890.25
 ACCOUNTS PAYABLE .00

ACCESS CENTER II
 SCHOOL - 6571 NORLAND MIDDLE SCHOOL


FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	539.86	997.57	1,218.35	.00	319.08
CLASSES AND CLUBS	34,006.53	86,853.05	107,243.40	19,590.99	33,207.17
TRUST	7,802.47	191,164.20	166,772.84	23,229.87-	8,963.96
PROPERTY DEPOSITS	4,015.64	1,800.00	2,231.08	.00	3,584.56
SCHOOL STORE	1,276.82	.00	.00	.00	1,276.82
INSTRUCTIONAL AIDS	4,643.14	6,155.00	5,462.19	2.00-	5,333.95
GENERAL	7,849.91	6,575.50	6,241.03	3,640.88	11,825.26
INSTRUCTIONAL MATE	6,442.55	27,396.06	25,798.54	.00	8,040.07
COMMUNITY SCHOOL	10,313.33	15,648.83	25,942.16	.00	20.00
TOTAL	76,890.25	336,590.21	340,909.59	.00	72,570.87

CHECKING	7,368.20	INVESTMENTS	.00	SBMMF	65,202.67	TOTAL	72,570.87
			ACCOUNTS PAYABLE		.00		

MEMORANDUM

August 17, 2004

TO: Ms. Enid Weisman, Assistant Superintendent
ACCESS Center 2

FROM: Cheryl W. Nelson, Principal 
Norland Middle School

**SUBJECT: RESPONSE TO INTERNAL FUNDS AUDIT OF NORLAND
MIDDLE SCHOOL FOR THE 2002-2004 SCHOOL YEAR**

The principal has reviewed the internal funds audit report for the 2002-2004 school year and has thoroughly discussed the report with the appropriate personnel. The Community School Procedures manual was used when addressing the exception. A meeting with the treasurer, assistant principal, program coordinator and clerk pertaining to financial management and record keeping was held to review procedures pertaining to financial management and record keeping.

During the 2004-2005 school year, the principal will take an active role in monitoring the Middle School Enrichment program in order to prevent future audit exceptions. The principal will meet monthly with appropriate staff to ensure compliance with the guidelines outlined in the procedures manual referenced above.

The principal will confer with the ACCESS Center 2 Business Director, District Business Manager, and other district staff for support in maintaining compliance with all guidelines.

AUDIT EXCEPTION:

Community School - Middle School Enrichment Program

The following corrective actions will be taken:

1. The principal will review in detail appropriate sections of the Community School Procedures manual with the program coordinator, clerk, treasurer and assistant principal responsible for overseeing the program. (August, 2004)
2. The principal directed the assistant principal, treasurer, clerk, and the program coordinator to accurately record and collect fees as outlined in the weekly Payment Schedule and the Parent Fee and Payment Record provided by the Division of Community Education. She further directed the community school clerk to accurately collect fees and record the same. (August 2004)
3. The principal directed the appropriate community school personnel to properly record attendance and payments on the student registration cards. She also directed community school personnel to issue official receipts upon the collection of fees, and file the cards for audit. (August 2004)

4. The principal directed the community school personnel to charge fees as approved. She further directed personnel to submit a request in writing if there is a need to amend the approved fee list. (August 2004)
5. The principal directed the community school coordinator to instruct staff not to alter the attendance rosters and to ensure that the attendance rosters properly reflect the student absences. She further directed the staff to submit to her, in writing, an explanation if changes are necessary on the attendance roster or the student registration cards. (August 2004)

The following strategies were established and will be implemented by the principal to prevent reoccurrence:

1. The principal, on a monthly basis, will review the student registration cards, fee payment schedules, and attendance records of fee paying Middle School Enrichment students with the treasurer, program coordinator, clerk and assistant principal to ensure the proper procedures have been followed and payments are being made according to the fee payment schedule. Any errors and discrepancies will be corrected immediately.
2. The principal, on a monthly basis, will spot check student registration cards to ensure that the approved fee is being charged to the student, that payments are made in a timely manner and are properly recorded on the cards.
3. The principal will review all written requests for fee amendments if the need arises. Upon receipt of such a request, she will submit a letter to the Community School, Middle School Enrichment coordinator at the district level seeking approval to amend the fee. If granted, the approval will be filed for audit.
4. The principal, on a monthly basis, will visit classrooms to visually check that students (randomly chosen) are in class and that the registration cards indicate a payment for those students. Discrepancies will be corrected immediately.

