

INTERNAL PROPERTY AUDIT REPORT

Property and Inventory Audits of Selected Locations
2010-2011



**To be presented to the:
Audit Committee
on
October 25, 2010**

**School Board of Broward County, Florida
on
November 9, 2010**



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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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Superintendent of Schools

October 14, 2010

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

Ladies and Gentlemen:

We have performed a Review of the Property and Inventory of selected locations, pursuant to the Rules of the Auditor General 10.480 and School Board Policy 1002.1.

Audits of Property and Inventory require that we account for all of the Property and Inventory charged to the locations. In order to complete this task, we have reviewed all property and inventory records disclosed from District accounts and made a determination as to the status of each item. This disposition may include;

- items which are at the location and are accounted for,
- items which were not available for review prior to the issuance of this report,
- items which may have been stolen and are supported by the proper District forms,
- items that have been transferred from one location to another and are supported by the proper District forms, and
- items which have been declared surplus or obsolete and are supported by the proper District forms.

We conducted our audits in accordance with generally accepted Government Accounting Standards issued by the Comptroller of the United States.

Our property audits indicated that (27) locations in the report complied with prescribed policies and procedures. There were (7) locations that contained audit exceptions consisting of unaccounted for property and the failure to follow some prescribed rules.

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

Sincerely,

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

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PROPERTY AUDIT REPORT

AUTHORIZATION

The Rules of the Auditor General, Section 10.480, require that “Each governmental unit shall ensure that a complete physical inventory of all property is taken annually and whenever there is a change of custodian.” In accordance with School Board Policy 1002.1 and the Audit Plan for The Office of the Chief Auditor, the inventories of the locations in the District that have been audited are presented in Section I of this report. School Board Policy 3204 – Property Accountability and Responsibility states, “The Board designates that Principals shall be the custodians of property at schools. Directors/Supervisors shall be the custodians of property for the County Support Services Departments.” Rule 1 states **“All physical inventories shall be conducted by the Office of the Chief Auditor’s Property Audits Division.”**

SCOPE, OBJECTIVES AND METHODOLOGY

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures represented on property records. We have reviewed all property and inventory records disclosed from District accounts and made a determination as to the status of each of the items. This disposition may include

- items which are at the location and are accounted for,
- items which were not available for review prior to the issuance of this report,
- items which may have been stolen and are supported by the proper documentation and District forms,
- items that have been transferred from one location to another and are supported by the proper District forms,
- items which have been declared surplus or obsolete and are supported by the proper District forms.

Compliance

We tested compliance with policies and procedures prescribed by the School Board Policies and The Manual of Property and Inventory Control. The results of our tests of compliance indicated some schools were not complying with the policies and procedures provided in the above noted sources. Noncompliance items are reported in **Section I** and **Section III** of this report.

Property Control Structure

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

- internal property control structure established by the administration.
- 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 safeguarding of assets.

A material weakness is a reportable condition in which the design or operation of one or more internal property control structure elements does not reduce the risk of material errors or irregularities from occurring. As a result, it would be extremely difficult for school employees to recognize errors in the normal course of performing their assigned functions. Reportable internal control weaknesses are noted in **Section I** and **Section III** of this internal property audit report.

Our evaluation of the internal control structure does not necessarily disclose all matters that might be reportable conditions. Thus, all material weaknesses may not be identified.

Property Audit Exceptions

In order to establish reporting parameters and afford the locations some latitude in monitoring their assets, we set thresholds of approximately one (1) percent of the total property inventory historical cost. The District does not track depreciation for each capital asset. The Office of the Chief Auditor (OCA) has used the following table, provided by the Director of the Financial Reporting/Accounting Department, to determine the total accumulated depreciation of assets which have not been accounted for.

• Computers, Printers	5 Years
• Band Instruments	7 Years
• Office Equipment	5 – 20 Years
• Audio/Visual Equipment	6 – 8 Years
• Vocational Equipment	7 – 20 Years
• Other	From 5 to 20 Years

The Office of the Chief Auditor reported no property exceptions for locations with an aggregate historical value, of items unaccounted for, falling below the designated 1% threshold unless significant process control weaknesses have been identified. As of July 1, 2004, Florida State Statute 274.02, changed the value of capital assets to be recorded and monitored from \$750 to \$1,000. The District administration requires follow-up verification of all items not accounted for during the physical audit with a historical cost of \$1,000 or more. Subsequently, location administrators must designate the location of recovered individual assets by room/fish number or District approved forms.

Unaccounted / Found Items

While conducting the audit, there are instances in which items are determined to be unaccounted for. When the Office of the Chief Auditor and the location's staff agree that the item(s) is not accounted for, the asset is moved to a Missing List. This item will remain designated on the Missing List until the item is located and reactivated by **Financial Reporting Capital Assets (FRCA)**. If the item is not reactivated after two (2) years, the item(s) is removed from the location's active list of property records.

In addition to having items which are not accounted for, there are items which are found on campus, which are not listed on the location's database of assets. For those items, whose value exceeds \$1,000, the Office of the Chief Auditor adds the assets to the location's inventory database with the expectation that the asset is to be tracked and monitored in the future. A report is provided to the Property Custodian and Financial Reporting Capital Assets at the end of the audit.

Summary of Property and Inventory Review for Fiscal Year 2010-2011

The following report discloses the audits for (21) schools and (13) departments. These audits were finalized between August 10, 2010 and October 11, 2010. For this report, we noted (27) locations had No Exceptions and (7) locations had Exceptions. A summary of this report notes that:

- For the 34 locations, 19,189 items were listed in the property records at a historical cost of \$29,934,834.
- **For the 34 locations included in this report, a total of 178 items could not be accounted for with a historical cost of \$332,916.**

Section I-
Summary of Property and Inventory Audits Performed

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Audits

The following table presents a summary of the property and inventory audits that were finalized during the period August 10, 2010 and October 11, 2010. For any location that received an exception, we have included a detailed listing of the items that were unaccounted for and the administration's response.

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/Exception	Page No.
North	Cresthaven Elementary 0901	498	\$760,738	1	\$2,195	No Exceptions	
North	Deerfield Beach Elementary 0011	626	\$912,705	1	\$7,247	No Exceptions	
North	Eagle Ridge Elementary 3441	650	\$819,179	4	\$7,943	No Exceptions	
North	Ramblewood Elementary 2721	642	\$771,447	6	\$8,346	Exceptions	10-17
North	Sawgrass Springs Middle 3431	810	\$1,294,719	5	\$6,901	REPEAT EXCEPTIONS	18-22
North	Silver Ridge Elementary 3081	831	\$1,094,872	6	\$10,456	No Exceptions	
North	Tedder Elementary 0571	688	\$1,030,785	1	\$1,415	No Exceptions	
North	Westchester Elementary 2681	698	\$932,092	0	0	No Exceptions	
Central	Atlantic Technical Center 2221	3,141	\$6,590,275	21	\$50,463	No Exceptions	
Central	Meadowbrook Elementary 0761	535	\$860,551	32	\$53,834	REPEAT EXCEPTIONS	23-32
Sub Total This Page		9,119	\$15,067,363	77	\$148,800	7 No Exceptions 3 Exceptions	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/Exception	Page No.
Central	Plantation High 1451	1,967	\$2,780,282	78	\$148,370	REPEAT EXCEPTIONS	33-43
Central	Rickards Middle 2121	889	\$1,340,007	4	\$5,934	No Exceptions	
Central	Seminole Middle 1891	859	\$1,266,938	9	\$13,576	REPEAT EXCEPTIONS	44-50
Central	Tropical Elementary 0731	661	\$876,287	0	0	No Exceptions	
Central	Welleby Elementary 2881	569	\$831,278	1	\$1,499	No Exceptions	
South	Annabel C. Perry Elementary 1631	611	\$834,614	1	\$1,690	No Exceptions	
South	Davie Elementary 2801	586	\$804,930	2	\$2,331	No Exceptions	
South	Sea Castle Elementary 2871	587	\$744,238	0	0	No Exceptions	
South	Gulfstream Middle 3931	405	\$668,497	0	0	No Exceptions	
South	Hollywood Hills Elementary 0111	511	\$706,151	0	0	No Exceptions	
South	Sunset Lakes Elementary 3661	881	\$1,103,906	0	0	No Exceptions	
Dept	Building Department 9605	101	\$163,413	0	0	No Exceptions	
Dept	Career, Technical & Adult Community Education 9781	135	\$293,435	0	0	No Exceptions	
Sub Total This Page		8,762	\$12,413,976	95	\$173,400	11 No Exceptions 2 Exceptions	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/Exception	Page No.
Dept	Facility Management, Planning & Site Acquisition 9606	41	\$81,633	0	0	No Exceptions	
Dept	Human Resources Development 9754	334	\$715,203	0	0	No Exceptions	
Dept	Instructional Staffing 9652	106	\$178,420	4	\$8,084	Exceptions	51-56
Dept	Learning Resources & Instructional Materials 9854	75	\$110,468	2	\$2,632	REPEAT EXCEPTIONS	57-61
Dept	Title 1 9830, Migrant Ed 9831 & Special Programs 9807	203	\$297,621	0	0	No Exceptions	
Dept	Treasurer's Office 9704	69	\$139,957	0	0	No Exceptions	
Dept	Capital Budget 9731	80	\$195,787	0	0	No Exceptions	
Dept	Chief Financial Officer 9730	8	\$15,563	0	0	No Exceptions	
Dept	Grants Administration 9902	44	\$82,416	0	0	No Exceptions	
Dept	Charter Schools 9811	19	\$39,966	0	0	No Exceptions	
Dept	ERP Project Management 9732	329	\$596,461	0	0	No Exceptions	
Sub Total This Page		1,308	\$2,453,495	6	\$10,716	9 No Exceptions 2 Exceptions	

