

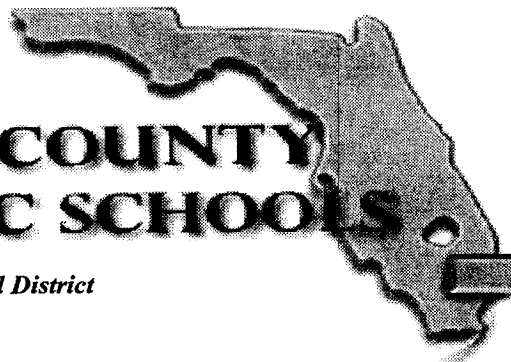
INTERNAL AUDIT REPORT

Audit of the Internal Funds at 5 Schools in the South Central Area



**BROWARD COUNTY
PUBLIC SCHOOLS**

The Nations Sixth Largest School District



To be presented to the:

**Audit Committee on
May 17, 2007**

**School Board of Broward County, Florida on
June 19, 2007**

By

The Office of the Chief Auditor



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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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Office of the Chief Auditor
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April 24, 2007

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
James F. Notter, Interim Superintendent of Schools

Ladies and Gentlemen:

We have audited the Statement of Changes in Fund Balances for the Internal Funds at five South Central Area schools for the fiscal years ended June 30, 2005 and/or 2006, pursuant to the Florida State Board of Education, Administrative Rule 6A-1.087(2) and School Board Policy 1002.1. Each school's Principal is responsible for the preparation of the Statement of Changes in Fund Balances. Our responsibility is to express an opinion on these statements based on our audits.

We conducted our audits in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform these audits to obtain reasonable assurance that the financial statements are free of material misstatements.

The audits at these five schools included an examination of the Internal Funds, payroll, After School Care and the Community School Programs, as applicable.

An audit includes evaluating and examining, on a test basis, the financial statements and supporting documents. In planning and performing our audits of the schools' financial statements for the fiscal years ended June 30, 2005 and June 30, 2006, we considered the internal control structures. Our review of the internal control structures facilitates the development of the audit procedures and the expression of an opinion on the financial statements. We believe our audits provide a reasonable basis for our opinion.

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
James F. Notter, Interim Superintendent of Schools
Page 2
April 24, 2007

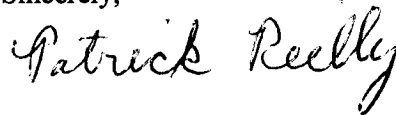
The schools' records were maintained in conformity with the School Board's accounting procedures for Internal Funds. These accounting procedures require all financial transactions be recorded on a cash basis method, with no records maintained on accounts receivables, accounts payable, nor accruals. Accordingly, the Statements of Changes in Fund Balances, as shown in this report, do not present the financial position nor the results of operations of the schools in the manner required by generally accepted accounting principles.

Our audits indicated that three schools in this report complied with prescribed policies and procedures. The remaining two schools' reports contained some audit exceptions.

In our opinion, the Statements of Changes in Fund Balances for the five schools present fairly the cash receipts and disbursements of the schools' Internal Funds, arising from cash transactions.

We wish to express our appreciation to the administration and staff of the various schools for their cooperation and courtesies extended during our audits.

Sincerely,



Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

Audits Supervised and Reviewed by:
Delores McKinley, CPA

Audits Performed by:
Mary Downing
Rupert Jairam
Hermine James

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INTERNAL AUDITOR'S REPORT

AUTHORIZATION

State Board of Education Rule 6A-1.087(2), Florida Administrative Code, requires District School Boards to provide for audits of the schools' Internal Funds. In accordance with School Board Policy 1002.1 and the Audit Plan for the 2006-2007 fiscal year, the Office of the Chief Auditor has audited the financial statements for the years ended June 30, 2005 and/or June 30, 2006 for 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 Principal. Our responsibility is to express an opinion on these financial statements based on our audits.

SCOPE, OBJECTIVES, AND METHODOLOGY

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We selected and tested a representative sample of receipts and disbursements for all the audited schools. We also analyzed selected activities where the schools generated significant revenues. An audit also includes assessing the accounting principles 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.

We perform our audits with the objectives of:

- expressing an opinion on the financial statements of the schools.
- evaluating compliance by the schools with the policies and procedures prescribed by the Standard Practice Bulletins.
- evaluating the internal control structure at the schools to determine the extent to which selected control environmental factors promote compliance with the policies and procedures prescribed by the Standard Practice Bulletins.

We conducted our audits in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require we plan and perform these audits to obtain reasonable assurance that the financial statements are free of material misstatements.

Financial Statements

In our opinion, the financial statements contained in these audit reports present fairly, in all material respects, the changes in fund balances arising from cash transactions of the schools, during the 2004-05 and 2005-06 fiscal years, on the cash basis of accounting.

Compliance

We also tested compliance with selected policies and procedures prescribed by the Standard Practice Bulletins.

Internal Control Structure

In planning and performing our examinations, we obtained an understanding of the:

- internal control structure established by the administration.
- operational internal control policies and procedures relevant to cash receipts and disbursements.
- assessed level of controlled risk to determine the nature, timing, and extent of substantive tests for compliance with applicable laws, administrative rules, and district policies; including the reliability of financial records and the safeguarding of assets.

The scope of our audits also included an assessment of the controls in place at the schools to promote compliance with the Standard Practice Bulletins, which contain the procedures established to control the use of the Internal Funds. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that material errors or irregularities in the school's financial records, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and would not necessarily disclose all material weaknesses.

OTHER FUNCTIONS EXAMINED

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 payroll procedures.

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 Standard Practice Bulletin A-445 Time and Attendance Recordkeeping. Specifically, we determined that the payroll rosters were generally supported by payroll records and the payroll functions were adequately segregated.

