

**SECTION II:**  
**Audit Reports (with Exceptions)**

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of Dillard High School for the 1998-99 and 1999-00 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 1998-99 and 1999-00 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. Facility Rentals (REPEAT FINDING – SCHOOL)**

During our examination of the school's facility rental collections during the period July 1998 through June 2001, we noted:

- a. The school could not account for \$13,048 in rental income for five leases. The school had contracted for rentals totaling \$17,228 and made collections totaling \$4,180. We could not determine if some of these events had been cancelled.
- b. Staff could not account for 118 pre-numbered facility rental contracts.
- c. Sales tax was not charged and sales tax exemption forms were not on file for 22 leases involving 14 different lessees.
- d. Facility rental payments were not made to the School Board on a monthly basis.
- e. One Certificate of Insurance did not name the School Board of Broward County as an additional insured and another did not cover the entire rental period.

Standard Practice Bulletin I-110 Preservation and Disposal of Records states "All records and reports must be retained pending audit of the school records."

School Board Policy 1341—Use of Broward County School Facilities for Non-School Purposes, Section 8 states "Organizations must prepay all rental charges before being given access to school facilities. All checks for rental of school facilities, as well as for payment of services, shall be made payable to the school and shall be deposited in the school's Internal Accounts Trust Fund.

These funds, after necessary deductions, shall be remitted to the School Board on a monthly basis and will be added to the designated school's operating budget for the portion of the reimbursement for payroll and to the district utilities budget for the energy portion."

Standard Practice Bulletin A-429 Rental of School Board Facilities, Section E.3. states “State sales tax must be collected on the rental fee. A tax-exempt organization must provide lessor with a copy of its Certificate of Exemption, which the latter maintains on file for audit purpose. Schools should include the sales tax in the rental fee amount recorded on the lease.”

Section F.1. “Remittance Transmittal” states “By the last school day of each month, a check must be drawn on the Internal Accounts ‘Facility Rental Account (F-6137)’ payable to the School Board of Broward County.”

Section C.4. states “If it is not possible for the application to be completed at the school/center, a photocopy of the application should be kept on file and the original mailed to the applicant.”

Section D.2. “Approval of Application and Lease for Use of Public School Facilities” states “Photocopies of applications should be maintained on file until they are returned by the area office.”

Section D.5. states “Risk Management, Safety and Benefits Department must also receive, from the requesting location a copy of the lessor’s Certificate of Insurance at least seven work days prior to the use of the school facilities. This must be issued to the lessee naming the School Board of Broward County as the additional insured.”

We recommend the Principal:

- a. Establish procedures or a checklist to ensure rental collections are made in advance, sales tax is collected, insurance certificates cover the School Board for the entire rental period and collections for facility rentals are remitted to the School Board on a monthly basis.
- b. Contact the lessees regarding payment of outstanding balances.

## 2. Yearbook

During our evaluation of the school’s yearbook operations, we noted:

- a. The 1999 yearbook account had a deficit of (\$2,722). The final yearbook invoice plus other expenses totaled \$40,380. The cash balance on hand was \$37,658. The school paid the deficit using the FY 1999-00 collections in the yearbook account.
- b. The 2000 yearbook account had a deficit of (\$1,371). Yearbook expenses totaled \$35,760, when the cash balance on hand was \$34,389.
- c. Based upon the re-occurring deficit, we extended our scope to include the 2001 yearbook. As of June 18, 2001, the yearbook account balance was \$1,012.34 when the school owed the yearbook vendor \$14,000. The school needs to raise the remaining deficit of (\$12,987.66) to pay the final vendor invoice.
- d. The RFPs/bids/contracts pertaining to the 1999 and 2000 yearbooks were not presented for audit.

- e. The final payment for the 2000 yearbook was made from a statement of account rather than an invoice, resulting in an overpayment of \$1,288. The bookkeeper obtained a credit for this overpayment, at the auditor's request.

School Board Policy 6207, Publications states "Approval for publications will be based on the ability of the publication to support itself."

Standard Practice Bulletin I-310 Student Yearbooks, Section A 1 states "The publishing of the yearbook is a student activity financed wholly by book related revenue, such as advertising and student book purchases."

Standard Practice Bulletin I-310—Student Yearbooks, Section D 5 states "All documents related to bidding must be retained in the school files for audit." Section F 7 states "All documents related to the contract award must be retained in the school files for audit."

Standard Practice Bulletin I-214—Cash Disbursements, Section A (3) states "Monthly statements are not acceptable documentation. Pay only from authorized approved original invoices."

We recommend the Principal ensure the school conducts aggressive fund-raising activities in order to pay the vendor.

#### OTHER COMMENTS

##### Payroll

The school generally adhered to payroll procedures.