If you have any questions, please contact me at (305) 653-1210.

DR. MICHAEL M. KROP SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 1410 N. E. 215 Street, Miami, Florida 33179

Date School Established: 1998

Grades: 9 - 12

Principal: Mr. George Nuñez

Treasurers: Ms. Nikita Stephens (Through September 2002)
 Ms. Amelia Suarez

Community School Assistant Principal: Mr. Vincent Vignola

Community School Secretaries: Ms. Dolores Lugo-Jimenez (Through March 2003)
 Ms. Ivette Lugo

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:				
TotalBank	--	--	\$ 1,594.34	\$ 13,522.42
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	262,464.85	
	Open-end	1.86		238,354.43
TOTAL			<u>\$264,059.19</u>	<u>\$251,876.85</u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds and procurement credit card records. In addition, there was general adherence to payroll procedures. The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

REGION II SBM

SCHOOL - 7141 DR. MICHAEL M. KROP SE

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE		
ATHLETICS	28,449.36	50,971.94	86,872.13	21,529.45	14,078.62		
MUSIC	1,523.58	21,462.41	21,479.70	319.00-	1,187.29		
CLASSES AND CLUBS	104,261.38	341,871.52	360,224.27	49,155.56	135,064.19		
TRUST	52,269.25	119,779.55	133,040.58	15,371.88	54,380.10		
PROPERTY DEPOSITS	180.70-	2,665.70	3,251.45	766.45	.00		
INSTRUCTIONAL AIDS	10,929.08	34,910.00	35,560.57	23.39-	10,255.12		
GENERAL	37,603.17	116,676.10	37,890.33	86,365.95-	30,022.99		
INSTRUCTIONAL MATE	14,916.67	55,598.42	60,787.55	.00	9,727.54		
COMMUNITY SCHOOL	8,087.73	297,316.40	295,945.79	115.00-	9,343.34		
TOTAL	257,859.52	1,041,252.04	1,035,052.37	.00	264,059.19		
CHECKING	1,594.34	INVESTMENTS	.00	SBMMF	262,464.85	TOTAL	264,059.19
		ACCOUNTS PAYABLE	.00		.00		

ACCESS CENTER II
 SCHOOL - 7141 DR. MICHAEL M. KROP SE

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	14,078.62	48,795.98	63,337.33	14,000.03	13,537.30
MUSIC	1,187.29	40,486.92	36,983.50	684.18-	4,006.53
CLASSES AND CLUBS	135,064.19	373,456.43	463,555.27	50,195.98	95,161.33
TRUST	54,380.10	122,284.26	89,761.41	9,682.97-	77,219.98
PROPERTY DEPOSITS	.00	3,325.50	637.45	.00	2,688.05
INSTRUCTIONAL AIDS	10,255.12	39,752.08	35,457.58	.00	14,549.62
GENERAL	30,022.99	91,013.93	48,807.20	53,812.86-	18,416.86
INSTRUCTIONAL MATE	9,727.54	57,924.62	52,276.98	.00	15,375.18
COMMUNITY SCHOOL	9,343.34	316,124.75	314,530.09	16.00-	10,922.00
TOTAL	264,059.19	1,093,164.47	1,105,346.81	.00	251,876.85

CHECKING 13,522.42 INVESTMENTS .00 SBMMF 238,354.43 TOTAL 251,876.85
 ACCOUNTS PAYABLE .00

MIAMI NORLAND SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 1050 N. W. 195 Street, Miami, Florida 33169

Date School Established: 1958

Grades: 9-12

Principal: Mr. Willie B. Turner

Treasurers: Ms. Venada Althene (Through August 2002; Part-time)
 Ms. Nikita Stephens