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

**SELECTED SCHOOLS
AREAS OF AUDIT FINDINGS
2004-05 AND 2005-06**

School	Page No.	Total Findings	Internal Accounts			
			Yearbooks	Fundraising Activities	Sales Tax Not Remitted To Accounting	Payroll
Plantation High School	21	3	1	1	1	
Walker Elementary School	31	1				1
TOTAL		4	1	1	1	1

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2005-06	PRIOR AUDIT PERIOD 2004-05
Arthur Robert Ashe, Jr. Middle School (See Page 15)	No Audit Exceptions	Disbursements During our review of disbursements we noted funds totaling \$2,180.58 from the school's General Account were used for food, refreshments and party decorations for the faculty. Disbursements of \$835 for Professional travel were also made from the General Account.

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05 & 2005-06	PRIOR AUDIT PERIOD 2003-04
Plantation High School (See Page 21)	<p>Yearbooks – (Repeat Finding – School)</p> <p><u>FY 2005</u></p> <p>An analysis of the yearbook activity disclosed the following conditions as delineated below:</p> <ol style="list-style-type: none"> 1. Analysis of the yearbook accounts showed a surplus of \$1,047.77. However, a deficit realized in fiscal year 2004 delayed the payment of the final invoice due to insufficient funds. Funds receipted from the 2005 yearbook sales had to be used to payoff the 2004 yearbook final invoice. In order to alleviate the situation the school transferred a total of \$4,878.00 from the General Account to clear an impending deficit for the 2005 yearbook. This identical issue was noted in the Audit Report for Fiscal Year 2004. 2. Receipt of twenty one overrun copies, according to school's records, were not shown on the final invoice. 3. The school did not receive credit for books returned to the vendor. 4. Students did not pay for twenty books, apparently given away. A list of recipients' names with signatures was not maintained. 5. Eight damaged books were not returned to the vendor for credit. 	<p>Yearbook</p> <p>During our evaluation of the school's yearbook operations, we noted:</p> <ol style="list-style-type: none"> a. The 2004 yearbook account ending balance was (\$4,918) short of the amount needed to cover the \$5,925 final yearbook invoice. The school compensated for the account deficit by using current year (2004-05) collections in the yearbook account to pay the 2004 final invoice in September 2004. The amount due was not listed as an unpaid liability in the Principal's Annual Report. b. There was no yearbook contract, purchase agreement, nor addendum available for fiscal year 2004. As a result, we could not vouch for the accuracy of the items, quantities and costs shown on the vendor's final invoice. c. The yearbook financial report indicated that 14 complimentary books were issued, of which only 7 were documented with the recipients' signatures. d. The yearbook financial report erroneously listed total sales of \$21,582, rather than receipted yearbook sales of \$22,162.

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05 & 2005-06	PRIOR AUDIT PERIOD 2003-04
Plantation High School (Continued from page 5)	<p>6. A price list for advertisements sold was not provided to facilitate an analysis of this activity.</p> <p>7. Financial reports were improperly completed.</p> <p>8. A RFP and related contractual documents were not provided. According to the bookkeeper these records were not found. Hence, the financial accuracy of activities was not determinable.</p>	<p>e. 36 yearbooks were unsold and listed in ending inventory.</p>

FY 2006

1. The yearbook financial report presented for audit was improperly prepared. Although the financial report showed number of units purchased and available for sale, it lacked information as to how many units were sold and selling prices per unit.
2. A distribution report with a breakdown sheet did not accompany the financial report.
3. The potential sales amount was omitted and in lieu, the advertising sales total was inserted in the area of the report reserved for potential sales.
4. A financial report for advertising sales with supporting documentation was not available.

SELECTED SCHOOLS ANALYSIS OF CURRENT AND PRIOR AUDIT FINDINGS BY SCHOOL

SCHOOL	CURRENT AUDIT PERIOD 2004-05 & 2005-06	PRIOR AUDIT PERIOD 2003-04
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Plantation High School
(Continued from page 6)

5. The unavailability of pertinent data hindered a proper analysis. Thus, the accuracy of the financial report was not determinable.

Fundraising Activities

The following conditions were noted based on our review of the fundraising activities:

FY 2005

Financial Reports were not prepared for:

1. Ten (10) fundraising activities totaling \$34,084.05.
2. One (1) fundraiser for the sale of Christmas Trees with gross revenues of \$27,142.05.

FY 2006

- 1 Ten (10) fundraising financial reports with sales totaling \$2,731 were not on file.
2. Twenty two (22) complimentary parking permits were not documented with a list of names of recipients and their respective signatures.
3. Three (3) of five (5) reports analyzed were inaccurately prepared.
4. Sales tax due was not determinable due to unavailability of reports.

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05 & 2005-06	PRIOR AUDIT PERIOD 2003-04
Plantation High School (Continued from page 7)	<p>Sales Tax Not Remitted To Accounting</p> <p>Our review of fiscal years 2005 and 2006 revealed that the sales tax accounts were carrying balances of \$2,959.43 and \$1,374.57 respectively. These accounts were not remitted to the Accounting Department.</p>	