Sub Totals	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	
Sub Total Previous Page 4	9,119	\$15,067,363	77	\$148,800	7 No Exceptions 3 Exceptions	
Sub Total Previous Page 5	8,762	\$12,413,976	95	\$173,400	11 No Exceptions 2 Exceptions	
Sub Total Previous Page 6	1,308	\$2,453,495	6	\$10,716	9 No Exceptions 2 Exceptions	
TOTAL	19,189	\$29,934,834	178	\$332,916	27 No Exceptions 7 Exceptions	

Audits Performed by:

**Bryan Erhard
Ivette Lima
Bruce Norris
Stephanie Ormsby
Rhonda Schaefer**

Audits Supervised by:

Mark Magli

Section II-
Locations with No Exceptions

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Audits

During the review of the property audit at the following locations, no exceptions of any material nature were identified.

SCHOOL NAME

Cresthaven Elementary 0901

Deerfield Beach Elementary 0011

Eagle Ridge Elementary 3441

Silver Ridge Elementary 3081

Tedder Elementary 0571

***Westchester Elementary 2681**

Atlantic Technical Center 2221

Rickards Middle 2121

***Tropical Elementary 0731**

Welleby Elementary 2881

Annabel C. Perry Elementary 1631

Davie Elementary 2801

***Sea Castle Elementary 2871**

***Gulfstream Middle 3931**

***Hollywood Hills Elementary 0111**

***Sunset Lakes Elementary 3661**

***All assets were accounted for at this location.**

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Audits

During the review of the property audit at the following locations, no exceptions of any material nature were identified.

DEPARTMENT NAME

***Building Department 9605**

***Career, Technical & Adult Community Education 9781**

***Facility Management, Planning & Site Acquisition 9606**

***Human Resources Development 9754**

***Title 1 9830, Migrant Ed 9831 & Special Programs 9807**

***Treasurer's Office 9704**

***Capital Budget 9731**

***Chief Financial Officer 9730**

***Grants Administration 9902**

***Charter Schools 9811**

***ERP Project Management 9732**

***All assets were accounted for at this location.**

Section III-
Locations with Exceptions

School Name: Ramblewood Elementary 2721
Principal (s): Ms. Betty Colyer

Address: 8950 Shadowood Boulevard
Coral Springs, Florida 33071

Total Number of Items in Inventory:	642
Total Dollar Cost of Items in Inventory:	\$771,447
Total Number of Items Unaccounted for:	6
Total Dollar Cost of Items Unaccounted for:	\$8,346
Total Net Value of Items Unaccounted for:	\$0

Self Inventories

The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools and departments to ensure an accurate physical accounting of site designated assets by the staff. The Property Team's responsibilities should be made clear to involved staff in order for deadlines and objectives for monitoring to be met. All staff should be made aware of the best practices for securing equipment and preventing theft. Equipment should be designated to individual staff members who are requested to oversee the equipment and immediately report theft to the appropriate administration in a timely manner. Additionally, items that are not utilized on a day-to-day basis should be stored in a secured location with a directive that the appropriate staff is expected to physically verify this equipment on a regular basis. The Area Offices have established protocols for the review and reconciliation of all asset records on a quarterly basis. Errors should be identified and corrected by the designated school staff accordingly. When errors are identified, the proper support paperwork should be forwarded to Financial Reporting Capital Assets (FRCA) for record modification.

Monitoring Property Records

Thirty seven (37) items were located at the school that did not appear in the Master File of Assets' records. The school must provide that information to FRCA to have the equipment added in alignment with the state requirements for recording and monitoring of fixed assets (>\$999). In some cases, the historical cost may be below the value of assets captured by FRCA for tracking, but should still be maintained in the school's local database and secured accordingly. The school should verify the purchasing records with the vendor invoice information.

Reporting of Equipment Theft

A police report should not be utilized as a "clean up" mechanism when internal control elements have not been consistently upheld which resulted in unaccounted

(Ramblewood Elementary continued)

for equipment. A trained staff member should be aware when items are unlawfully removed from the storage area within a reasonable amount of time. High risk items such as cameras, laptops, LCD Projectors, and more should be adequately stored in a locked secure area or cabinet. The Office of the Chief Auditor recommends that items be stored behind two locked doors and in a secured cabinet.

Surplus

Directors/Principals are responsible for ensuring efficient and accurate surplus activity.

1. Periodically, the location should surplus any obsolete or damaged equipment items in order to remove these records from their capital asset inventory. It is recommended locations surplus equipment twice per year in accordance with their self inventories conducted semi-annually.
2. The location should complete a 3290a Surplus Declaration Form to identify the capital assets to be salvaged.
3. The 3290a Surplus Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each capital asset being sent for surplus. The surplus form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplus of the equipment.
4. The location should make a copy of the form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.
5. The Warehouse will arrange to pick-up the equipment designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.
6. After confirming the pick-up of the asset items, the Manager, Material Logistics will forward the surplus form along with the B-stock pick-up acknowledgment form to Capital Assets for processing.
7. Financial Reporting Capital Assets (FRCA) will send an email confirmation to the property custodian upon receipt of the form and documentation.

(Ramblewood Elementary continued)

8. Financial Reporting Capital Assets (FRCA) will process the surplus form and remove the capital asset records from the location's capital inventory.
9. Within five business days of receiving notification, the surplus request will be processed by Financial Reporting Capital Assets and locations will be contacted for any additional information. The property custodian should verify that the capital asset records have been removed from the capital inventory by requesting a PNI 811 from ETS Production.
10. The location should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent inventory audits.

Ms. Sharon Airaghi, North Area Superintendent, has reviewed the corrective action plan submitted by Ms. Colyer for eliminating the material concerns identified during this property audit. The North Area Office will provide administrative oversight and support for ensuring proper implementation of a comprehensive and efficient plan for safeguarding property at Ramblewood Elementary in the future.

Audit Start Date:
6/30/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

Items not accounted for : Ramblewood Elementary 2721

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	02-01557	COMPUTER, MAC IMAC	\$ 1,050.36
2	02-01593	COMPUTER, MAC IMAC	\$ 1,583.86
3	02-01603	COMPUTER, MAC IMAC	\$ 1,583.86
4	02-01107	PRINTER, LEXMARK OPTRA M412N	\$ 1,466.00
5	02-01140	PRINTER, LEXMARK OPTRA M412N	\$ 1,466.00
6	00-06377	COMPUTER, MAC IMAC	\$ 1,195.86

Total Historical Cost of Property unaccounted for as of September 10, 2010 \$ 8,345.94

[1]Total Accumulated Depreciation as of September 10, 2010 \$ 8,345.94

Net Value of Property considered to be unaccounted for as of September 10, 2010 \$ -

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SHARON AIRAGHI
OFFICE OF THE NORTH AREA SUPERINTENDENT

Telephone: (754) 321-3400

Facsimile: (754) 321-3485

September 16, 2010

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

FROM: Sharon Airaghi 
North Area Superintendent

SUBJECT: **AUDIT RESPONSE ON PROPERTY INVENTORY- F/Y 2010-2011**
RAMBLEWOOD ELEMENTARY SCHOOL

The Area Office has reviewed the Property and Inventory Audit findings and response for Ramblewood Elementary School. Area staff met with the school inventory team to review the inventory process at the school and to review the status of the missing items.

It has been determined that the primary causal factors for the exceptions were:

- The need for more detailed/timely reconciliation when processing items for addition and/or removal from the PNI 811 report.
- The need for increased accountability in monitoring items to ensure accuracy of theft/loss reporting.

The recommendations submitted by the Principal have been reviewed and approved by the Area Director and will effectively reduce audit exceptions in the future. It has been determined that the following strategies will be implemented to strengthen the Principal's business management competencies and prevent recurrence of audit exceptions.