CASH AND/OR INVESTMENTS SUMMARY

	Maturity <u>Date</u>	Interest <u>Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:				
Wachovia Bank, N.A.	--	0.14	\$ 51,382.81	
	--	0.10		\$ 40,410.41
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	112,283.02	
	Open-end	1.86		120,132.16
TOTAL			<u>\$163,665.83</u>	<u>\$160,542.57</u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds records. In addition, there was general adherence to payroll procedures. The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

REGION II

SCHOOL - 7381 MIAMI NORLAND SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE	
ATHLETICS	18,548.84	142,802.96	179,211.74	19,731.05	1,871.11	
MUSIC	2,153.71	11,684.00	9,684.01	1,200.00-	2,953.70	
CLASSES AND CLUBS	64,886.60	248,135.95	274,062.09	12,811.22	51,771.68	
TRUST	35,886.16	144,245.46	129,902.12	150.23	50,379.73	
PROPERTY DEPOSITS	4,179.46	.00	.00	.00	4,179.46	
SCHOOL STORE	706.77	.00	.00	706.77-	.00	
INSTRUCTIONAL AIDS	9,008.29	7,326.59	4,372.98	.00	11,961.90	
GENERAL	13,781.34	59,469.70	19,677.10	30,503.62-	23,070.32	
INSTRUCTIONAL MATE	4,870.78	76,131.49	63,242.23	282.11-	17,477.93	
TOTAL	154,021.95	689,796.15	680,152.27	.00	163,665.83	
CHECKING	51,382.81	INVESTMENTS	.00 SBMMF	112,283.02	TOTAL	163,665.83
			ACCOUNTS PAYABLE	.00		

ACCESS CENTER II

SCHOOL - 7381 MIAMI NORLAND SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	1,871.11	46,954.77	63,139.00	13,995.78	317.34-
MUSIC	2,953.70	19,146.94	17,926.06	1,569.00	5,743.58
CLASSES AND CLUBS	51,771.68	271,171.71	274,033.63	4,208.81	53,118.57
TRUST	50,379.73	114,093.14	144,572.84	10,423.98	30,324.01
PROPERTY DEPOSITS	4,179.46	.00	.00	4,179.46-	.00
INSTRUCTIONAL AIDS	11,961.90	8,365.00	8,024.71	.00	12,302.19
GENERAL	23,070.32	57,695.33	9,620.76	26,018.11-	45,126.78
INSTRUCTIONAL MATE	17,477.93	59,070.30	62,303.45	.00	14,244.78
TOTAL	163,665.83	576,497.19	579,620.45	.00	160,542.57

CHECKING	40,410.41	INVESTMENTS	.00	SBMMF	120,132.16	TOTAL	160,542.57
			ACCOUNTS PAYABLE		.00		

NORTH MIAMI BEACH SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 1247 N. E. 167 Street, No. Miami Beach, Florida 33162

Date School Established: 1971

Grades: 9-12

Principal: Mr. Raymond Fontana

Treasurers: Ms. Dorothy Singletary (Through January 2004)
 Ms. Olga Sanchez

Community School Assistant Principal: Ms. Sandra White (Through August 2003)*

Community School Secretary: Mr. Wilner Francois (Through August 2003)*

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/03</u>	<u>6/30/04</u>
Checking Account:				
Bank of America, N.A.	--	0.10	\$ 6,020.32	
	--	0.19		\$ 34,148.57
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	280,876.40	
	Open-end	1.86		262,031.04
 TOTAL			<u>\$286,896.72</u>	<u>\$296,179.61</u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds and procurement credit card records. In addition, there was general adherence to payroll procedures. The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

* The Community School Program was closed in August 2003.