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05	PRIOR AUDIT PERIOD 2003-04
Walker Elementary School (See Page 31)	<p>Upon reviewing the payroll records for FY 2005 and 2006, we are questioning payroll payments of \$18,902.60 made to the bookkeeper. The Bookkeeper received \$15,408.74 in eight payments which were paid for hours entered into the system after payroll periods were closed. Documentation was not attached supporting that the hours were actually worked or had been approved. In addition, we noted other discrepancies where unapproved hours were added and paid during the pay periods. These extra paid hours amounting to \$3,493.76, did not generate a "Difference from Pre" on the Remuneration Statement or ZEARNINGS report and probably would have gone unnoticed by the Principal.</p> <p>The Principal said the bookkeeper came to him after attending a payroll processors' meeting and informed him that she could get additional pay for doing payroll. (She started her payroll duties in July 2004). The Principal stated he called his Budget Analyst and asked if he could give the Bookkeeper retroactive pay for doing the payroll. The Budget Analyst told him that if the person had been doing the job, the person could get paid. The Principal and the Bookkeeper agreed on an extra two hours per day.</p>	<p>Payroll</p> <p>During our examination of payroll records we noted that neither the ZTIM nor the ZEARNINGS reports were available for the payroll periods reviewed.</p>

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05	PRIOR AUDIT PERIOD 2003-04
Walker Elementary School (Continued from page 9)	<p>The Bookkeeper was investigated by the Special Investigative Unit of the School Board. She resigned effective December 18, 2006.</p> <p>During our review of payroll records we noted:</p> <ul style="list-style-type: none"> In December 2005, the Principal retroactively paid the bookkeeper \$2,114.44 for two hours each day from July to December. In January 2006, the Principal paid the bookkeeper \$8,211.36 as a retroactive payment for two additional hours per day for each working day from July 2004 through June 2005. Documentation was not available supporting that the hours were actually worked or that they had been pre-approved in writing prior to the time worked. <p>Hours of work and overtime are clearly stated in the union contract and there is no mention of paying hours retroactively.</p> <ul style="list-style-type: none"> During August and September 2005, the Bookkeeper incorrectly paid Broward Truancy (BTIP) funds of \$1,015.80, \$1,507.84, \$938.14 and \$464.13 (totaling \$3,925.77) to herself and three other employees respectively. 	

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05	PRIOR AUDIT PERIOD 2003-04
Walker Elementary School (Continued from page 10)	<p>These payments were not made as supplements, but three (3) to five (5) hours per day were entered as worked in additional positions during the two months. Documentation was not available that these additional hours were pre-approved by the Principal or that the hours were actually worked. The amount allocated to the school's budget for BTIP for supplies and clerical staff was \$3,000. Therefore, the bookkeeper entered hours exceeding the budget.</p> <ul style="list-style-type: none"> • For three payroll periods from August 29 through October 23, 2005, the Bookkeeper received an overpayment of \$1,499.84 for eighty-six (86) hours because she entered 2-4 hours worked per day in her secondary position. Documentation was not available that the additional hours were pre-approved by the Principal or that the hours were actually worked. • For the periods May 8, 2006 through June 9, 2006 the Bookkeeper was approved to work two extra hours per day. The records show she paid herself for three hours each day during these two pay periods. These extra unapproved hours generated an overpayment of \$549.21. 	

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05	PRIOR AUDIT PERIOD 2003-04
Walker Elementary School (Continued from page 11)	<ul style="list-style-type: none"> • On May 17, 2006 the Bookkeeper added an extra hour to her workday for one hundred twenty-eight (128) days during FY 2005-2006. This generated a "Difference from Pre" payment of \$3,091.07, which was received in the May 25, 2006 paycheck. She added this hour without any consultation or approval from the Principal. She stated that she did not work this extra hour. • For the week of June 5 to June 9, 2006 the Bookkeeper paid herself 21 additional hours for an additional position. These extra unapproved hours generated an overpayment of \$366.23. • The records showed the Bookkeeper entered and was paid for (4) four to (5) five hours per day for (5) five days each week during the summer from June 12 to June 30, 2006. We estimate this generated an approximate overpayment of \$627.84 (36 hours times \$17.44 hourly rate). The Principal stated he had approved the bookkeeper to work for a few hours a couple of days a week during the summer. 	

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05	PRIOR AUDIT PERIOD 2003-04
Walker Elementary School (Continued from page 12)	<ul style="list-style-type: none"> On June 27, 2006 the Bookkeeper sent a <u>Payroll Notification – Change/Deletion of Hours</u> form to her payroll contact person requesting her to “change Reg time from October 31, 2005 through June 6, 2006 to 2 hours/day to number of hours granted to do payroll retro decrease”. This was the same day the South Central Area Superintendent contacted the Principal to inform him that all of the payroll records should be available for a complete audit by June 28, 2006. The original form was not approved by the Principal. However, on June 29, 2006 the Bookkeeper sent an additional form which did have the Principal’s signature. This change generated an overpayment due to payroll of \$3,505.21. The bookkeeper has set up a payroll repayment plan for this amount. 	

**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2004-05	PRIOR AUDIT PERIOD 2003-04
Walker Elementary School (Continued from page 13)	<ul style="list-style-type: none"> The last page of a ZTIM Report presented to the auditor was printed and signed on May 19, 2006. The first page of this ZTIM showing two hours per day of overtime and was printed on June 27, 2006. In an attempt to conceal the 3 hours, the bookkeeper printed a second ZTIM report which agreed with the two hours of overtime approved by the Principal. However, she was actually paid for three hours of overtime each day during this period (summer vacation). 	