## DILLARD HIGH SCHOOL

### STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

1998 - 1999

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ (25,644.67)	\$ 96,394.06	\$ 70,749.39	\$ 0.00
Music	1,452.17	5,138.14	2,557.98	4,032.33
Classes	5,394.86	83,409.09	82,078.22	6,725.73
Clubs	52,822.76	211,390.33	226,038.30	38,174.79
Departments	1,368.85	40,205.92	33,079.45	8,495.32
Trust	77,197.18	123,692.02	134,701.40	66,187.80
General	5,677.23	9,085.20	6,221.65	8,540.78
Support Fund	<u>0.00</u>	<u>31,540.00</u>	<u>31,540.00</u>	<u>0.00</u>
<b>TOTALS</b>	<u><u>\$ 118,268.38</u></u>	<u><u>\$ 600,854.76</u></u>	<u><u>\$ 586,966.39</u></u>	<u><u>\$ 132,156.75</u></u>

**DILLARD HIGH SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)**

**1999 - 2000**

<b>FUND</b>	<b>BEGINNING BALANCES</b>	<b>RECEIPTS</b>	<b>DISBURSE- MENTS</b>	<b>ENDING BALANCES</b>
Athletics	\$ 0.00	\$ 140,755.39	\$ 126,899.66	\$ 13,855.73
Music	4,032.33	22,776.89	24,188.51	2,620.71
Classes	6,725.73	128,172.06	124,542.46	10,355.33
Clubs	38,174.79	257,306.14	255,265.25	40,215.68
Departments	8,495.32	22,590.89	28,555.03	2,531.18
Trust	66,187.80	205,289.16	193,612.36	77,864.60
General	8,540.78	14,617.30	15,854.24	7,303.84
Support Fund	<u>0.00</u>	<u>36,520.00</u>	<u>36,520.00</u>	<u>0.00</u>
<b>TOTALS</b>	<u><u>\$ 132,156.75</u></u>	<u><u>\$ 828,027.83</u></u>	<u><u>\$ 805,437.51</u></u>	<u><u>\$ 154,747.07</u></u>

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

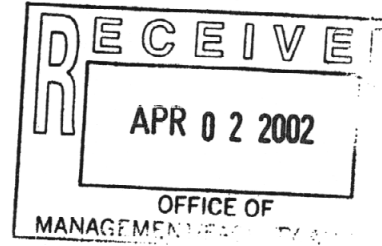
Telephone: (954) 712-1500

Facsimile: (954) 712-1526

March 27, 2002

To: Patrick Reilly, Director  
Management/Facility Audits

From: Verda M. Farrow, Ed.D.  
South Central Area Superintendent



**SUBJECT: REPEAT AUDIT FINDING ON INTERNAL ACCOUNTS  
FISCAL YEARS 1999 AND 2000**

I have reviewed the revised Audit Report on Internal Accounts – Fiscal Year 1999 and 2000. Attached is a copy of Mrs. Stubb's audit response containing acknowledgement of errors as well as intentions to correct them. Dillard High School received a repeat finding in:

**#1. Facility Rentals (Repeat Finding – Dillard High School)**

**We recommend that the Principal:**

- 1. Establish procedures or checklist to ensure rental collections are made in advance, sales tax is collected, insurance certificates cover the School Board for the entire rental period and collections for facility rentals are remitted to the School Board on a monthly basis.**
- 2. Contact the lessees regarding payment of outstanding balances.**

**AUDIT FINDINGS**

**Yearbook**

- The principal will send a quarterly report to the Area Director regarding the status of yearbook account.
- The yearbook coordinator will be required to attend all district level training offered over the next year.


The Area Superintendent has taken appropriate administrative action (by placing the Principal on a Performance Improvement plan which targets this area) and will have the Area Director monitor the internal accounts process during school site visits. The Area Director will continue to work with the principal and monitor the process for protecting the school's fixed assets. Mrs. Stubbs will participate in the management audit workshop for principals. Future repeat exceptions will lead to a more severe disciplinary action.

cc: Dr. Frank Till, Superintendent of Schools  
David Goldstein, South Central Area Director  
Deborah Stubbs, Principal, Dillard High School

The School Board of Broward County, Florida  
Dillard High School

March 26, 2002

TO: Dr. Verda Farrow  
South Central Area Superintendent

FROM: Deborah Stubbs   
Principal

SUBJECT: **AUDIT REPORT ON INTERNAL ACCOUNTS FISCAL  
YEARS 1999-2000**

My appreciation is extended to the Office of Management/Facility Audits for the careful review of our internal accounts. Ken Shaw, Ann Conway, Delores McKinney and Sandra Cooke were professional and helpful throughout the audit process. My response to the audit findings is provided below. I will monitor these activities.

• **FACILITY RENTALS (REPEAT FINDING)**

I have reviewed the Internal Audit Exception for Dillard High School and have implemented the following corrective action plan. The following procedures will be adhered to when leasing school facilities:

1. Only one assistant principal will be responsible for handling facility rentals. The administrator in charge of facility rentals will obtain the necessary documents to facilitate the lease.
2. Community School will refer all potential lessees to the assistant principal in charge of facility rentals. The community school personnel will facilitate **no** rentals.
3. Lessee will be given Facility Rental packet (See attached-Exhibit #1) detailing the information needed in order to lease school board facilities. If no tax exemption form is provided, lessee will be charged sales tax.