REGION II

SCHOOL - 7541 NORTH MIAMI BEACH SENI

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE		
ATHLETICS	40,662.51	47,943.43	86,310.61	34,881.26	37,176.59		
MUSIC	2,410.77	850.00	1,404.33	255.00-	1,601.44		
CLASSES AND CLUBS	62,929.37	219,399.82	200,637.75	2,276.14-	79,415.30		
TRUST	70,456.89	112,509.40	134,118.38	15,000.44	63,848.35		
PROPERTY DEPOSITS	1,965.32	1,435.00	.00	56.00	3,456.32		
INSTRUCTIONAL AIDS	10,057.81	10,917.00	11,264.12	599.00-	9,111.69		
GENERAL	35,798.03	64,527.58	16,733.49	46,687.56-	36,904.56		
INSTRUCTIONAL MATE	18,674.40	20,055.86	23,150.53	.00	15,579.73		
COMMUNITY SCHOOL	23,607.71	31,918.62	28,990.65	.00	26,535.68		
PRODUCTION/SERVICE	14,110.43	22,323.00	23,046.37	120.00-	13,267.06		
TOTAL	280,673.24	531,879.71	525,656.23	.00	286,896.72		
CHECKING	6,020.32	INVESTMENTS	.00	SBMMF	280,876.40	TOTAL	286,896.72
		ACCOUNTS PAYABLE	.00		.00		

ACCESS CENTER II
 SCHOOL - 7541 NORTH MIAMI BEACH SENI

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	37,176.59	65,718.11	106,219.30	30,649.43	27,324.83
MUSIC	1,601.44	13,451.10	5,733.75	512.96-	8,805.83
CLASSES AND CLUBS	79,415.30	207,601.34	195,567.10	3,714.54-	87,735.00
TRUST	63,848.35	122,189.07	112,563.59	4,874.64-	68,599.19
PROPERTY DEPOSITS	3,456.32	1,571.50	2,864.68	7.00	2,170.14
INSTRUCTIONAL AIDS	9,111.69	13,349.50	7,628.54	4.00	14,836.65
GENERAL	36,904.56	48,045.01	30,340.89	21,458.29-	33,150.39
INSTRUCTIONAL MATE	15,579.73	14,218.38	14,131.39	.00	15,666.72
COMMUNITY SCHOOL	26,535.68	8,351.53	8,222.56	100.00-	26,564.65
PRODUCTION/SERVICE	13,267.06	.00	1,940.85	.00	11,326.21
TOTAL	286,896.72	494,495.54	485,212.65	.00	296,179.61

CHECKING 34,148.57 INVESTMENTS .00 SBMMF 262,031.04 TOTAL 296,179.61
 ACCOUNTS PAYABLE .00

HIGHLAND OAKS MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2002-03 AND 2003-04 FISCAL YEARS
 JULY 1, 2002 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 2375 N. E. 203 Street, North Miami Beach, Florida 33180

Date School Established: 1976

Grades: 6-8

Principal During Audit Period: Mr. Guy Newland (Through June 2004; retired)

Current Principal: Ms. Sally Alayon

Treasurer: Ms. Christine Shipman

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	6/30/03	6/30/04
Checking Account:				
Bank of America, N.A.	--	--	\$13,711.93	\$29,974.46
Investment:				
MDCPS-Money Market Pool Fund	Open-end	2.37	83,950.14	
	Open-end	1.86		52,588.19
TOTAL			\$97,662.07	\$82,562.65

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds records. In addition, there was general adherence to payroll procedures. The financial statements of the school present fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2002-03 and 2003-04 fiscal years, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

REGION II SBM

SCHOOL - 6241 HIGHLAND OAKS MIDDLE

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	66.94	1,161.40	1,434.33	579.55	373.56
CLASSES AND CLUBS	19,176.82	147,753.69	131,190.96	4,476.49-	31,263.06
TRUST	18,366.71	43,029.08	27,045.04	4,111.84	38,462.59
PROPERTY DEPOSITS	1,009.13	3,540.00	3,219.07	.00	1,330.06
INSTRUCTIONAL AIDS	2,702.09	8,467.19	7,505.12	201.20-	3,462.96
GENERAL	5,258.75	25,207.82	18,683.03	13.70-	11,769.84
INSTRUCTIONAL MATE	2,176.99	80,900.38	72,077.37	.00	11,000.00
TOTAL	48,757.43	310,059.56	261,154.92	.00	97,662.07