- The Principal and Inventory team leader will meet with the Area Director/Area Technology Specialist to complete face to face reviews of reconciled PNI 811 reports. The principal has been informed that the expectations of the meetings will include:

- Review of up to date documentation for all reconciled items,
 - Review of quarterly inventory reports
 - Documentation of school staff hands on inventory
 - Room inventory documentation protocols
 - Review of all theft/loss reports
- Random select item inventories will be conducted by the Area office staff at the above mentioned meetings to ensure the school is adhering to the inventory policies and procedures.

The Principal understands the seriousness of this situation and will take deliberate steps to maintain exception-free property and inventory audit in the future. If additional information is necessary, please advise.

SKA:mrj

cc: Anne Dilgen, North Area Director
Ronald Smith, North Area Business Analyst
Betty Colyer, Ramblewood Elementary Principal
Mark Magli, Supervisor Property Audits Division



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Ramblewood Elementary
Betty Colyer, Principal
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Kevin P. Tynan, Esq.

September 16, 2010

JAMES F. NOTTER
Superintendent of Schools

TO: Sharon Airaghi
FROM: Betty Colyer *BC*
VIA: Patrick Reilly
RE: Audit Report on Property Inventory
Fiscal Year 2010-11

Ramblewood Elementary reviewed the Audit Report on Property Inventory for the Fiscal Year 2010-2011 with the Property Team and the following steps will be reviewed and established:

Self Inventories:

Ramblewood Elementary will continue monitoring technology found in each classroom/office by using the Room Inventory Sheet, posted in each location. Team Leaders will check forms each quarter to ensure the accuracy of all items in each room/office. Any discrepancy will be identified and administration will be made aware along with the Property Team. In addition, the routing process in place at Ramblewood Elementary, which identifies equipment for removal, will continue to be monitored and reviewed. Any equipment not in use on a day-to-day basis will be stored in a secured location, with verification by Karen Wheeler, chair of Property Team. The quarterly inventory will be submitted to Area Office in a timely manner and any changes will be reported to Financial Reporting Capital Assets for correction on our PNI 811 report. A copy of all forms will be kept in the Property & Inventory folder.

Monitoring Property Records:

Ramblewood Elementary will provide information to Financial Reporting Capital Assets to have the thirty-seven items located at the school added to our inventory. We will verify the records with the vendor invoice and continue to monitor our PNI 811 report to ensure that all items have been correctly added. A copy of our latest PNI will be kept in the Property & Inventory folder.

Reporting of Equipment Theft:

Ramblewood Elementary will immediately make a police report when items are stolen. All high-risk items will continue to be maintained in a secured location and monitored by Karen Wheeler. Any equipment checked out will have the necessary forms completed and signed. A copy of all forms will be kept in the Property & Inventory folder.

Page 2

Surplus:

All surplus items will be identified by the Property Team for removal and must have the tracking documentation for removal from classrooms to the holding location for pick-up from B-stock using the 3290 Surplus Declaration Form. All documentation for surplus, will be signed by the principal, prior to being placed in location for pick-up; paperwork will be kept in the property folder. Once B-stock arrives for pick-up, an inventory will be completed by a member of the Property Team and checked against the forms for removal. The principal will sign the completed surplus form for B-stock before items are removed from the school campus and verify the authenticity of the removal from the school campus. Ramblewood Elementary will be requesting two pick-up times during the school year to ensure a more accurate inventory of items for removal. The school will also utilize the ten steps suggested in the audit report for surplus.

Respectfully submitted

School Name: Sawgrass Springs Middle 3431
Principal: Ms. Adeline Andreano

Address: 12500 West Sample Road
Coral Springs, Florida 33065

Total Number of Items in Inventory: 810
Total Dollar Cost of Items in Inventory: \$1,294,719
Total Number of Items Unaccounted for: 5
Total Dollar Cost of Items Unaccounted for: \$6,901
Total Net Value of Items Unaccounted for: \$0

Audit Committee 3/26/09	Sawgrass Springs Middle	Items unaccounted (U/A) for:	26 Total Assets U/A	\$56,809 Historical Value of Assets U/A	REPEAT Exception
Audit Committee 6/21/07	Sawgrass Springs Middle	Items unaccounted (U/A) for:	41 Total Assets U/A	\$63,854 Historical Value of Assets U/A	Exception

Self Inventories & Asset Record Review

Quarterly inventories and asset record download reviews were established as corrective measures submitted by the Area Superintendent and site administrator in response to material concerns identified during the previous property audit. If items are recovered by school staff during self inventories, it must be reported to Financial Reporting Capital Assets for reactivation in the Master File of Assets.

Loss Reporting

Police Reports should be used to provide record of an incident of theft or vandalism that has been identified by school staff. The local police agency or School Resource Officer as well as the School Board of Broward County Special Investigative Unit (SIU) should be contacted to investigate the crime. Reporting of theft activity to the local police agency must include the manufacturer's serial number information for subsequent entry into the police teletype (NCIC/FCIC) stolen property database. In addition, an SIU Immediate Notification Form and SBBC approved Tangible Loss Report must be completed. These items should be forwarded to the Financial Reporting Capital Assets Division for record amendment and proper archiving at the time of incident.

A police report should not be utilized as a "clean up" mechanism when internal control elements have not been consistently upheld which resulted in unaccounted for equipment. A trained staff member should be aware when items are unlawfully removed from their designated storage area within a reasonable amount of time. The Office of the Chief Auditor has identified a trend toward improperly reporting

(Sawgrass Springs continued)

procedural failures through the utilization of Police Loss or Informational Reports in an effort to reconcile the site asset records. Procedural errors do not validate this type of reporting. If a site's staff is constantly monitoring their inventory and discover an actual theft, a Police Report should be filed with the local police authority immediately.

All staff should be made aware of best practices for securing equipment and prevention of theft. Portable locations have been identified as high risk areas for storage at District locations. When possible, it is suggested that assets be returned to the interior portion of the school for added security.

Securing Laptops/High Risk Items

Procedures for allocating and securing high risk items such as laptop computers should be strengthened. Updated property passes and daily logging of cart based equipment should be implemented to assist in the safeguarding of assets in the future. The plan should incorporate daily and hourly (as needed) laptop cart allocation logs to be certified by the Micro Tech Specialist and the assigned teachers. Administrators should certify that the expectations regarding plan implementation by the teachers and property team members are realized at the location. High risk items such as cameras, laptops, LCD Projectors, and more should be adequately stored in a locked secure area. The Office of the Chief Auditor recommends that items be stored in a locked cabinet behind two locked doors with camera surveillance when possible.

Ms. Sharon Airaghi, North Area Superintendent, has reviewed the corrective action plan submitted by Ms. Andreano for eliminating the material concerns identified during this property audit. The North Area Office will provide administrative oversight and support for ensuring proper implementation of a comprehensive and efficient plan for safeguarding property at Sawgrass Springs Middle in the future.

Audit Start Date:
6/1/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

Items not accounted for : Sawgrass Springs Middle 3431
(REPEAT 3/26/09 & 6/21/07)

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	05-21718	DELL, LAPTOP, DELL PM W/CDRW/DVD COMBO 1	\$ 1,738.00
2	04-01070*	DELL DESKTOP PENTIUM 4	\$ 1,006.00
3	03-09368*	COMPUTER, DELL GX240D	\$ 1,036.00
4	03-06690*	COMPUTER, MAC IMAC G3	\$ 1,005.07
5	97-11223*	PRINTER, LASERWRITER 16/600 PS, M2471LL	\$ 2,116.00

Total Historical Cost of Property unaccounted for as of July 26, 2010	\$ 6,901.07
[1]Total Accumulated Depreciation as of July 26, 2010	\$ 6,901.07
Net Value of Property considered to be unaccounted for as of July 26, 2010	\$ -

* Reported as unspecified "lost" items

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SHARON K. AIRAGHI
OFFICE OF THE NORTH AREA SUPERINTENDENT

Telephone: (754) 321-3400

Facsimile: (754) 321-3485

September 2, 2010

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

FROM: Sharon K. Airaghi 
North Area Superintendent

SUBJECT: **INVENTORY AUDIT RESPONSES-2010 - 2011**

The Area Office staff has reviewed the findings of the Property ad Inventory Audit for Sawgrass Springs Middle School. The Area Superintendent, Area Director and Business Analyst met with the principal on August 19, 2010 to discuss the findings and corrective action plans. The Area Director met with the Sawgrass Inventory Team on August 24, 2010 and reviewed the cause of the findings as well as next step actions to ensure accuracy in monitoring and reporting. As a result of this, it was determined training for the Inventory team is necessary on the comprehensive process of the Inventory protocol.