4. All monies for facility rentals will be collected from lessee two weeks in advance and submitted to the bookkeeper for deposit. The bookkeeper will remit money to the district on a monthly basis.
5. A copy of each mode of payment (i.e., personal/business check, cashier's check, and money order) will accompany the facility rental forms and a backup copy will be kept on file.
6. All Facility Rental Applications will be ordered on an as needed basis. Preferably 25 facility rental applications will remain in numerical order with the school's bookkeeper.
7. The assistant principal and the bookkeeper will keep an in-house facility rental/leasing spreadsheet on file.
8. Monies collected for rentals/leases will be collected before the event.
9. Monthly meetings will be held with the assistant principal and bookkeeper to assure County guidelines are met.
10. An attempt was made to contact a previous lessee regarding payment of an outstanding balance. (See attached letter- Exhibit #2)

- **YEARBOOK DEFICIT**

I concur with the findings of the audit report and I will verify that the steps outlined are followed to eliminate these types of findings in the future. The following actions are being taken to correct the identified audit exception:

1. Presale yearbooks to control number of books printed.
2. Yearbook advisor will conduct aggressive fund-raising activities in order to pay the vendor. Yearbook sales have received extended publicity, including articles in the local newspapers and contact with the alumni association.
3. The sale of ads – both to companies and personal – has been accelerated.
4. The sponsor is attempting to procure a corporate sponsor for the yearbook.
5. Layout and the use of color pages have been reviewed to secure economy.

6. Ms. Fowler (assistant principal), Ms. Winslow (bookkeeper), Ms. Dixon, (yearbook advisor) and I (principal) attended the workshop presented by the Office of Management/Facility Audits-“Everything You Wanted To Know About Yearbook Operations, But Were Afraid To Ask” on February 5, 2002.
7. Yearbook bids will be housed in the Office of Student Activities in order to centralize procedures.
8. The Assistant Principal has reviewed the new Standard Practice Bulletin I-319 with the yearbook sponsor and the bookkeeper.
9. The bookkeeper met with the representative of the Yearbook Company to gain full knowledge of each item listed on the invoice and requested that no statement be sent to the bookkeeper as payment can only be made from the original invoice.
10. The Assistant Principal will monitor and assist yearbook advisor.
11. Other forms of yearbooks, such as a video yearbook or a simplified memory book, will be reviewed and considered in lieu of a yearbook.

Cc: David Goldstein, Area Director

NEW RIVER MIDDLE SCHOOL  
AUDIT REPORT  
FOR THE 1999-00 FISCAL YEAR  
JULY 1, 1999 THROUGH JUNE 30, 2000

PROFILE OF THE SCHOOL

Address: 3100 Riverland Road, Fort Lauderdale, Florida 33312

Principal: Jan Beal

Bookkeepers: Leslie DuBois, (March 2000 to present)  
Jacci Rosenthal, (August 1998 through March 2000)  
Eleanor McCoy, (September 1999 through October 1999)

CASH SUMMARY

Cash Account:	<u>6/30/00</u>
NOW Account – Union Planters Bank	\$ <u>51,171.54</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 1999-00 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 1999-00 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

#### **1. Financial Reports - REPEAT FINDING - PRINCIPAL**

During our examination of fund-raising activities, we noted that two financial reports were not available for fundraisers with sales over \$11,300.

Standard Practice Bulletin I-303 – Sale of Merchandise, Section A1 states, “All sales of merchandise are to be approved only on the condition that an accurate and complete accounting is made for all units purchased, and that the activity be finally summarized on a ‘Financial Report – Money Raising Drive’ or ‘Student Activity Operating Report.’”

We recommend the Principal review Standard Practice Bulletins I-303 with staff and ensure staff prepares accurate reports that account for all items purchased, including Certificates of Loss for lost or damaged items and a signed complimentary list for items issued without charge.

#### **2. Yearbook**

During our examination of yearbook's operations, we noted:

- a. The invoice revealed the school overpaid \$1,050 to the vendor for the yearbook. The bid base price per book was \$16.10 and the invoice base price per book was \$18.20. Also, \$718.53 was included on the invoice for items that were not included on the bid or a supplementary agreement.
- b. The yearbook was bid as a memory book, although it included sections other than class pictures.

Standard Practice Bulletin I-310 Student Yearbooks, Section H states, “In accordance with the standard provisions of the yearbook printing contract, the invoice from the publisher is not to contain any charges which are not specified in the accepted bid proposal, or in a supplementary agreement signed by the school Principal. It is the responsibility of the yearbook advisor to make certain that all invoice charges are in accordance with the bid proposal before approving invoices for payment.”

Section I. 5.b. states, "The Distribution Record shows all books delivered must be documented by sales based on receipts and complimentary copies by signed tally sheet."

We recommend the Principal:

- a. Consider bidding the publication as a yearbook in the future.
- b. Require the vendor to invoice in accordance with the bid contract or an approved supplementary agreement.
- c. Contact the yearbook publisher to request a refund for the amount overcharged.
- d. Review with staff the requirements of Standard Practice Bulletin I-310.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

**NEW RIVER MIDDLE SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)**

**1999 - 2000**

<b>FUND</b>	<b>BEGINNING BALANCES</b>	<b>RECEIPTS</b>	<b>DISBURSE- MENTS</b>	<b>ENDING BALANCES</b>
Athletics	\$ 126.01	\$ 7,606.31	\$ 7,590.96	\$ 141.36
Music	0.00	8,118.25	5,904.56	2,213.69
Classes	917.98	48,417.59	32,058.64	17,276.93
Clubs	9,778.34	78,990.17	78,854.00	9,914.51
Departments	1,172.87	2,696.90	584.29	3,285.48
Trust	12,094.34	106,207.18	100,106.41	18,195.11
General	177.03	20,257.88	20,290.45	144.46
Support Fund	<u>0.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>0.00</u>
<b>TOTALS</b>	<u>\$ 24,266.57</u>	<u>\$ 287,294.28</u>	<u>\$ 260,389.31</u>	<u>\$ 51,171.54</u>