**Schools with no audit exceptions during both audit periods are
excluded from this section.**

SECTION I:
Audit Reports (with No Exceptions)

ARTHUR ROBERT ASHE, JR. MIDDLE SCHOOL
AUDIT REPORT
FOR THE 2005-06 FISCAL YEAR
JULY 1, 2005 THROUGH JUNE 30, 2006

PROFILE OF THE SCHOOL

Address: 1701 NW 23rd Avenue, Fort Lauderdale, Florida 33311

Principal: Andrew Luciani (July 2006 to present)

Principal During
Audit Period: Luwando Hines (July 2004 through June 2006)

Bookkeeper: Anna Howard

CASH SUMMARY

6/30/06

Cash Account:

Checking Account – Wachovia

\$ 3,640.02

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of Arthur Robert Ashe, Jr. Middle School for the 2005-06 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2005-06 fiscal year, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

ARTHUR ROBERT ASHE, JR MIDDLE SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2005 - 2006

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 620.56	\$ 1,325.97	\$ 1,894.53	\$ 52.00
Music	1,768.32	0.00	1,206.96	561.36
Classes	0.00	11,457.68	11,349.68	108.00
Clubs	614.59	8,840.76	8,465.94	989.41
Departments	510.56	1,377.39	1,249.20	638.75
Trust	1,316.82	36,957.27	38,253.25	20.84
General	<u>463.68</u>	<u>2,997.40</u>	<u>2,191.42</u>	<u>1,269.66</u>
TOTALS	<u><u>\$ 5,294.53</u></u>	<u><u>\$ 62,956.47</u></u>	<u><u>\$ 64,610.98</u></u>	<u><u>\$ 3,640.02</u></u>

NEW RIVER MIDDLE SCHOOL
AUDIT REPORT
FOR THE 2005-06 FISCAL YEAR
JULY 1, 2005 THROUGH JUNE 30, 2006

PROFILE OF THE SCHOOL

Address: 3100 Riverland Road, Fort Lauderdale, Florida 33312

Principal: Kathrine Hinden (July 2006 to present)

Principal During
Audit Period: Jan Beal (July 2005 through June 2006)

Bookkeeper: Gloria Hogan (July 2005 to present)

CASH AND INVESTMENT SUMMARY

	<u>6/30/06</u>
Cash Account:	
NOW Account – Wachovia	\$ 28,000.18
Investment:	
Treasurer's Pool Account	<u>10,000.00</u>
TOTAL	\$ <u>38,000.18</u>

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of New River Middle School for the 2005-06 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2005-06 fiscal year, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

NEW RIVER MIDDLE SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2005 - 2006

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 19.62	\$ 4,310.00	\$ 3,985.32	\$ 344.30
Music	781.31	960.00	699.54	1,041.77
Classes	7,866.10	8,130.40	15,529.00	467.50
Clubs	9,825.21	7,120.11	8,593.58	8,351.74
Departments	536.79	499.84	626.12	410.51
Trust	23,971.78	104,366.76	104,962.15	23,376.39
General	4,531.72	3,284.78	3,808.53	4,007.97
Support Fund	<u>0.08</u>	<u>9,671.42</u>	<u>9,671.50</u>	<u>0.00</u>
TOTALS	<u><u>\$ 47,532.61</u></u>	<u><u>\$ 138,343.31</u></u>	<u><u>\$ 147,875.74</u></u>	<u><u>\$ 38,000.18</u></u>

PLANTATION COMMUNITY SCHOOL
AUDIT REPORT
FOR THE 2004-05 FISCAL YEAR
JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL

Address: 6901 NW 16 Street, Plantation, Florida 33313

Principal: Terri Harvey (July 2005 to present)

Principal During

Audit Period: Susan Bruining (July 2004 through June 2005)

Bookkeeper: Susan Squires

CASH AND INVESTMENT SUMMARY

Cash Account:	<u>6/30/05</u>
Checking Account – Wachovia	\$ 50,316.21
Investment:	
Credit Card – Bookstore	(325.36)
Treasurer's Pool Account	<u>50,000.00</u>
TOTAL	\$ <u>99,990.85</u>

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of Plantation Community School for the 2004-05 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

PLANTATION COMMUNITY SCHOOL
STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2004 - 2005

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Trusts	\$ 76,424.05	\$ 184,623.76	\$ 193,464.68	\$ 67,583.13
General	32,862.91	1,139.39	1,594.58	32,407.72
Support Fund	<u>42.19</u>	<u>15,000.00</u>	<u>15,042.19</u>	<u>0.00</u>
TOTALS	<u><u>\$ 109,329.15</u></u>	<u><u>\$ 200,763.15</u></u>	<u><u>\$ 210,101.45</u></u>	<u><u>\$ 99,990.85</u></u>

SECTION II:
Audit Reports (with Exceptions)

PLANTATION HIGH SCHOOL
AUDIT REPORT
FOR THE 2004-2005 AND 2005-2006 FISCAL YEARS
JULY 1, 2004 THROUGH JUNE 30, 2006

PROFILE OF THE SCHOOL

Address: 6901 NW 16 Street, Plantation, Florida 33313

Principal: Susan Bruining

Bookkeeper: Robin Sabourin

CASH AND INVESTMENT SUMMARY

	<u>6/30/05</u>	<u>6/30/06</u>
Cash Account:		
Checking Account – Wachovia	\$ 88,035.88	\$ 104,406.69
Investment:		
Treasurer’s Pool Account	<u>65,000.00</u>	<u>65,000.00</u>
TOTAL	\$ <u>153,035.88</u>	\$ <u>169,406.69</u>

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of Plantation High School for the 2004-05 and 2005-06 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 and 2005-06 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 School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

1. Yearbooks (Repeat Finding – School)

FY 2005

An analysis of the yearbook activity disclosed the following conditions as delineated below:

- 1) Analysis of the yearbook accounts showed a surplus of \$1,047.77. However, a deficit realized in fiscal year 2004 delayed the payment of the final invoice due to insufficient funds. Funds receipted from the 2005 yearbook sales had to be used to payoff the 2004 yearbook final invoice. In order to alleviate the situation the school transferred a total of \$4,878.00 from the General Account to clear an impending deficit for the 2005 yearbook. This identical issue was noted in the Audit Report for Fiscal Year 2004.
- 2) Receipt of twenty one overrun copies, according to school's records, were not shown on the final invoice.
- 3) The school did not receive credit for books returned to the vendor.
- 4) Students did not pay for twenty books, apparently given away. A list of recipients' names with signatures was not maintained.
- 5) Eight damaged books were not returned to the vendor for credit.
- 6) A price list for advertisements sold was not provided to facilitate an analysis of this activity.
- 7) Financial reports were improperly completed.
- 8) A RFP and related contractual documents were not provided. According to the bookkeeper these records were not found. Hence, the financial accuracy of activities was not determinable.