A follow up meeting has been scheduled for the Area Director, Area Technology Specialist and a member of the Property Inventory Audit staff on September 21, 2010. At that time, a comprehensive review of the Sawgrass Springs protocols will be conducted. Specific attention shall be given to

- Summer storage protocols
- Increase of staff awareness for appropriate movement of equipment
- Documentation process of lost/stolen equipment
- Understanding the PNI 811 and the Property Inventory Monitoring Program

In addition, the Area technology Specialist will work with the school team to provide a process for quarterly inventory inspection samples. The results of the inspections shall be contained in the Inventory binder and available for review.

The principal's annual evaluation included an appropriate notation for the exception.

SKA:crl

cc: Anne Dilgen, North Area Director
Ronald Smith, North Area Business Analyst
Andeline Andreano, Principal



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SAWGRASS SPRINGS MIDDLE SCHOOL
ADELINE R. ANDREANO, Principal
12500 West Sample Road
Coral Springs, Florida 33065
(754) 322-4500

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JAMES F. NOTTER
Superintendent of Schools

August 25, 2010

TO: Sharon Airaghi, North Area Superintendent

FROM: Adeline Andreano, Principal 

RE: **AUDIT RESPONSE**

In response to the audit findings, it was not clear to our Property and Inventory team as to when to file a police report for lost/stolen items. We thought in order to clear items from our P & I 811 report we were required to complete a police report along with the Tangible Loss Report. Our TLC filed these reports thinking they were necessary in order to have these items removed from our 811 binder. We now understand that an S denotes that a specific item was missing from a previous audit. The proper procedure has been explained to us by our Area Director and we now understand the appropriate use of the Tangible Loss Report, police reports and an SIU report.

We have met as a team and discussed and amended our process and procedures in order to correct this misunderstanding. We will conduct weekly meetings of the Property and Inventory team, keep minutes, review new and updated procedures and participate in district training. Knowing and understanding this will prevent this from re-occurring in the future. I thank you for your support and guidance in clearing these pertinent issues with us.

AA:dc

School Name: Meadowbrook Elementary 0761
Principal: Mr. Matthew Whaley

Address: 2300 SW 46th Avenue
Fort Lauderdale, Florida 33317

Total Number of Items in Inventory: 535
Total Dollar Cost of Items in Inventory: \$860,551
Total Number of Items Unaccounted for: 32
Total Dollar Cost of Items Unaccounted for: \$53,834
Total Net Value of Items Unaccounted for: \$11,832

Audit Committee 6/25/09	Meadowbrook Elementary	Items unaccounted (U/A) for:	17 Total Assets U/A	\$39,513 Historical Value of Assets U/A	Exception
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The implementation of progressive initiatives is critical in asserting improved processes for monitoring and safeguarding of District Assets in the future. Many of the process improvements proposed for implementation during the previous property audit were not implemented. In particular, the quarterly review and reconciliation of the PNI 811 Asset Report has not been maintained.

Monitoring Property Records

Failure to properly monitor records and accurately report manufacturer serial numbers at the time of purchase were identified as systemic deficiencies. Several custodial items were received without the required manufacturer's serial number. As a result, the Office of the Chief Auditor obtained some vendor invoices identifying the items' serial numbers and will submit the corrections for realignment as a result of the processing of this property audit report by Financial Reporting Capital Assets (FRCA). Inventory Audit Specialist has reviewed the areas of concern with Mr. Whaley and the involved staff. The Area Superintendent and site administrator provided a plan incorporating room checklist verification and asset record download reviews as operational standards for monitoring property during the previous property audit evaluations. In addition, a property team was to be established to assist in monitoring the implementation of the corrective measures.

In addition, eighteen (18) items were located at the school that did not appear in the Master File of Assets records. The school must provide that information to FRCA to have the equipment added in alignment with the state requirements for recording and monitoring fixed assets (>\$999). In some cases, the historical cost may be below the value of assets captured by FRCA for tracking, but should still be maintained in the school's local database and secured accordingly.

(Meadowbrook Elementary continued)

Self Inventories

The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools and departments to ensure an accurate physical accounting of site designated assets by the staff. The Property Team's responsibilities should be made clear to involved staff in order for deadlines and objectives for monitoring to be met. Quarterly inventories and asset record download reviews were established as site initiatives to be implemented at Meadowbrook Elementary as a result of the previous two property audits. All staff should be made aware of the best practices for securing equipment and preventing theft. Equipment should be designated to individual staff members who are requested to oversee the equipment and immediately report theft to the appropriate administration in a timely manner. Additionally, items that are not utilized on a day-to-day basis should be stored in a secured location with a directive that the appropriate staff is expected to physically verify this equipment on a periodic basis.

Surplus & Transfer of Equipment

Principals are responsible for ensuring efficient and accurate surplus activity.

1. Periodically, the location should surplus any obsolete or damaged equipment items in order to remove these records from their capital asset inventory. It is recommended locations surplus equipment twice per year in accordance with their self inventories conducted semi-annually.
2. The location should complete a 3290a Surplus Declaration Form to identify the capital assets to be salvaged.
3. The 3290a Surplus Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each capital asset being sent for surplus. The surplus form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplus of the equipment.
4. The location should make a copy of the form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.
5. The Warehouse will arrange to pick-up the equipment designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.

(Meadowbrook Elementary continued)

6. After confirming the pick-up of the asset items, the Manager, Material Logistics will forward the surplus form along with the B-stock pick-up acknowledgment form to Capital Assets for processing.
7. Financial Reporting Capital Assets (FRCA) will send an email confirmation to the property custodian upon receipt of the form and documentation.
8. Financial Reporting Capital Assets (FRCA) will process the surplus form and remove the capital asset records from the location's capital inventory.
9. Within five business days of receiving notification, the surplus request will be processed by Financial Reporting Capital Assets and locations will be contacted for any additional information. The property custodian should verify that the capital asset records have been removed from the capital inventory by requesting a PNI 811 from ETS Production.
10. The location should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent inventory audits.

Securing Laptops/High Risk Items

Procedures for allocating and securing high risk items such as laptop computers should be strengthened. Updated property passes and daily logging of cart based equipment should be implemented to assist in the safeguarding of assets in the future. The plan should incorporate daily and hourly (as needed) laptop cart allocation logs to be certified by the designated staff members. Administrators should certify that the expectations regarding plan implementation by the teachers and property team members are realized at the location. Some cart based laptop computer equipment was difficult to locate during the preliminary physical property audit.

Property Passes

"Upon approval of the custodian of property, employees / students may remove equipment from a School Board location...." (SBBC 3204) The SBBC approved property passes must be updated on a yearly basis. A custodial item, 10-02377, was removed from campus without completing the requisite paperwork. That item

(Meadowbrook Elementary continued)

was not present during the audit of reconciliation. It remains unaccounted for. The OCA should be notified if the item has been returned.

Dr. Desmond Blackburn, Central Area Superintendent, has reviewed the corrective action plan submitted by Mr. Whaley for eliminating the material concerns identified during this property audit. The Central Area Office will provide administrative oversight and support for ensuring proper implementation of a comprehensive and efficient plan for safeguarding property at Meadowbrook Elementary in the future.

Audit Start Date:
7/16/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

Items not accounted for : Meadowbrook Elementary 0761
 (REPEAT 6/25/09)

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	10-03935	APPLE MACBOOK 2.1 GHZ W/DVD 13.3"DISPLAY	\$ 1,418.00
2	10-02377	APPLICATOR, WAX 36"	\$ 1,746.80
3	10-02378	APPLICATOR, STRIPPING - FLOOR MACHINE	\$ 1,293.97
4	10-02379	APPLICATOR, STRIPPING - FLOOR MACHINE	\$ 1,293.97
5	08-05210	APPLE MACBOOK 2.16GHZ W/DVD+-RW/CD-RW 13	\$ 1,664.85
6	07-11639	APPLE DESKTOP IMAC INTEL W/17" FLAT PANE	\$ 1,085.00
7	07-11641	APPLE DESKTOP IMAC INTEL W/17" FLAT PANE	\$ 1,085.00
8	06-10376	PRESSURE WASHER/HOT WATER	\$ 3,078.32
9	05LA06220	Apple-Refresh Laptop	\$ 1,395.62
10	05LA06280	Apple-Refresh Laptop	\$ 1,395.62
11	05-56214	APPLE, IBOOK G4 W/CD-RW/DVD/12.1"	\$ 1,531.50
12	05-56215	APPLE, IBOOK G4 W/CD-RW/DVD/12.1"	\$ 1,531.50
13	05-56220	APPLE, POWERBOOK, G4 W/CD-RW/DVD-R	\$ 3,231.00
14	05-84909	APPLE, IBOOK G4, 12"	\$ 1,432.72
15	05-84913	APPLE, IBOOK G4, 12"	\$ 1,432.72
16	04-01607	PROJECTOR, ULTRAPORTABLE, MULTIMEDIA	\$ 2,421.00
17	03-20711	HASLER 220I MAIL MACHINE	\$ 3,044.00
18	01-08217	PRINTER, LEXMARK OPTRA T612N MONO LASER	\$ 2,167.00
19	01-08219	PRINTER, LEXMARK OPTRA M410N	\$ 1,466.00
20	01-05929	COMPUTER, MAC IMAC	\$ 1,195.86
21	01-05964	COMPUTER, MAC IMAC	\$ 1,195.86
22	01-06885	COMPUTER, MAC IMAC	\$ 1,195.86
23	01-06886	COMPUTER, MAC IMAC	\$ 1,195.86
24	01-05938	COMPUTER, MAC IMAC	\$ 1,680.86
25	01-05952	COMPUTER, MAC IMAC	\$ 1,680.86
26	01-05959	COMPUTER, MAC IMAC	\$ 1,680.86
27	01-05967	COMPUTER, MAC IMAC	\$ 1,680.86
28	01-04286	COMPUTER, MAC IMAC	\$ 1,195.86