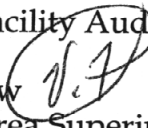
**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**Office of the South Central Area Superintendent**  
**Dr. Verda Farrow**

**Telephone: (954) 712-1500**

**Facsimile: (954) 712-1526**

March 5, 2002

**TO:** Patrick Reilly, Executive Director  
Management/Facility Audits

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

**SUBJECT: NEW RIVER MIDDLE SCHOOL  
INTERNAL FUNDS AUDIT RESPONSE**

This office has reviewed the audit responses for New River Middle School. The following monitoring strategies will be implemented to strengthen the Principals' business management competencies and prevent future recurrence of audit exceptions. The South Central Area Office will provide assistance as noted below:

- The Principal will be required to include a performance objective, focusing on audit exceptions in the 2002-2003 Performance Plans.
- The Area Director will conduct quarterly financial reviews with the respective Principal.
- The affected Principal will participate in Internal Funds Training Courses.
- The bookkeeper/budgetkeeper will participate in Internal Funds in-service programs.
- The Principal will schedule a meeting with the Area Director quarterly to review the status of the corrective and monitoring actions for each audit exception.
- The Area Director will make periodic school site visits to review records management and selected components of internal funds.
- The Principal will institute and monitor a quarterly property inventory.
- A written reprimand was given to the Principal for repeat audit findings.

The Principal understands the seriousness of this situation and will take deliberate steps to maintain exception-free internal accounts in the future. If you require additional information, please advise.


VF/DC:dm

cc: Dr. Dorothy Cook, South Central Area Director  
Jan Beal, Principal, New River Middle School

NEW RIVER MIDDLE SCHOOL  
SCHOOL OF MARINE SCIENCE  
Jan P. Beal, Principal

March 1, 2002

TO: Dr. Verda Farrow  
South Central Area Superintendent

FROM: Jan P. Beal, Principal 

SUBJECT: **AUDIT REPORT ON INTERNAL ACCOUNTS  
FISCAL YEAR 2000**

In response to the Audit Report dated January 31, 2002, two audit exceptions were listed. The exceptions involved financial reports and yearbook. A number of actions have been implemented to prevent any further occurrence of these violations.

Audit Exception 1 – Financial Reports

1. The bookkeeper, during this time, was reprimanded and subsequently removed from the position by the principal.
2. The principal hired both a budget keeper as well as a bookkeeper and has divided the job responsibilities.
3. The principal conducted training for all staff relative to Standard Practice Bulletin I303; handout and checklist were prepared and disseminated as well.
4. The principal has directed the new bookkeeper to implement a procedure to more closely monitor fundraisers in progress.
5. The principal will closely monitor fundraising activities and has implemented the utilization of a fundraising checklist.
6. The principal reviewed the procedure for preparing Certificates of Loss for lost or damaged items with the bookkeeper as well as budgetkeeper.
7. The principal will closely monitor internal accounts.
8. The principal attended the Audits Workshop on September 26, 2001, at the Pompano Multipurpose Center.



Audit Exception 2 – Yearbook

1. The sponsorship of the yearbook has been assigned to a different staff member.
2. The new sponsor has been briefed and trained by the principal and bookkeeper on proper procedures relative to Standard Practice Bulletin I310, Student Yearbooks.
3. The principal has scheduled a meeting with the yearbook vendor, bookkeeper and yearbook sponsor to review and clarify inventory procedures and supplementary agreements.
4. The vendor will give a yearbook credit of eight pages of color prints in the amount of \$1,050.00.
5. The principal will consider bidding the yearbook publication in the upcoming school year, 2002-2003.
6. On September 15, the vendor agreed to give New River Middle School a credit for the next yearbook.

JPB/jf/dm

cc: Dr. Dorothy Cook, South Central Area Director

NORTH FORK ELEMENTARY SCHOOL  
AUDIT REPORT  
FOR THE 1999-00 and 2000-01 FISCAL YEARS  
JULY 1, 1999 THROUGH JUNE 30, 2001

PROFILE OF THE SCHOOL

Address: 101 NW 15 Avenue, Fort Lauderdale, Florida 33311

Principal Johnny Duncombe (July 1999 to present)

Bookkeepers: Karen Rhinestein (January 2002 to present)  
Gloria George (January 2000 through December 2001)  
Sheila Jones (July 1999 through December 1999)

CASH SUMMARY

Cash Account:	<u>6/30/00</u>	<u>6/30/01</u>
Checking Account – First Union	\$ <u>12,239.81</u>	\$ <u>5,507.05</u>

In accordance with the State Board of Education Rule 6A-1.087, Florida Administrative Code, we have audited the financial statement of North Fork Elementary School for the 1999-00 and 2000-01 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 1999-00 and 2000-01 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

The bookkeeper for the majority of the audit period (January 2000 – December 2001) has been reassigned to a non-bookkeeping position at another school. On January 23, 2002, the school hired a new bookkeeper.