CHECKING	13,711.93	INVESTMENTS	.00	SBMMF	83,950.14	TOTAL	97,662.07
				ACCOUNTS PAYABLE	.00		

ACCESS CENTER II
 SCHOOL - 6241 HIGHLAND OAKS MIDDLE S

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	373.56	1,027.60	1,111.84	.00	289.32
CLASSES AND CLUBS	31,263.06	152,559.05	149,012.25	2,810.59-	31,999.27
TRUST	38,462.59	56,454.58	74,165.54	7,366.79	28,118.42
PROPERTY DEPOSITS	1,330.06	3,896.00	3,192.11	3.50-	2,030.45
INSTRUCTIONAL AIDS	3,462.96	5,799.45	5,602.30	6.60	3,666.71
GENERAL	11,769.84	25,298.57	23,049.48	4,559.30-	9,459.63
INSTRUCTIONAL MATE	11,000.00	45,861.70	49,862.85	.00	6,998.85
TOTAL	97,662.07	290,896.95	305,996.37	.00	82,562.65

CHECKING	29,974.46	INVESTMENTS	.00	SBMMF	52,588.19	TOTAL	82,562.65
			ACCOUNTS PAYABLE		.00		

THOMAS JEFFERSON MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2003-04 FISCAL YEAR
 JULY 1, 2003 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 525 N. W. 147 Street, Miami, Florida 33168

Date School Established: 1958

Grades: 7-9

Principals: Ms. Frances Young (Through December 2003; retired)
 Ms. Ellen O. Wright

Treasurer: Ms. Linda Cason

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/04</u>
Checking Account:			
Kislak National Bank	--	0.25	\$ 5,426.79
Investment:			
MDCPS-Money Market Pool Fund	Open-end	1.86	<u>20,294.50</u>
TOTAL			<u><u>\$25,721.29</u></u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds records. In addition, there was general adherence to payroll procedures. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2003-04 fiscal year, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

ACCESS CENTER II
 SCHOOL - 6281 THOMAS JEFFERSON MIDDLE

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
CLASSES AND CLUBS	8,823.86	36,731.73	37,418.59	1,284.45	9,421.45
TRUST	3,143.66	7,994.66	9,897.31	2,775.15	4,016.16
PROPERTY DEPOSITS	500.20	556.00	956.18	.00	100.02
INSTRUCTIONAL AIDS	967.84	995.90	1,110.26	91.96-	761.52
GENERAL	735.76	5,985.13	1,714.28	3,967.64-	1,038.97
INSTRUCTIONAL MATE	5,484.26	34,312.01	29,413.10	.00	10,383.17
TOTAL	19,655.58	86,575.43	80,509.72	.00	25,721.29

CHECKING	5,426.79	INVESTMENTS	.00	SBMMF	20,294.50	TOTAL	25,721.29
			ACCOUNTS PAYABLE		.00		

JOHN F. KENNEDY MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2003-04 FISCAL YEAR
 JULY 1, 2003 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 1075 N. E. 167 Street, No. Miami Beach, Florida 33162

Date School Established: 1957

Grades: 6-8

Principal: Ms. Kay Mikulas

Treasurer: Ms. Lavern Thornton

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/04</u>
Checking Account:			
Union Planters Bank	--	--	\$ 6,472.58
Investment:			
MDCPS-Money Market Pool Fund	Open-end	1.86	<u>37,347.00</u>
TOTAL			<u>\$43,819.58</u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds records. In addition, there was general adherence to payroll procedures. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2003-04 fiscal year, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

ACCESS CENTER II
 SCHOOL - 6301 JOHN F. KENNEDY MIDDLE

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	97.43	469.00	319.92	.00	246.51
CLASSES AND CLUBS	18,355.24	52,192.70	59,279.82	3,551.16	14,819.28
TRUST	9,633.25	14,432.52	14,737.23	3,269.52	12,598.06
PROPERTY DEPOSITS	299.19	2,306.50	2,284.45	.00	321.24
INSTRUCTIONAL AIDS	1,947.69	258.00	.00	.00	2,205.69
GENERAL	8,624.28	16,842.95	8,481.16	6,820.68	10,165.39
INSTRUCTIONAL MATE	4,306.07	34,095.51	34,938.17	.00	3,463.41
TOTAL	43,263.15	120,597.18	120,040.75	.00	43,819.58