FY 2006

- 1) The yearbook financial report presented for audit was improperly prepared. Although the financial report showed number of units purchased and available for sale, it lacked information as to how many units were sold and selling prices per unit.
- 2) A distribution report with a breakdown sheet did not accompany the financial report.
- 3) The potential sales amount was omitted and in lieu, the advertising sales total was inserted in the area of the report reserved for potential sales.
- 4) A financial report for advertising sales with supporting documentation was not available.
- 5) The unavailability of pertinent data hindered a proper analysis. Thus, the accuracy of the financial report was not determinable.

Standard Practice Bulletin I 405 Student Publications – Yearbooks, Memory Books and Newspapers. “The publishing of yearbooks is a student activity financed by yearbook revenues (student purchases, advertising, fundraising, etc.). As a student activity, the yearbook is governed by all of the regular policies and regulations related to internal funds activities.”

Standard Practice Bulletin I 405 Student Publications – Yearbooks, Memory Books and Newspapers, Section III 2 a.3 states “Anticipated income from Advertising and Yearbook Sales should influence the number of books purchased.”

Standard Practice Bulletin I-402 Fundraising Activities Section III.A. states “Completing the Fundraising Financial Report: ...The second portion of the form must be completed in its entirety. This section of the report is based on total number of units (items) available for sale information taken from vendor’s invoice... It is very important all units (items) must be accounted for either as sales, returns, damaged, remaining in inventory, etc...”

Standard Practice Bulletin I-405 Student Publications: Yearbooks, Memory Books and Newspapers Section III.A. states “The following items must be retained for audit:...All RFPs received by the school...Evaluation committee forms used to determine the winning vendor.”

Section III.D. states “YEARBOOK DISTRIBUTION REPORT (EXHIBIT 5) will assist the Yearbook Advisor in summarizing ALL yearbook distributions. The YEARBOOK DISTRIBUTION REPORT MUST indicate:...TOTAL number of books delivered. Books delivered must be documented by: 1) Physical Inventory Verification, 2) Vendor Invoice, 3) Number of Books Sold (should agree with YEARBOOK MASTER RECEIPT LIST)...”

We recommend that the Principal discuss with staff the necessary guidelines as outlined in Standard Practice Bulletins I-402 and I-405.

2. Fundraising Activities

The following conditions were noted based on our review of the fundraising activities:

FY 2005

Financial Reports were not prepared for:

1. Ten (10) fundraising activities totaling \$34,084.05.
2. One (1) fundraiser for the sale of Christmas Trees with gross revenues of \$27,142.05.

FY 2006

1. Ten (10) fundraising financial reports with sales totaling \$2,731 were not on file.
2. Twenty two (22) complimentary parking permits were not documented with a list of names of recipients and their respective signatures.
3. Three (3) of five (5) reports analyzed were inaccurately prepared.
4. Sales tax due was not determinable due to unavailability of reports.

Standard Practice Bulletin I-402 Fundraising Activities Section II states "All sales of merchandise should be approved only on the condition that an accurate and complete accounting be made for all units purchased."

Section III states "The Fundraising Financial Report is required to be completed at the end of a sale where units or items are sold as a one-time sale... It is VERY IMPORTANT all units (items) must be accounted for either as sales, returns, damaged, remaining in inventory, etc....Any items given away must be documented with a signed sheet indicating description of item, printed name of receiver and signature of receiver."

Standard Practice Bulletin I-402 Fundraising Activities Section II.A. states "Sponsors must retain the receipts issued by the School Bookkeeper...Ten days after the conclusion of the sale, the Fundraising Financial Report must be completed by the sponsor and verified by the School Bookkeeper and retained by the School Bookkeeper for auditing purposes."

Section III. states "The Fundraising Financial Report is required to be completed at the end of a sale where units or items are sold as a one time sale. Using the receipts issued by the School Bookkeeper for monies deposited and identified as fundraising monies is very useful in completing the report..."

3. It is very important all units (items) must be accounted for either as sales, returns, damaged, remaining in inventory, etc.

4. The Fundraising Financial Report is to be signed by the Sponsor, and returned to the School Bookkeeper (who will verify the figures with the organization's fund account information.)
5. The Principal is required to sign the Fundraising Financial Report.
6. School Bookkeeper will retain the Fundraising Financial Report for audit along with any applicable information.
7. Any items not returned by a student salesperson must be documented with a student obligation.
8. Any items given away must be documented with a signed sheet indicating description of item, printed name of receiver and signature of receiver."

We recommend the Principal review the requirements of Standard Practice Bulletin I-402 with staff, and ensure that accurate fundraising financial reports are completed for all fundraisers.

3. Sales Tax Not Remitted To Accounting

Our review of fiscal years 2005 and 2006 revealed that the sales tax accounts were carrying balances of \$2,959.43 and \$1,374.57 respectively. These accounts were not remitted to the Accounting Department.

Standard Practice Bulletin I-313 Sales and Use Taxes Section II.H. states "All items purchased for resale whether making a profit or not are taxable." Section IV. B. states "Schools are to submit sales tax collections to the School Board of Broward County on a monthly basis."