[1] Based upon class life used by the Financial Reporting Department

Audit Start Date:
7/16/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
29	00-04420	COMPUTER, MAC IMAC	\$ 1,524.33
30	00-04423	COMPUTER, MAC IMAC	\$ 1,524.33
31	99-19695	COMPUTER, MAC IMAC	\$ 1,224.00
32	96-27879	STATION, BASE MOTOROLA DESTTRAC REPEATER	\$ 3,144.25

Total Historical Cost of Property unaccounted for as of September 10, 2010	\$ 53,834.24
[1]Total Accumulated Depreciation as of September 10, 2010	\$ 42,001.80
Net Value of Property considered to be unaccounted for as of September 10, 2010	\$ 11,832.44

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

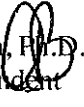
**DESMOND K. BLACKBURN, Ph.D.
CENTRAL AREA SUPERINTENDENT**

Telephone: 754-321-3800

Facsimile: 754-321-3886

September 30, 2010

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

FROM: Desmond K. Blackburn, Ph.D. 
Central Area Superintendent

**SUBJECT: MEADOWBROOK ELEMENTARY SCHOOL AUDIT REPORT ON
PROPERTY INVENTORY - FISCAL YEAR 2010-11**

I have reviewed the Property Inventory Report for Meadowbrook Elementary School for fiscal year 2010-2011 and the attached response from the principal.

I approve of the measures the principal has outlined in his current plan, and have stressed the importance of proper documentation for property loss to the principal. In addition, the measures listed below have been implemented as part of the overall comprehensive property and inventory plan.

- The Area Director will ensure that the Assistant Principal and Technology contacts for property and inventory attend the Central Area Property and Inventory staff development on October 6, 2010.
- The Area Director, Area Instructional Technology Specialist, and Central Area Property and Inventory Cadre will monitor the school's implementation of the 2010-2011 Unified Checklist on a quarterly basis beginning second quarter. The cadre will visit the school and perform a random spot check of 15 to 25 items. The cadre will inspect surplus, transfer paperwork, new items, and maintenance of lost and missing items. The team will meet with the school's technology team to debrief and discuss findings. Follow-up visits will occur when one or more items are unaccounted for.
- The Area Technology Specialist will produce videos/podcast to establish how principals should complete, inspect, and question documentation prior to submittal of Quarterly Property and Inventory Report. The videos and/or podcast will be placed in each Area Office Principals Conference prior to the due date of each quarterly report.
- The Area Director and Area Instructional Technology Specialist will review the school's Quarterly Property and Inventory Report and conference with the principal.
- The Area Director will work with the school to assure established protocols are followed for reporting serial numbers and accuracy of reporting, monitoring internal inventory quarterly, loss reporting, and securing laptops/high risk items.
- The Area Technology Specialist and Area Director will continue to monitor the implementation of the school's plan and will provide assistance/direction as needed. The assistance will be ongoing.

- The Area Director, Principal and Area Technology Specialist will verify, through visitation, that the new safeguards that have been established in response to this audit finding are integrated. During quality assurance visits, the Area Director will meet directly with the principal to discuss the plan and ensure it is being implemented with fidelity.
- The Principal will make sure all responsible staff are familiar with the process through inservice training and emphasize the importance of maintaining an exception free audit.

The principal is keenly aware of the seriousness of property control and understands that it is imperative he continues to monitor the property and inventory processes with utmost diligence and strive for a subsequent exception free audit. The principal understands that disciplinary measures will be implemented as required for a repeat audit exception.

DKB/CBS:syd

Attachments

C: Carletha B. Shaw, Central Area Director
Matthew Whaley, Principal, Meadowbrook Elementary School
Mark Magli, Audit Supervisor, Property and Inventory



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Meadowbrook Elementary School
2000 S. W. 46th Avenue
Ft. Lauderdale, FL 33317
Matthew Whaley, Principal
Lidia Espinoza, Interim Principal

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JAMES E. NOTTER
Superintendent of Schools

September 28, 2010

TO: Dr. Desmond Blackburn
Central Area Superintendent

FROM: Matthew Whaley, Interim Principal *ugw*
Meadowbrook Elementary

SUBJECT: Audit Report Written Response

This memo is in response to the final audit report sent to me by Patrick Reilly, Chief Auditor.

I received the list of items not accounted for on September 21, 2010. At that time I called a meeting with my Assistant Principal who has been assigned to oversee Property and Inventory. I shared the report with the AP, as well as the Net Values of Property unaccounted for as of this date, and directed them to look over the missing property list to see if we could account for any other items.

After reviewing stated procedures to account for property and inventory throughout the year, we discovered several inconsistencies with the execution and follow-through of the plan.

To insure there is not a repeat audit exception, the following procedures have been put in place:

On-line Receipting

- ✦ When new equipment arrives, the bookkeeper will compile a list of items received with barcode serial number for on-line receipting. Bookkeeper scans items for on-line receipting to avoid incorrect serial numbers.
- ✦ Copies of POs and invoices are stored in the Inventory Binder

Inventory check

- ✦ Room Inventory checklists have been posted in every room with barcode serial numbers since the beginning of the school year.
- ✦ Each member of the Leadership Team will conduct classroom visits to check Inventory and sign posted checklists. Classroom visits will be conducted at the end of each month.
- ✦ Administration and the AP will monitor the inventory quarterly. A PNI download will be performed and cross-referenced with current inventory to avoid incorrect serial numbers or duplicated items listed on our inventory.
- ✦ Annual Property Passes will be signed by the Principal and kept in the Inventory Binder.

I will invite an auditor from Mark Magli's office to oversee our monthly audits to make sure the process is executed correctly. Bruce Norris, Auditor already examined our redesigned Inventory binder. Additionally, Principal and AP will be attending the Property and Inventory training being held at Rock Island Professional Development Center.

Surplus

- ✦ All equipment surplussed will have form 3290A signed by the Principal.
- ✦ Technology Liaison/Head Custodian notifies B-Stock when equipment is ready for pickup.
- ✦ Equipment will not be removed unless a pickup slip is received from the company picking up the equipment.
- ✦ All copies of surplus items will be kept in the Inventory Binder.
- ✦ SIU and Local Police Reports will be kept in the Inventory Binder

Property Loss

Please be assured that I will closely monitor these procedures and make sure that the execution of the process is accurate so that there will be no future Property and Inventory Audit exceptions at Meadowbrook Elementary.

We have an inventory team that consists of the following members: Principal, Assistant Principal, Bookkeeper, Head Facility Serviceperson, Media Specialist, ESE Specialist, ELL support person. I have assigned each team member to certain parts of the school to verify all property and Inventory. The principal will conduct meetings after each internal audit to ensure compliance by all staff members.

Principal or Assistant Principal will upload information after each quarter to the P&I database for District review.

School Name: Plantation High 1451
Principal: Ms. Susan Bruining

Address: 6901 NW 16th Street
Plantation, Florida 33313

Total Number of Items in Inventory: 1,967
Total Dollar Cost of Items in Inventory: \$2,780,282
Total Number of Items Unaccounted for: 78
Total Dollar Cost of Items Unaccounted for: \$148,370
Total Net Value of Items Unaccounted for: \$11,939

Audit Committee 12/11/08	Plantation High	Items unaccounted (U/A) for:	217 Total Assets U/A	\$486,276 Historical Value of Assets U/A	REPEAT Exception
Audit Committee 9/7/06	Plantation High	Items unaccounted (U/A) for:	139 Total Assets U/A	\$304,621 Historical Value of Assets U/A	Exception

The implementation of progressive initiatives is critical in asserting improved processes for monitoring and safeguarding of District Assets in the future. Many of the process improvements proposed for implementation during the previous property audit were not implemented. In particular, the quarterly review and reconciliation of the PNI 811 Asset Report has not been maintained.