#### **1. Missing Pre-Numbered Documents**

During our examination of the school's receipting documents for the FY 2000 and 2001, we noted the following items were not available for audit:

##### FY 2000

- a. Fifty-eight of ninety-six (60.4%) pre-numbered Monies Collection Envelopes.
- b. Four (100%) voided cash receipts.
- c. Nine of thirty-five (25.71%) BC-40P receipt books.
- d. Six voided checks.
- e. Twelve checks used out of sequence.

##### FY 2001

- a. Five voided receipts.
- b. A voided check.

School Board Policy 6301 Collection of Monies states "The principal, or individual whom he/she may designate, shall be fully responsible for maintaining an accurate record as to whom Department Receipt Books, reports of monies collected, ticket sales reports, cash reports, etc., are issued. These records shall be maintained for audit purpose."

Standard Practice Bulletin I-355 Personal Accountability, Section A.5. states " If any person has not accounted for all items issued to him ... he should be requested to complete and sign a Certificate of Loss."

We recommend the Principal assure:

- a. Periodic inventory of all pre-numbered receipting documents to ensure proper accounting and security, in accordance with School Board Policy 6301 and Standard Practice Bulletin A-429.

- b. Staff completes a Certificates of Loss, in accordance with Standard Practice Bulletin I-355.

## 2. **Late Deposits**

### FY 2001

Our review of the receipting process uncovered severe weaknesses in the internal control structure. Numerous instances were found where staff collected monies and such monies were given to the bookkeeper for receipting. The bookkeeper on the other hand did not issue official receipts to the collectors. Monies were accumulated and held for extended periods of time before deposit. On 11/14/01, the bookkeeper had \$4,454.60 on hand. We advised her to deposit such funds promptly. Furthermore, the preceding amount was not traceable in its entirety to source documents, due in large part, to negligence by staff in adhering to policies and procedures governing the receipting and depositing of internal funds.

School Board Policy 6301 Collection of Monies states " Deposits to a depository must be made daily when warranted. If collections do not warrant daily deposits then collections must be deposited within three working days; the last working day of the week; and the last working day of the month."

We recommend that Principal ensure staff makes timely deposits.

## 3. **Bookkeeping Practices And Procedures**

Our examination of the receipting process utilized by the school revealed several discrepancies. Numerous receipting documents are missing and a more thorough analysis was not feasible. Consequently, the items listed below are indicative of some of the problems encountered.

### FY 2000

- a. A deposit shortage of \$25.10 for the period of 12/99.
- b. A deposit overage of \$80.00 for 5/23/00.
- c. A deposit in transit for \$84.70 on 5/31/00 not credited on a subsequent bank statement.
- d. Monies Collection Envelopes were not cross-referenced.
- e. BC-40P receipt books were not cross-referenced

### FY 2001

- a. An official receipt issued on 8/15/00 for \$14.00, which was not credited on a bank statement.
- b. Pre-K Collections of \$296.75 on 9/25/00, a net shortage posted to the Over/Under account.
- c. A check for \$15.00 listed as part of a deposit for 9/25/00 went to the bank with a subsequent deposit.
- d. A deposit shortage of \$25.00 on 1/22/01.
- e. A deposit shortage of \$105.00 taken from Account G 7025.
- f. Monies Collection Envelopes were not cross-referenced.
- g. BC-40P receipt books were not cross-referenced

School Board Policy 6301 Collection of Monies states “The principal, or individual whom he/she may designate, shall be fully responsible for maintaining an accurate record as to whom Department Receipt Books, reports of monies collected, ticket sales reports, cash reports, etc., are issued. These records shall be maintained for audit purposes.”

Standard Practice Bulletin I 160 Records and Reports – Preservation and Disposal of Records Section A, states as follows:

- a. All records and reports must be retained pending audit of the school’s records.
- b. After audit has been completed, records may be disposed of only in accordance with procedures established by the Records Retention Section.

Chapter 230.23 (11) (a) Records and Reports – Florida Statutes, provide for the keeping of all necessary records and the making of all needed or required reports, as follows:

- (a) Forms, blanks, and reports – Require all employees to keep accurately all records and to make promptly in the proper form all reports required by law or by regulations of the state board or of the commissioner.

We recommend the Principal take immediate action to remedy the aforementioned problems by implementing procedures to ensure:

- a. staff properly account for the receipting and depositing of funds.
- b. records are retained for audit purposes.

#### 4. **School Pictures**

Based on the review of school pictures activity, we noted the following:

- a. Bookkeeper retained collections for school pictures and paid the vendor in cash. She did not make an entry into the accounting system.
- b. A shortage of \$229.90 in school profits from pictures was discovered on February 15, 2001.
- c. Bookkeeper did not obtain detail individual receipts to verify the accuracy of the vendor’s invoice.

Standard Practice Bulletin I 305 Disbursements Section 1.A states “ All disbursements are to be made by check from Internal Accounts. Never use cash collections for disbursements.”

School Board Policy 2081, Contracts by Individual Schools, Section 3 states “When a vendor takes orders directly from students, collects payments from them, and/or makes delivery directly to students without involving school personnel in these transactions, a copy of the official receipt issued to students and a record of the sum of the total monies collected shall be filed by the vendor with the individual school’s bookkeeper.”