We recommend the Principal review Standard Practice Bulletins I-313 with staff and ensure sales tax is remitted monthly.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

PLANTATION HIGH SCHOOL
STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2004 - 2005

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 79.90	\$ 88,532.36	\$ 88,611.90	\$ 0.36
Music	721.48	27,712.12	27,710.73	722.87
Classes	38,909.65	153,185.60	150,508.38	41,586.87
Clubs	61,976.93	341,157.32	328,898.80	74,235.45
Departments	14,961.94	26,314.04	28,003.46	13,272.52
Trust	20,044.71	91,896.67	97,005.65	14,935.73
General	2,886.48	20,284.50	14,888.90	8,282.08
Support Fund	<u>0.00</u>	<u>20,018.13</u>	<u>20,018.13</u>	<u>0.00</u>
TOTALS	<u><u>\$ 139,581.09</u></u>	<u><u>\$ 769,100.74</u></u>	<u><u>\$ 755,645.95</u></u>	<u><u>\$ 153,035.88</u></u>

PLANTATION HIGH SCHOOL
STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2005 - 2006

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 0.36	\$ 50,967.81	\$ 50,968.17	\$ 0.00
Music	722.87	17,409.02	15,973.65	2,158.24
Classes	41,586.87	154,227.15	155,746.00	40,068.02
Clubs	74,235.45	253,719.68	252,007.17	75,947.96
Departments	13,272.52	40,605.71	37,361.08	16,517.15
Trust	14,935.73	92,060.95	79,241.96	27,754.72
General	8,282.08	32,441.52	33,763.00	6,960.60
Support Fund	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>0.00</u>
TOTALS	<u><u>\$ 153,035.88</u></u>	<u><u>\$ 661,431.84</u></u>	<u><u>\$ 645,061.03</u></u>	<u><u>\$ 169,406.69</u></u>


THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Office of the South Central Area Superintendent
Verda M. Farrow, Ed.D.

Telephone: (754) 321-3800

Facsimile: (754) 321-3886

March 21, 2007

TO: Patrick Reilly, Chief Auditor
Office of the Chief Auditor

FROM: Dr. Verda M. Farrow 
South Central Area Superintendent

SUBJECT: **PLANTATION HIGH SCHOOL RESPONSE**
2004-05 and 2005-06 FISCAL YEAR AUDIT REPORT ON INTERNAL
ACCOUNTS

The report on the internal accounts of Plantation High School for the 2005-06-fiscal years have been reviewed and the principal's report is attached. I approve of the measures taken by the principal to provide safeguards against future occurrences of audit exceptions. Mr. Jan Beal, Area Director, will meet with Ms. Bruining to review established procedures and will continue to work with her to monitor the business management process during site visits.

In addition, staff with internal account responsibilities will receive District training on efficient processes and the utilization of the Standard Practice Bulletin. The principal understands the seriousness of this situation and will take deliberate steps to maintain exception free internal accounts in the future.

VMF/JPB:jf

Attach.

C: Jan P. Beal, South Central Area Director
Susan Bruining, Plantation High School



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

PLANTATION HIGH SCHOOL

Susan R. Bruining, Principal
6901 Northwest 16th Street
Plantation, Florida 33313
754-322-1850
754-322-1863 FAX

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JAMES F. NOTTER
Interim Superintendent of Schools

March 21, 2007

TO: Dr. Verda Farrow
South Central Area Superintendent

FROM: Ms. Susan Bruining *SRB*
Principal

SUBJECT: **Audit Report on Internal Account FY 2004-05 and 2005-06**

On February 14, 2007, an Internal Accounts audit meeting was held to review the report findings from Fiscal Years 05 and 06. Three audit exceptions were indicated in the areas of Yearbooks, Fundraising Activities, and Remittance of Sales Tax. The following document constitutes my response to the indicated audit exceptions.

The following policies and procedures have been implemented to correct the findings and improve the current practices in Internal Accounts that contributed to the indicated audit exceptions.

Yearbook

- The principal, assistant principal, bookkeeper and yearbook sponsor reviewed the audit report and standard practices bulletins I-402 and I-405 indicated in the report.
- Because of a failure to appropriately complete the necessary financial reports and a lack of concern on the part of the prior yearbook sponsor to correct these concerns, she was removed from her position. In FY 2006 a new yearbook sponsor was appointed.
- The procedure for maintaining RFP records has been changed to provide greater oversight. The principal's secretary now maintains files in the main office, and direct responsibility for RFP's has been changed to an administrator with training in the RFP process.
- The current yearbook sponsor has adopted and maintained a submission timetable to eliminate unnecessary delays in publication and billing. Periodic inspection of the yearbook program by administration has eliminated late submissions.

- The failure to appropriately separate advertising revenues from yearbook sales has been rectified through the adoption of new Internal Accounts procedures and the implementation of an electronic accounting and tracking software system for yearbooks (Summit).

Fundraising Activities

- The principal, assistant principal, bookkeeper, activities director and SGA advisor reviewed, as a group, the audit report and standard practices bulletins I-402 indicated in the audit report.
- The faculty and staff have been informed of the policy and procedures and the importance of keeping accurate and timely documentation associated with fundraising activity.
- The failure to file fundraising reports in FY 05 and 06, as indicated in the audit report has been addressed through the adoption of new Internal Accounts procedures and closer monitoring of the fundraising calendar by activities director and administration. A more detailed policy on “collection and remittance of monies” will be included in the faculty handbook.
- A scheduled review process of all fundraising activities will be adopted. Fundraising activities will be reviewed by a committee. Administration will follow-up with sponsor when any irregularities are noted.
- Sponsors unable to adhere to the established policies and procedures will forfeit their opportunity to conduct fundraising activities and/or removed from their sponsorship.
- The appropriate documentation for complimentary issued items will be accounted for in the fundraising review process described above. An addendum will also be added to the section of the teacher handbook detailed “collection and remittance of monies” policy and procedure.