Monitoring Property Records

Failure to properly monitor records and accurately report manufacturer serial numbers at the time of purchase were identified as systemic deficiencies. Thirty five (35) items were received with incomplete or inaccurate serial numbers at the time of purchase. Many of those items were identified as purchases that were executed shortly after the conclusion of the last property audit at this location. As a result, the Office of the Chief Auditor obtained vendor invoices identifying the items' serial numbers and will submit the corrections for realignment as a result of the processing of this property audit report by Financial Reporting Capital Assets (FRCA). The Inventory Audit Specialist has reviewed the areas of concern with school administration and involved staff. The Area Superintendent and site administrator provided a plan incorporating quarterly inventories, room checklists (to be verified) and asset record download reviews as operational standards for monitoring property during the previous property audit evaluations. Two hundred and one (201) assets require record information corrections for discrepancies identified during the property audit. In addition, two hundred thirty nine (239) items were located at the school that did not appear in the Master File of Assets records. The school must provide that information to FRCA to have the

(Plantation High continued)

equipment added in alignment with the state requirements for recording and monitoring fixed assets (>\$999). In some cases, the historical cost may be below the value of assets captured by FRCA for tracking, but should still be maintained in the school's local database and secured accordingly. Twenty-eight (28) items identified in the Master File of Assets record as unaccounted for/stolen were located in the school during this evaluation. They will be reactivated as a result of the processing of this property audit.

Self Inventories

The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools and departments to ensure an accurate physical accounting of site designated assets by the staff. The Property Team's responsibilities should be made clear to involved staff in order for deadlines and objectives for monitoring to be met. Quarterly inventories and asset record download reviews were established as site initiatives to be implemented at Plantation High as a result of the previous two property audits. All staff should be made aware of the best practices for securing equipment and preventing theft. Equipment should be designated to individual staff members that are requested to oversee the equipment and immediately report theft to the appropriate administration in a timely manner. Additionally, items that are not utilized on a day-to-day basis should be stored in a secured location with a directive that the appropriate staff will physically verify this equipment on a periodic basis. (See specialized program equipment).

Surplus & Transfer of Equipment

Principals are responsible for ensuring efficient and accurate surplus activity. Several items which remain unaccounted for are believed to have been disposed of without completing the appropriate documentation. In some cases, transfer activity took place in the preceding years (2008 & 2009), but the documentation was not submitted to FRCA for standard processing. Removal Acknowledgements (B-stock Transfer Form) should be retained for audit purposes.

1. Periodically, the location should surplus any obsolete or damaged equipment items in order to remove these records from their capital asset inventory. It is recommended locations surplus equipment twice per year in accordance with their self inventories conducted semi-annually.
2. The location should complete a 3290a Surplus Declaration Form to identify the capital assets to be salvaged.

(Plantation High continued)

3. The 3290a Surplus Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each capital asset being sent for surplus. The surplus form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplus of the equipment.
4. The location should make a copy of the form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.
5. The Warehouse will arrange to pick-up the equipment designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.
6. After confirming the pick-up of the asset items, the Manager, Material Logistics will forward the surplus form along with the B-stock pick-up acknowledgment form to Capital Assets for processing.
7. Financial Reporting Capital Assets (FRCA) will send an email confirmation to the property custodian upon receipt of the form and documentation.
8. Financial Reporting Capital Assets (FRCA) will process the surplus form and remove the capital asset records from the location's capital inventory.
9. Within five business days of receiving notification, the surplus request will be processed by Financial Reporting Capital Assets and locations will be contacted for any additional information. The property custodian should verify that the capital asset records have been removed from the capital inventory by requesting a PNI 811 from ETS Production.
10. The location should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent inventory audits.

(Plantation High continued)

Securing Laptops/High Risk Items

Procedures for allocating and securing high risk items such as laptop computers should be strengthened. Updated property passes and daily logging of cart based equipment should be implemented to assist in the safeguarding of assets in the future. The plan should incorporate daily and hourly (as needed) laptop cart allocation logs to be certified by the Micro Tech Specialist and the assigned teachers. Administrators should certify that the expectations regarding plan implementation by the teachers and property team members are realized at the location. Some cart based laptop computer equipment was difficult to locate during the preliminary physical property audit. In addition, many laptops were found on carts that were not available during the previous audit review.

Property Passes

“Upon approval of the custodian of property, employees / students may remove equipment from a School Board location....” (SBBC 3204) The SBBC approved property passes must be updated on a yearly basis. One hundred and seven (107) property passes were reviewed during this property audit. Sixty four (64) of the passes were not properly authorized and acknowledged by signature at the start of the audit. Thirty items (30) were allocated to staff without executing the required documentation. The support documentation has been corrected as a result of the audit. Those items have been physically verified in accordance with the standards for reconciliation established by the OCA.

Dr. Desmond Blackburn, Central Area Superintendent, has reviewed the corrective action plan submitted by Ms. Bruining for eliminating the material concerns identified during this property audit. The Central Area Office will provide administrative oversight and support for ensuring proper implementation of a comprehensive and efficient plan for safeguarding property at Plantation High in the future.

Audit Start Date:
4/26/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

The Office of the Chief Auditor

Property Division

2010-11

Items not accounted for : Plantation High 1451

(REPEAT 12/11/08 & 9/7/06)

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	08-10281	71" TRANSSTANDERS	\$ 2,767.50
2	08-00464	PROJECTOR XGA 2600 LUMENS	\$ 1,400.00
3	08-00210	DELL DESKTOP 745 W/17" FLAT PANEL/DVD-RW	\$ 1,068.00
4	08-00211	DELL DESKTOP 745 W/17" FLAT PANEL/DVD-RW	\$ 1,068.00
5	07-06907	PRINTER LEXMARK T640N B/W LASER	\$ 1,198.00
6	07-04440	DELL,LAPTOP, D520 W/CD-RW/DVD 14.1"	\$ 1,441.00
7	06-09224	APPLE,POWERBOOK, G4 W/CD-RW/DVD 15.2"DIS	\$ 2,376.00
8	06-05518	DELL,DESKTOP, PENTIUM 4 W/17"	\$ 1,098.00
9	06-05519	DELL,DESKTOP, PENTIUM 4 W/17"	\$ 1,098.00
10	06-01162	APPLE,DESKTOP,IMAC G5 W/17" FLAT PANEL	\$ 1,485.00
11	05LD03341	Dell-Refresh Laptop	\$ 1,418.35
12	05LD03373	Dell-Refresh Laptop	\$ 1,418.35
13	05LD03381	Dell-Refresh Laptop	\$ 1,418.35
14	05LD03412	Dell-Refresh Laptop	\$ 1,418.35
15	05LD03413	Dell-Refresh Laptop	\$ 1,418.35
16	05LD03441	Dell-Refresh Laptop	\$ 1,418.35
17	05LD03457	Dell-Refresh Laptop	\$ 1,418.35
18	05LD03557	Dell-Refresh Laptop	\$ 1,418.35
19	05LD03559	Dell-Refresh Laptop	\$ 1,418.35
20	05LD03560	Dell-Refresh Laptop	\$ 1,418.35
21	05LD03562	Dell-Refresh Laptop	\$ 1,418.35
22	05LD03582	Dell-Refresh Laptop	\$ 1,418.35
23	05LD03588	Dell-Refresh Laptop	\$ 1,418.35
24	05LA11197	Apple-Refresh Laptop	\$ 1,395.62
25	05LA11203	Apple-Refresh Laptop	\$ 1,395.62
26	05LA11212	Apple-Refresh Laptop	\$ 1,395.62
27	05LA11234	Apple-Refresh Laptop	\$ 1,395.62
28	05LA11281	Apple-Refresh Laptop	\$ 1,395.62
29	05LA11291	Apple-Refresh Laptop	\$ 1,395.62
30	05-54315	DELL LAPTOP D505	\$ 1,738.00
31	05-43869	PROJECTOR FOR CART, HIGHEND EPSON 821P	\$ 2,221.87
32	05-85708	DELL LAT D505, PENTIUM	\$ 1,760.07
33	05-30483	DELL,LAPTOP, DELL PM W/CDRW/DVD COMBO	\$ 1,738.00
34	05-26610	TOOL, MODIS ELITE SNAP ON	\$ 5,399.25