We recommend the Principal ensure the following:

- a. Proper recording of receipts from commissions received.
- b. Vendor provides the correct documentation prior to accepting future commission payments.
- c. All disbursements must be made from Internal Accounts.
- d. The bookkeeper repays the \$229.90.

**5. Cash Disbursements**

Our examination of cash disbursements for FY 2000 revealed staff did not adhere to established record retention policies and procedures as set forth by the School Board. For both years, the bookkeeper did not obtain /retain supporting documentation for disbursements.

Standard Practice Bulletin I-256 Cash Disbursements Section C.1. states “All check requisitions must be properly documented with an original invoice, vendor name and address, date of purchase, itemization, and total obligation.”

Standard Practice Bulletin I 160 Records and Reports – Preservation and Disposal of Records Section A states as follows:

- a. All records and reports must be retained pending audit of the school’s records.
- b. After audit has been completed, records may be disposed of only in accordance with procedures established by the Records Retention Section.

Chapter 230.23 (11) (a) Records and Reports – Florida Statutes, provide for the keeping of all necessary records and the making of all needed or required reports, as follows:

- (a) Forms, blanks, and reports – Require all employees to keep accurately all records and to make promptly in the proper form all reports required by law or by regulations of the state board or of the commissioner.

We recommend the Principal:

- a. Implements procedures to ensure all disbursements are adequately documented and such records be retained for audit purposes.
- b. Contact employees, who receipted checks and have them, provide duplicate documentation.

**OTHER COMMENTS**

**Payroll**

The generally adhered to payroll procedures.

**NORTH FORK ELEMENTARY SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)**

**1999 - 2000**

<b>FUND</b>	<b>BEGINNING BALANCES</b>	<b>RECEIPTS</b>	<b>DISBURSE- MENTS</b>	<b>ENDING BALANCES</b>
Classes	\$ 203.25	\$ 502.40	\$ 0.00	\$ 705.65
Clubs	680.74	1,862.56	2,052.77	490.53
Departments	1,094.52	1,570.10	1,199.80	1,464.82
Trust	8,051.04	14,168.48	14,300.69	7,918.83
General	400.04	5,981.86	4,721.92	1,659.98
<b>TOTALS</b>	<u>\$ 10,429.59</u>	<u>\$ 24,085.40</u>	<u>\$ 22,275.18</u>	<u>\$ 12,239.81</u>

**NORTH FORK ELEMENTARY SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)**

**2000 - 2001**

<b>FUND</b>	<b>BEGINNING BALANCES</b>	<b>RECEIPTS</b>	<b>DISBURSE- MENTS</b>	<b>ENDING BALANCES</b>
Classes	\$ 705.65	\$ 1,691.00	\$ 2,063.38	\$ 333.27
Clubs	490.53	3,372.50	3,602.35	260.68
Departments	1,464.82	1,782.71	1,502.77	1,744.76
Trust	7,918.83	8,932.19	16,603.71	247.31
General	<u>1,659.98</u>	<u>7,335.40</u>	<u>6,074.35</u>	<u>2,921.03</u>
<b>TOTALS</b>	<u><u>\$ 12,239.81</u></u>	<u><u>\$ 23,113.80</u></u>	<u><u>\$ 29,846.56</u></u>	<u><u>\$ 5,507.05</u></u>



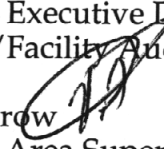
**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**Office of the South Central Area Superintendent**  
**Dr. Verda Farrow**

**Telephone: (954) 712-1500**

**Facsimile: (954) 712-1526**

March 25, 2002

**TO:** Patrick Reilly, Executive Director  
Management/Facility Audits

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

**SUBJECT: NORTH FORK ELEMENTARY SCHOOL  
INTERNAL FUNDS AUDIT RESPONSE**

This office has reviewed the audit responses for North Fork Elementary School. The following monitoring strategies will be implemented to strengthen the Principals' business management competencies and prevent future recurrence of audit exceptions. The South Central Area Office will provide assistance as noted below:

- The Principal will be required to include a performance objective, focusing on ensuring adherence to general bookkeeping practice in the 2002-2003 Performance Plans.
- The Area Director will conduct quarterly financial reviews with the respective Principal.
- The affected Principal will participate in Internal Funds Training Courses.
- The bookkeeper/budgetkeeper will participate in Internal Funds in-service programs.
- The Principal will schedule a meeting with the Area Director quarterly to review the status of the corrective and monitoring actions for each audit exception.
- The Area Director will make periodic school site visits to review records management and selected components of internal funds, specifically the document logs.

The Principal understands the seriousness of this situation and will take deliberate steps to maintain exception-free internal accounts in the future. If you require additional information, please advise.