Sales Tax Not Remitted To Accounting

- The principal, assistant principal and bookkeeper reviewed as a group the audit report and standard practices bulletins I-313 indicated in the audit report.
- The account for sales tax will be reviewed as outlined above to ensure that these funds are remitted to the Accounting Department on a regular monthly basis.

WALKER ELEMENTARY SCHOOL
AUDIT REPORT
FOR THE 2004-2005 FISCAL YEAR
JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL

Address: 1001 NW 4 Street, Fort Lauderdale, Florida 33311

Principal: Dr. Eric Miller

Bookkeeper: Dianna Lee

CASH SUMMARY

6/30/05

Cash Account:

Checking Account – Wachovia

\$ 2,178.31

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of Walker Elementary School for the 2004-05 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, 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 School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

Payroll

After reviewing the payroll records for FY 2005 and 2006, we are questioning payroll payments of \$18,902.60 made to the bookkeeper. The Bookkeeper received \$15,408.74 in eight payments which were paid for hours entered into the system after payroll periods were closed. Documentation was not attached supporting that the hours were actually worked or had been approved. In addition, we noted other discrepancies where unapproved hours were added and paid during the pay periods. These extra paid hours totaled \$3,493.76 in over payments. They did not generate a "Difference from Pre" on the Remuneration Statement or ZEARNINGS report and probably would have gone unnoticed by the Principal.

The Principal said the bookkeeper came to him after attending a payroll processors' meeting and informed him that she could get additional pay for doing payroll. (She started her payroll duties in July 2004). The Principal stated he called his Budget Analyst and asked if he could give the Bookkeeper retroactive pay for doing the payroll. The Budget Analyst told him that if the person had been doing the job, the person could get paid. The Principal and the Bookkeeper agreed on an extra two hours per day.

The Bookkeeper was investigated by the Special Investigative Unit of the School Board. She resigned effective December 18, 2006.

Extra hours entered in the payroll system at numerous times that generated additional payments for the Bookkeeper are detailed below.

- In December 2005, the Principal retroactively paid the bookkeeper \$2,114.44 for two hours each day from July to December. In January 2006, the Principal paid the bookkeeper \$8,211.36 as a retroactive payment for two additional hours per day for each working day from July 2004 through June 2005. Documentation was not available supporting that the hours were actually worked or that they had been pre-approved in writing prior to the time worked.

Hours of work and overtime are clearly stated in the union contract and there is no mention of paying hours retroactively.

- During August and September 2005, the Bookkeeper incorrectly paid Broward Truancy (BTIP) funds of \$1,015.80, \$1,507.84, \$938.14 and \$464.13 (totaling \$3,925.77) to herself and three other employees respectively. These payments were not made as supplements, but three (3) to five (5) hours per day were entered as worked in additional positions during the two months. Documentation was not available that these additional hours were pre-approved by the Principal or that the hours were actually worked. The amount allocated to the school's budget for BTIP for supplies and clerical staff was \$3,000. Therefore, the bookkeeper entered hours exceeding the budget.
- For three payroll periods from August 29 through October 23, 2005, the Bookkeeper received an overpayment of \$1,499.84 for eighty-six (86) hours because she entered two (2) to four (4) hours worked per day in her secondary position. Documentation was not available that the additional hours were pre-approved by the Principal or that the hours were actually worked.
- For the periods May 8, 2006 through June 9, 2006 the Bookkeeper was approved to work two extra hours per day. The records show she paid herself for three hours each day during these two pay periods. These extra unapproved hours generated an overpayment of \$549.21.
- On May 17, 2006 the Bookkeeper added an extra hour to her workday for one hundred twenty-eight (128) days during FY 2005-2006. This generated a "Difference from Pre" payment of \$3,091.07, which was received in the May 25, 2006 paycheck. She added this hour without any consultation or approval from the Principal. She stated that she did not work this extra hour.
- For the week of June 5 to June 9, 2006 the Bookkeeper paid herself 21 additional hours for an additional position. These extra unapproved hours generated an overpayment of \$366.23.
- The records showed the Bookkeeper entered and was paid for four (4) to (5) five hours per day for five (5) days each week during the summer from June 12 to June 30, 2006. We estimate this generated an approximate overpayment of \$627.84 (36 hours times \$17.44 hourly rate). The Principal stated he had approved the bookkeeper to work for a few hours a couple of days a week during the summer.
- On June 27, 2006 the Bookkeeper sent a Payroll Notification – Change/Deletion of Hours form to her payroll contact person requesting her to "change Reg time from October 31, 2005 through June 9, 2006 to 2 hours/day to number of hours granted to do payroll retro decrease". This was the same day the South Central Area Superintendent contacted the Principal to inform him that all of the payroll records should be available for a complete audit by June 28, 2006. The original form was not approved by the Principal. However, on June 29, 2006 the Bookkeeper sent an additional form which did have the Principal's signature. This change generated an overpayment due to payroll of \$3,505.21. The bookkeeper has set up a payroll repayment plan for this amount.

- The last page of a ZTIM Report presented to the auditor was printed and signed on May 19, 2006. The first page of this ZTIM showing two hours per day of overtime and was printed on June 27, 2006. In an attempt to conceal the 3 hours, the bookkeeper printed a second ZTIM report which agreed with the two hours of overtime approved by the Principal. However, she was actually paid for three hours of overtime each day during this period (summer vacation).