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Audit Start Date:
4/26/10

**The Office of the Chief Auditor
Property Division
2010-11**

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
35	04-15756	DELL DSKTP PENTIUM4 W/15"FLT PANEL/CD-RW	\$ 1,154.00
36	03-22156	PROJECTOR, ULTRAPORTABLE, MULTIMEDIA EPS	\$ 2,421.00
37	03-18080	APPLE DESKTOP IMAC G4 W/15" FLAT PANEL	\$ 1,485.00
38	03-18589	DELL DESKTOP PENTIUM 4 WS TOWER W 15" FL	\$ 1,420.00
39	03-13145	COMPUTER, LAPTOP DELL LATITUDE	\$ 2,204.00
40	03-07993	COMPUTER, DELL GX 240T	\$ 2,071.00
41	02-10045	COMPUTER, DELL GX 240D	\$ 1,236.00
42	02-08971	PRINTER, LEXMARK T520N	\$ 1,258.00
43	02-08976	PRINTER, LEXMARK T520N	\$ 1,258.00
44	02-08981	PRINTER, LEXMARK T520N	\$ 1,258.00
45	02-09011	PRINTER, LEXMARK T520N	\$ 1,258.00
46	02-08580	COMPUTER, DELL GX 240D	\$ 1,442.00
47	02-08589	COMPUTER, DELL GX 240D	\$ 1,442.00
48	02-06782	COMPUTER, DELL GX 150	\$ 1,343.25
49	02-01078	PRINTER, LEXMARK OPTRA M412N	\$ 1,466.00
50	01-25043	PRINTER, LEXMARK OPTRA COLOR 45	\$ 1,063.00
51	01-20769	PRINTER, LEXMARK OPTRA COLOR 45	\$ 1,063.00
52	01-20770	PRINTER, LEXMARK OPTRA COLOR 45	\$ 1,063.00
53	01-12665	SYSTEM EVALUATION, TRIFIT 600	\$ 6,855.00
54	01-08593	CAMCORDER, SONY DIGITAL VIDEO, DSRPD100A	\$ 2,136.00
55	01-00426	COMPUTER, LAPTOP DELL	\$ 2,022.00
56	01-80266	HORN, FRENCH CONN 8D	\$ 2,331.60
57	01-80270	SOUSAPHONE, KING 2350	\$ 3,692.52
58	00-08722	COMPUTER, DELL GX 1/M	\$ 1,638.00
59	99-05917	COMPUTER, DELL 400 GX 1/M	\$ 1,727.00
60	99-04391	PRINTER, LEXMARK OPTRA K1220	\$ 1,104.99
61	99-04404	PRINTER, LEXMARK OPTRA K1220	\$ 1,104.99
62	99-00638	COMPUTER, POWERBOOK MAC G3-2	\$ 2,964.00
63	99-00660	COMPUTER, POWERBOOK MAC G3-2	\$ 2,964.00
64	99-00665	COMPUTER, POWERBOOK MAC G3-2	\$ 2,964.00
65	98-13050	SYSTEM PHOTO ID CARD, FARGO W/DUAL SIDED	\$ 6,100.00
66	97-55548	COMPUTER, LAPTOP POWER	\$ 4,979.00
67	96-48871	STUDIO KIT PANSASONIC WVS 071	\$ 2,334.39
68	96-48872	STUDIO KIT PANASONIC WVS 071	\$ 2,334.39
69	95-18452	RECORDER/PLAYER EDITING PAN AG1770/AG197	\$ 1,199.00
70	94-10656	HORN FRENCH DBL HOTTON 379	\$ 1,239.00
71	93-33269	MIXER PANASONIC WJ-MX12	\$ 2,288.00
72	92-19799	COMPUTER MAC SYSTEM LC	\$ 1,925.46

[1] Based upon class life used by the Financial Reporting Department

Audit Start Date:
4/26/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
73	91-31039	SYSTEM EDITING PANASONIC S-VHS PK S7551A	\$ 8,106.00
74	90-15045	PLAYER/RECORDER EDITING PANASONIC AG-196	\$ 1,020.00
75	90-10216	EXTRACTOR CARPET EDIC UE-6 SELF-CONTAINED	\$ 1,200.00
76	89-12323	TIMPANI LUDWIG STANDARD COPPER 23 INCH	\$ 1,090.00
77	89-30321	STATION, BASE MOTOROLA MAXAR 80UHF	\$ 1,078.25
78	88-15816	BALANCE SINGLE RANGE	\$ 1,398.25

Total Historical Cost of Property unaccounted for as of September 7, 2010	\$ 148,370.05
[1]Total Accumulated Depreciation as of September 7, 2010	\$ 136,431.25
Net Value of Property considered to be unaccounted for as of September 7, 2010	\$ 11,938.80

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

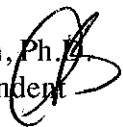
**DESMOND K. BLACKBURN, Ph.D.
CENTRAL AREA SUPERINTENDENT**

Telephone: 754-321-3800

Facsimile: 754-321-3886

September 16, 2010

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

FROM: Desmond K. Blackburn, Ph.D.
Central Area Superintendent 

SUBJECT: **PLANTATION HIGH SCHOOL AUDIT REPORT ON
PROPERTY INVENTORY - FISCAL YEAR 2010**

I have reviewed the Property Inventory Report for Plantation High School for 2009-2010 and the attached response from the principal. I have also reviewed the last Property Inventory Report and principal's response/plan completed in 2008-2009 for Plantation High School.

- The Area Director will work with the school to assure established protocols are followed for reporting serial numbers and accuracy of reporting, monitoring internal inventory quarterly, loss reporting, and securing laptops/high risk items.
- The Area Technology Specialist and Area Director will continue to monitor the implementation of the school's plan and will provide assistance/direction as needed. The assistance will be ongoing.
- The Area Director, Principal and Area Technology Specialist will verify, through visitation, that the new safeguards that have been established in response to this audit finding are integrated. During quality assurance visits, the Area Director will meet directly with the principal to discuss the plan and ensure it is being implemented with fidelity.
- The Principal will make sure all responsible staff are familiar with the process through inservice training and emphasize the importance of maintaining an exception free audit.

The principal is keenly aware of the seriousness of property control and understands that it is imperative she continues to monitor the property and inventory processes with utmost diligence and strive for a subsequent exception free audit. The principal understands that disciplinary measures will be implemented as required for a repeat audit exception.

DKB/CBS:syd

Attachments

C: Carletha B. Shaw, Central Area Director
Susan Bruining Principal, Plantation High School
Mark Magli, Audit Supervisor, Property and Inventory

Plantation High Property Inventory Audit 2010
September 16, 2010
Page 2

The principal is keenly aware of the seriousness of property control and understands that it is imperative she continues to monitor the property and inventory processes with utmost diligence and strive for a subsequent exception free audit.

DKB/CBS:syd

Attachments

C: Carletha B. Shaw, Central Area Director
Susan Bruining Principal, Plantation High School
Mark Magli, Audit Supervisor, Property and Inventory



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

PLANTATION HIGH SCHOOL
Susan R. Bruining, Principal
6901 Northwest 16th Street
Plantation, Florida 33313
754 322-1850
754 322-1980 FAX
plantationhigh.org


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KENNETH L. NIXON, ESQ.

September 20, 2010

JAMINE NOTTER
Secretary of the School Board

TO: Dr. Desmond Blackburn
Central Area Superintendent

FROM: Susan Bruining 
Principal

SUBJECT: **Audit Report on Property Inventory FY 2010**

I concur with the audit findings relating to missing items as listed on September 7, 2010. Staff will continue to search for the remaining items that are unaccounted for at this time.

In an effort to safeguard the inventory of Plantation High, I have implemented the following procedures to ensure that there will not be another exception for property and inventory. Listed below are the action steps that I have implemented to more closely control property and inventory.

- Reporting of serial numbers and accuracy of reporting is a system issue. Plantation High often receives equipment, purchased by CTACE, with no serial numbers. However, the school budgetkeeper will investigate immediately upon receipt of the invoices. The budgetkeeper will copy all invoices on equipment received without proper information. These invoices will be copied to the principal as a monitoring measure. The principal will set a timeline for recovery of the serial numbers. If the budgetkeeper fails to secure serial numbers and/or get clarification on incorrect serial numbers, she will face the cycle of assistance process and it will be reflected in her annual evaluation.
- The principal will increase internal inventory scrutiny over the quarterly reviews. A PNI811 report is currently downloaded quarterly and reviewed by the inventory team. However, it appears that the review is not as thorough as it should be. A monthly meeting has been established to review the PNI811 with the TLC and assistant principal in charge of inventory. The principal will be present at the monthly meetings to ensure that the review has been properly conducted, in a thorough manner, addressing all inventory items and discrepancies. In addition, the principal will review all property passes quarterly to verify that they have been updated.