CHECKING	6,472.58	INVESTMENTS	.00	SBMMF	37,347.00	TOTAL	43,819.58
			ACCOUNTS PAYABLE		.00		

NORTH MIAMI MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2003-04 FISCAL YEAR
 JULY 1, 2003 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 13105 N.E. 7th Avenue, North Miami, Florida 33161

Date School Established: 1955

Grades: 6-8

Principal: Mr. Howard Weiner

Treasurer: Ms. Beverly Edgecombe

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/04</u>
Checking Account:			
Wachovia Bank, N.A.	--	0.10	\$10,208.91
Investment:			
MDCPS-Money Market Pool Fund	Open-end	1.86	<u>20,000.66</u>
TOTAL			<u><u>\$30,209.57</u></u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds records. In addition, there was general adherence to payroll procedures. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2003-04 fiscal year, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

ACCESS CENTER II
 SCHOOL - 6631 NORTH MIAMI MIDDLE SCH

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	265.07	384.00	205.00	.00	444.07
CLASSES AND CLUBS	4,356.57	18,424.35	18,061.58	442.38	5,161.72
TRUST	6,932.09	26,453.38	25,567.25	1,379.17	9,197.39
PROPERTY DEPOSITS	27.38	1,006.00	.00	.00	1,033.38
INSTRUCTIONAL AIDS	816.83	134.00	587.42	51.56-	311.85
GENERAL	384.80	7,968.78	5,260.46	1,769.99-	1,323.13
INSTRUCTIONAL MATE	9,914.40	30,607.34	27,783.71	.00	12,738.03
TOTAL	22,697.14	84,977.85	77,465.42	.00	30,209.57

CHECKING 10,208.91 INVESTMENTS .00 SBMMF 20,000.66 TOTAL 30,209.57
 ACCOUNTS PAYABLE .00

PARKWAY MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2003-04 FISCAL YEAR
 JULY 1, 2003 THROUGH JUNE 30, 2004

PROFILE OF THE SCHOOL

Address: 2349 N. W. 175 Street, Opa-locka, Florida 33055

Date School Established: 1961

Grades: 6-8

Principal During Audit Period: Mr. Robert Edwards (Through June 2004; retired)

Current Principal: Mr. Eugene Butler, Jr.

Treasurer: Ms. Anna Bennett

CASH AND/OR INVESTMENTS SUMMARY

	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>6/30/04</u>
Checking Account:				
Wachovia Bank, N. A.	--	--	0.10	\$ 523.04
Investment:				
Wachovia Bank, N. A.	11/07/04	6 Mos.	0.65	<u>28,831.40</u>
TOTAL				<u><u>\$29,354.44</u></u>

AUDIT EXCEPTIONS

None

OTHER COMMENT

There were no significant audit exceptions noted in our review of the internal funds records. In addition, there was general adherence to payroll procedures. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2003-04 fiscal year, on the cash basis of accounting. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Accounting indicated that the internal control structure at the school was generally functioning as designed by the District administration.

ACCESS CENTER II
 SCHOOL - 6721 PARKWAY MIDDLE SCHOOL

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	185.53	7,204.00	7,368.71	55.70	76.52
CLASSES AND CLUBS	9,601.13	59,407.86	57,728.20	1,172.65-	10,108.14
TRUST	5,579.94	18,319.02	18,332.33	130.40-	5,436.23
PROPERTY DEPOSITS	1,136.41	238.00	320.25	.00	1,054.16
SCHOOL STORE	480.09	.00	.00	.00	480.09
INSTRUCTIONAL AIDS	4,030.58	2,953.00	4,664.24	66.50-	2,252.84
GENERAL	1,787.73	350.97	4,518.66	1,313.85	1,066.11-
INSTRUCTIONAL MATE	12,297.40	6,598.23	8,348.32	.00	10,547.31
COMMUNITY SCHOOL	465.26	.00	.00	.00	465.26
TOTAL	35,564.07	95,071.08	101,280.71	.00	29,354.44

CHECKING 523.04 INVESTMENTS 28,831.40 SBMMF .00 TOTAL 29,354.44
 ACCOUNTS PAYABLE .00

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revised 5/9/03