VF/DC:dm

**cc:** Dr. Dorothy Cook, South Central Area Director  
Johnny Duncombe, Principal, North Fork Elementary School



# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**NORTH FORK ELEMENTARY SCHOOL**  
Johnny Duncombe, Principal  
Robert Babay, Assistant Principal  
101 NW 15 Avenue  
Ft. Lauderdale, FL 33311  
(954)765-6874  
(954)765-6258 FAX

## SCHOOL BOARD

*Chairperson* Dr. Robert D. Parks  
*Vice Chairperson* Judie S. Budnick  
CAROLE L. ANDREWS  
DARLA L. CARTER  
PAUL D. EICHNER, ESQ.  
BEVERLY A. GALLAGHER  
STEPHANIE ARMA KRAFT, Esq.  
LOIS WEXLER  
BENJAMIN J. WILLIAMS

DR. FRANK TILL  
*Superintendent of Schools*

March 25, 2002

TO: Dr. Verda Farrow, Superintendent  
South Central Area

FROM: Johnny Duncombe, Principal  
North Fork Elementary

RE: Response to Audit on Internal Accounts  
Fiscal Years 2000 and 2001

Response to the audit of internal accounts 2000 and 2001 is listed below:

- **Missing Pre-Numbered Documents**
  - The previous bookkeeper was reprimanded, transferred to a non-bookkeeping position, and replaced by a new bookkeeper.
  - The bookkeeper and staff will be in-serviced on a regular basis concerning School Board Policy 6301, Collection of Monies.
  - The bookkeeper will review the receipt book log weekly and contact those staff members who have not returned their books.
  - The bookkeeper will report to me monthly as to the status of all pre-numbered documents.
  - The principal will hold every staff member responsible for missing records and have them sign a "Certificate of Loss".
  - The bookkeeper will attend District Level Internal Accounts Training.
- **Late Deposits**
  - The previous bookkeeper was reprimanded, transferred to a non-bookkeeping position, and replaced by a new bookkeeper.
  - The bookkeeper understands School Board Policy 6301 Collection of Monies and will adhere to the deposit procedures.
  - The bookkeeper and staff will be in-serviced on a regular basis concerning fundraising and collection of money.
  - A letter of reprimand will be issued to staff members not complying with school board policies.



- **Bookkeeping Practices and Standard Practice Bulletins**
  - The previous bookkeeper was reprimanded, transferred to a non-bookkeeping position, and replaced by a new bookkeeper.
  - The bookkeeper understands School Board Policy 6301 Collection of Monies and Standard Practice Bulletin I 160 and will adhere to all procedures.
  - The entire staff will be instructed on the collection of monies procedures at monthly staff meetings.
  - The bookkeeper will attend District Level Internal Accounts Training.
  
- **School Pictures**
  - The previous bookkeeper was reprimanded, transferred to a non-bookkeeping position, and replaced by a new bookkeeper.
  - The bookkeeper understands Standard Practice Bulletin I 305 Disbursements and School Board Policy 2081 Contracts by Individual Schools and will adhere to all procedures.
  - All staff involved with school pictures will be in-serviced on collection procedures.
  - All money will be receipted and deposited and checks cut to the vendor.
  - A letter of reprimand will be issued to staff members not complying with school board policies.
  - The Principal has made a written request to the prior bookkeeper to repay \$229.90.
  
- **Cash Disbursements**
  - The previous bookkeeper was reprimanded, transferred to a non-bookkeeping position, and replaced by a new bookkeeper.
  - The bookkeeper understands Standard Practice Bulletin I-256 Cash Disbursements and I 160 Records and Reports – Preservation and Disposal of Records and will adhere to all procedures.
  - All records will be retained in accordance with Records Disposition Request..

In addition to the actions listed above, I will be conducting weekly meetings with the bookkeeper and office manager to ensure that our school is in compliance with all policies. I wish to take this opportunity to thank the Office of Management/Facility Audits and especially Rupert Jairam and Ann Conway for a thorough and fair audit.

JD/ma/dm

PLANTATION HIGH SCHOOL  
 AUDIT REPORT  
 FOR THE 1999-00 and 2000-01 FISCAL YEARS  
 JULY 1, 1999 THROUGH JUNE 30, 2001

PROFILE OF THE SCHOOL

Address: 6901 NW 16 Street, Plantation, Florida 33313  
Principal: Peter Tingom  
Bookkeeper: Robin Sabourin

CASH AND INVESTMENTS SUMMARY

	<u>6/30/00</u>	<u>6/30/01</u>
Cash Account:		
Checking Account – Bank of America	\$ (35,242.00)	\$ 44,563.18
Investments:		
Treasurer’s Pool Account	<u>195,000.00</u>	<u>100,000.00</u>
TOTAL	\$ <u>159,758.00</u>	\$ <u>144,563.18</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 1999-00 and 2000-01 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 1999-00 and 2000-01 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. Statement of Changes In Fund Balances**

At June 2000, the bookkeeper closed the year with a negative balance of (\$35,242) in the internal accounts checking account, per the accounting records. The bookkeeper made a \$51,850 deposit on June 22, 2000, which covered outstanding checks to maintain a positive cash balance in the bank account.

Standard Practice Bulletin A-425 Year-End Requirements for Internal Accounts, Section I.A.4. states "Negative fund balances must be cleared prior to the closing date."

We recommend the Principal implements procedures to ensure the checking account does not have a deficit.

**2. Negative Account Balances**

At June 2001, we noted that the General Fund had a negative year-end balance of (\$28,705.95).

Standard Practice Bulletin I-453 Classification and Description of Funds for Classes, Clubs, and Departments, section C.1 states "Expenditures may not exceed the available cash in any fund."