School Board Policy 4300.1 Overtime Pay-Noninstructional Employees states “The Board authorizes the Superintendent to pay overtime, or under certain conditions, compensatory time off to those noninstructional employees who are covered under the Federal Fair Labor Standards Act – (FLSA).

The criteria for payment of overtime and the granting of compensatory time shall be in accordance with the rules listed below:

1. Employees who work overtime in excess of forty (40) hours per work week shall be compensated at an hourly rate, one and one-half times their regular hourly rate of pay. By written mutual agreement between the appropriate administrator and the affected employee, compensatory time may be given in lieu of overtime pay for the first 160 hours of actual overtime worked.
2. The compensatory time must be granted at a rate not less than one and one-half hours for each hour of overtime worked. Therefore, an employee may not accrue more than 240 hours of compensatory time (160 hours of overtime times 1.5 hours of compensatory time.)
3. All overtime shall be approved in writing by the appropriate administrator prior to the employee working overtime.”

The Clerical Contract Article 3 Hours of Work and Overtime states “All overtime shall have the prior written approval of the appropriate administrator, immediate supervisor or designee. Said approval must be provided to the employee before the start of the overtime worked.”

We could not find any School Board Policy or Standard Practice Bulletin which would have allowed the payment that was made for “retro-pay” without prior Board approval.

We recommend the Principal:

- a. Meet with the South Central Area Superintendent, the Associate Superintendent for Human Resources and the Chief Auditor to fully review the transactions that occurred and determine the amount of money to be returned to the District.
- b. Continue to work with the Special Investigative Unit Investigator who is handling the investigation.
- c. Seek further clarification as to how allocated BTIP funds are to be spent and ensure that the payroll records agree with actual hours pre-approved and worked.

- d. Request a written explanation for “Difference from Pre” amounts which appear on remuneration statements.
- e. Ensure all overtime hours are pre-approved in writing prior to being worked.

In addition, we recommend the Associate Superintendent for Human Resources initiate the preparation of a procedures manual that addresses the requirements for approval and documentation of actual hours and work performed on primary and secondary jobs at the work sites.

WALKER ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2004 - 2005

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Music	\$ 160.00	\$ 0.00	\$ 0.00	\$ 160.00
Classes	301.25	19,358.55	19,494.55	165.25
Clubs	991.94	3,888.79	4,765.81	114.92
Departments	1,685.73	1,676.68	2,655.85	706.56
Trust	564.65	3,609.64	4,120.50	53.79
General	<u>6,461.88</u>	<u>2,535.88</u>	<u>8,019.97</u>	<u>977.79</u>
TOTALS	<u><u>\$ 10,165.45</u></u>	<u><u>\$ 31,069.54</u></u>	<u><u>\$ 39,056.68</u></u>	<u><u>\$ 2,178.31</u></u>

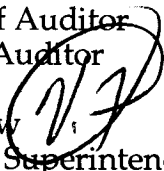
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Office of the South Central Area Superintendent
Verda M. Farrow, Ed.D.

Telephone: (754) 321-3800

Facsimile: (754) 321-3886

March 12, 2007

TO: Patrick Reilly, Chief Auditor
Office of the Chief Auditor

FROM: Dr. Verda M. Farrow 
South Central Area Superintendent

SUBJECT: **WALKER ELEMENTARY SCHOOL
AUDIT REPORT ON INTERNAL ACCOUNTS –
FISCAL YEAR 2005**

I have reviewed the draft report on the examination of the Internal Accounts Report of Walker Elementary School for the fiscal year 2005 and Dr. Eric Miller's attached response.

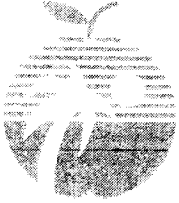
I approve the measures taken by the principal to provide safeguards against future occurrences. Dr. Miller has selected and met with the new payroll processor who will be his Confidential Secretary. All payroll reports and Certificates of Absence will be reviewed and approved by the principal prior to each payroll period. All payroll reports will be properly labeled and filed by the new payroll processor according to School Board Policy and Procedure and the Standard Practice Bulletin A-445.

In addition, the area director and staff from the Office of the Chief Auditor will work with the principal and monitor the process for protecting the school's internal account process during site visits on a scheduled periodic basis. The area director will also review ZTIM and Zearnings on a quarterly basis and will review the monthly overtime reports to ensure that there are no abuses of overtime.

VMF:ajc

cc: Dr. Joel D. Herbst, South Central Area Director
Dr. Eric Miller, Principal, Walker Elementary School

Enclosure



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Walker Elementary
Dr. Eric Miller, Principal
1001 NW 4th Street
Ft. Lauderdale, Florida 33311
754-322-8800 - office
754-322-8840 - fax


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JAMES F. NOTTER
Interim Superintendent of Schools

March 8, 2007

TO: Dr. Verda Farrow, Area Superintendent
South Central Area

FROM: Dr. Eric Miller, Principal 
Walker Elementary School

**SUBJECT: AUDIT REPORT ON PAYROLL RECORDS
FISCAL YEAR 2005-2006**

In response to the audit finding regarding payroll exceptions for the 2005-2006 school year, I have made the following changes:

- Selected a new payroll processor for the 2006-2007 school year.
- My new payroll processor will be my Confidential Secretary.
- I am and will continue to review and approve all necessary payroll reports (i.e., ZTIM and ZEARNINGS) and Certificates of Absences prior to the end of each payroll period.
- I am and will continue to review all ZTIM and ZEARNINGS reports to make sure they are properly labeled and filed by my new payroll processors as stated in School Board's Policies and Procedures and the Standard Practice Bulletin A-445.
- I am and will continue to pre-approve all overtime prior to any employee working overtime.