We recommend the Principal ensures the school closes the year with positive balances in all accounts.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

**PLANTATION HIGH SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)**

**1999 - 2000**

<b>FUND</b>	<b>BEGINNING BALANCES</b>	<b>RECEIPTS</b>	<b>DISBURSE- MENTS</b>	<b>ENDING BALANCES</b>
Athletics	\$ 10,983.99	\$ 86,212.87	\$ 97,029.86	\$ 167.00
Music	1,390.02	5,636.86	3,676.53	3,350.35
Classes	9,672.91	116,825.70	113,906.85	12,591.76
Clubs	69,315.69	380,762.31	417,665.34	32,412.66
Departments	1,800.22	16,814.74	15,790.18	2,824.78
Trusts	130,197.79	150,661.30	172,447.64	108,411.45
General	0.00	67,069.04	67,069.04	0.00
Support Fund	<u>0.00</u>	<u>16,512.16</u>	<u>16,512.16</u>	<u>0.00</u>
<b>TOTALS</b>	<u>\$ 223,360.62</u>	<u>\$ 840,494.98</u>	<u>\$ 904,097.60</u>	<u>\$ 159,758.00</u>

**PLANTATION HIGH SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)**

**2000 - 2001**

<b>FUND</b>	<b>BEGINNING BALANCES</b>	<b>RECEIPTS</b>	<b>DISBURSE- MENTS</b>	<b>ENDING BALANCES</b>
Athletics	\$ 167.00	\$ 85,662.60	\$ 85,829.60	\$ 0.00
Music	3,350.35	22,504.94	23,232.06	2,623.23
Classes	12,591.76	137,699.93	129,396.86	20,894.83
Clubs	32,412.66	435,410.88	415,364.95	52,458.59
Departments	2,824.78	27,822.88	25,551.81	5,095.85
Trust	108,411.45	171,507.74	187,722.56	92,196.63
General	0.00	40,275.18	68,981.13	(28,705.95)
Support Fund	<u>0.00</u>	<u>18,552.00</u>	<u>18,552.00</u>	<u>0.00</u>
<b>TOTALS</b>	<u>\$ 159,758.00</u>	<u>\$ 939,436.15</u>	<u>\$ 954,630.97</u>	<u>\$ 144,563.18</u>

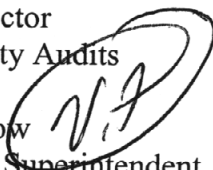
**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**Office of the South Central Area Superintendent**  
**Dr. Verda M. Farrow**

**Telephone: (954) 712-1500**

**Facsimile: (954) 712-1526**

March 4, 2002

TO: Patrick Reilly, Director  
Management/Facility Audits

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

SUBJECT: **PLANTATION HIGH SCHOOL**  
**AUDIT RESPONSE – FISCAL YEAR 2000 and 2001**

I have reviewed and concur with the attached response from Plantation High School.

I have implemented the following procedures, which will verify that the steps outlined by the principal are not only followed, but are also effective in eliminating these types of findings in the future.

Over the next year, the principal and staff will attend all District offered workshops pertaining to each audit exception.

Written notification by the principal will be sent to the Area Office upon completion of the required training.

**Audit Exceptions**

**1. Statement of Changes in Fund Balances**

At June 2000, the bookkeeper closed the year with a negative balance (\$35,242) in the internal accounts checking account, per the accounting records. The bookkeeper made a \$51,850 deposit on June 22, 2001, which covered outstanding checks to maintain a positive cash balance in the bank account.

Standard Practice Bulletin A-425 Year-End Requirements for Internal Accounts, Section I.A.\$. states "Negative fund balances must be cleared prior to closing date."



Audit Response  
Plantation High School  
March 4, 2002  
Page 2

**2. Negative Account Balances**

At June 2001, we noted that the General Fund had a negative year-end balance of (\$28,705.95).

Standard Practice Bulletin I-453 Classification and Description of Funds for Classes, Clubs, and Departments, section C.1 states "Expenditures may not exceed the available cash in any fund.

In conclusion, all reports will be verified by the Area Office upon site visits to insure that corrective action is being taken to eliminate future audit exceptions.

VF/RI:ajc

cc: Dr. Roberta K. Insel, South Central Area Director



# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## PLANTATION HIGH SCHOOL

Peter S. Tingom, Principal  
6901 Northwest 16th Street  
Plantation, Florida 33313  
954-797-4400  
954-797-4413 FAX

## SCHOOL BOARD

*Chairperson*  
*Vice Chairperson*

DR. ROBERT D. PARKS  
JUDIE S. BUDNICK  
CAROLE L. ANDREWS  
DARLA L. CARTER  
PAUL D. EICHNER, ESQ.  
BEVERLY A. GALLAGHER  
STEPHANIE ARMA KRAFT, ESQ.  
LOIS WEXLER  
BENJAMIN J. WILLIAMS

DR. FRANK TILL  
*Superintendent of Schools*

MAR 6 2002

February 28, 2002

TO: Dr. Verda Farrow  
Area Superintendent

FROM: Peter S. Tingom, Principal  
Plantation High School

SUBJECT: Audit Report on Internal Accounts  
Fiscal Years 2000-2001

*Peter S. Tingom*

Plantation High School concurs with the findings of the auditor.

### Corrective Action:

I will review fund balances in May of each year and transfer the appropriate funds to cover negative fund balances prior to the closing date. Also, I will review any individual negative account and make sure no accounts are in the negative when the year closes.

The Bookkeeper and I will attend internal accounts courses, as offered by the District.

PST/ncr