- The laptop cart housing the 13 Dell laptops was secured in a locked room within the Media Center which is secured on a GGM key. This laptop cart is not continually in use. The laptops were all accounted for prior to being locked in the Media Center. When the cart was removed from the locked room after approximately two weeks, which was over the winter holiday, it was discovered that the laptops were missing (reported on 1/15/10). A police report for grand theft was filed. However, because of the lapse of time in discovering the theft, the items could only be listed as missing. A tangible property loss was submitted to Capital Assets.
- The proper paperwork was filled out by the school staff for each items transferred or surplus. However, the following controls will be implemented by the school inventory team to tighten up this process:
 1. Items to be TD2'd will be stored in an interior location so that custodial staff is present when pickup occurs and the proper paperwork is secured.
 2. The B-Stock cover sheets will be immediately attached to the surplus documents.
 3. The transfer/surplus forms will be sent to FRCA. Copies of these forms and verification of forwarding will be copied to the principal.
- The principal reviewed school Board Policy 3204, "Property Accountability and Responsibility," with all staff as part of preplanning training. It was stressed that teachers need to closely monitor the return of laptops prior to the ending of class. It was also stressed that in no instance should students move laptop carts from building to building (in reference to the 6 missing Mac laptops). In addition, daily logging of cart-based equipment will be implemented and verified by the teachers and technology staff. Teachers will count and list the number of laptops when signing out the cart and when returning the cart to the Media Center. The principal will readdress property and inventory procedures in monthly faculty meetings as an update.
- The principal and Property and Inventory Team will review the P & I manuals to address property and inventory control. The principal and assistant principal in charge of inventory will attend any and all workshops offered by the Office of the Chief Auditor.

SB/lr

School Name: Seminole Middle 1891
Principal: Ms. Kathryn Marlow, Principal (As of July 1, 2010)
Mr. Angel Almanzar, Former
(Current Boyd Anderson Principal)

Address: 6200 SW 16th Street
Plantation, Florida 33317

Total Number of Items in Inventory: 859
Total Dollar Cost of Items in Inventory: 1,266,938
Total Number of Items Unaccounted for: 9
Total Dollar Cost of Items Unaccounted for: \$13,576
Total Net Value of Items Unaccounted for: \$0

Audit Committee 3/26/09	Seminole Middle	Items unaccounted (U/A) for:	60 Total Assets U/A	\$110,436 Historical Value of Assets U/A	Exception
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This property audit commenced on June 16, 2010. Ms. Marlow was not the principal of record when the audit began.

Self Inventories

The OCA suggests a complete "hands on all" reconciliation of items for schools and departments be performed to ensure a physical accounting of all assets by the school staff. The Property Team's responsibilities should be made clear to involved staff in order for deadlines and objectives for monitoring to be met. Quarterly inventories and asset record download reviews were established as site initiatives to be implemented at Seminole Middle as a result of the previous property audit.

All staff should be made aware of the best practices for securing equipment and preventing theft. Equipment should be designated to individual staff members who are requested to oversee the equipment and immediately report theft to the appropriate administration in a timely manner. Additionally, items that are not utilized on a day-to-day basis should be stored in a secured location with a directive that the appropriate staff will physically verify this equipment on a periodic basis. Functional back up roles should be developed to increase the efficiency related to centralized archiving of support documentation (Property Binder) and maintaining the accuracy of the local tracking database. It should be noted that the sharing of oversight responsibilities can foster an improved level of compliance awareness and adherence to administrative expectations related to property control.

(Seminole Middle continued)

Loss Reporting

A police report should not be utilized as a “clean up” mechanism when internal control elements have not been consistently upheld which resulted in unaccounted for equipment. A trained staff member should be aware when items are unlawfully removed from their designated storage area within a reasonable amount of time. A review of the Police Report incident narrative should be made to determine if additional measures or modifications in the site’s security plan can be implemented to eliminate additional losses.

Monitoring Property Records

Failure to properly monitor records and accurately report manufacturer serial numbers at the time of purchase were identified as systemic deficiencies. Eight (8) musical instruments and one (1) piece of assistive equipment were received with incomplete or inaccurate serial numbers at the time of purchase. Many of those items were identified as purchases that were executed shortly after the conclusion of the last property audit at this location. As a result, the Office of the Chief Auditor obtained vendor invoices identifying the items’ serial numbers and will submit the corrections for realignment as a result of the processing of this property audit report by Financial Reporting Capital Assets (FRCA). The Inventory Audit Specialist has reviewed the areas of concern with school administration and involved staff. The Area Superintendent and site administrator provided a plan incorporating quarterly inventories, room checklists (to be verified) and asset record download reviews as operational standards for monitoring property during the previous property audit evaluation.

Seventeen (17) assets require record information corrections for discrepancies identified during the property audit. In addition, ninety four (94) items were located at the school that did not appear in the Master File of Assets records. The school must provide that information to FRCA to have the equipment added in alignment with the state requirements for recording and monitoring of fixed assets (>\$999). In some cases, the historical cost may be below the value of assets captured by FRCA for tracking, but should still be maintained in the school’s local database and secured accordingly.

Dr. Desmond Blackburn, Central Area Superintendent, has reviewed the corrective action plan submitted by Ms. Marlow for eliminating the material concerns identified during this property audit. The Central Area Office will provide administrative oversight and support for ensuring proper implementation of a comprehensive and efficient plan for safeguarding property at Seminole Middle in the future.

Audit Start Date:
6/16/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

Items not accounted for : Seminole Middle 1891
(REPEAT 3/26/09)

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	05LD04436	Dell-Refresh Laptop	\$ 1,418.35
2	05LD04484	Dell-Refresh Laptop	\$ 1,418.35
3	05LD04488	Dell-Refresh Laptop	\$ 1,418.35
4	05LD04493	Dell-Refresh Laptop	\$ 1,418.35
5	05LA14706	Apple-Refresh Laptop	\$ 1,395.62
6	05-85461	DELL, LAT D505, 14"	\$ 1,760.07
7	05-35125	DELL DESKTOP PENTIUM 4 W/15"FLATPANEL/CD	\$ 1,154.00
8	04-84091	DELL LATITUDE D505, 1.40 GHZ	\$ 1,834.00
9	96-23555	COMPUTER, POWER MAC 5260/100	\$ 1,759.00

Total Historical Cost of Property unaccounted for as of September 10, 2010 \$ 13,576.09

[1]Total Accumulated Depreciation as of September 10, 2010 \$ 13,576.09

Net Value of Property considered to be unaccounted for as of September 10, 2010 \$ -

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**LEONTINE J. BUTLER, Ed.D.
CENTRAL AREA SUPERINTENDENT**

Telephone: 754-321-3800

Facsimile: 754-321-3886

September 22, 2010

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

FROM: Desmond K. Blackburn, Ph.D.
Central Area Superintendent

**SUBJECT: SEMINOLE MIDDLE SCHOOL AUDIT REPORT ON
PROPERTY INVENTORY - FISCAL YEAR 2010-11**

I have reviewed the Property Inventory Report for Seminole Middle School for fiscal year 2010-2011 and the attached response from the principal.

I approve of the measures the principal has outlined in her current plan, and have stressed the importance of proper documentation for property loss to the principal. In addition the measures listed below have been implemented as part of the overall comprehensive property and inventory plan.

- The Area Director will work with the school to assure established protocols are followed for reporting serial numbers and accuracy of reporting, monitoring internal inventory quarterly, loss reporting, and securing laptops/high risk items.
- The Area Technology Specialist and Area Director will continue to monitor the implementation of the school's plan and will provide assistance/direction as needed. The assistance will be ongoing.
- The Area Director, Principal and Area Technology Specialist will verify, through visitation, that the new safeguards that have been established in response to this audit finding are integrated. During quality assurance visits, the Area Director will meet directly with the principal to discuss the plan and ensure it is being implemented with fidelity.
- The Principal will make sure all responsible staff are familiar with the process through inservice training and emphasize the importance of maintaining an exception free audit.

The principal is keenly aware of the seriousness of property control and understands that it is imperative she continues to monitor the property and inventory processes with utmost diligence and strive for a subsequent exception free audit. The principal understands that disciplinary measures will be implemented as required for a repeat audit exception.

DKB/CBS:syd

Attachments

C: Carletha B. Shaw, Central Area Director
Kathryn Marlow, Principal, Seminole Middle School
Mark Magli, Audit Supervisor, Property and Inventory



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SEMINOLE MIDDLE SCHOOL

Kathryn Marlow, *Principal*

6200 SW 16 Street

Plantation, FL 33317

754 323-4200

754 323-4285 (Fax)

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ROBERT D. PARKS, Ed.D.
KEVIN P. TYNAN, ESQ.

JAMES F. NOTTER
Superintendent of Schools

Date: September 16, 2010

To: Dr. Desmond Blackburn
Central Area Superintendent

From: Kathryn Marlow, Principal *KMarlow*
Seminole Middle School

RE: **RESPONSE TO AUDIT REPORT ON PROPERTY & INVENTORY FISCAL YEAR 2010-2011**

In response to the Final exit letter dated September 10, 2010 regarding Seminole Middle School's property inventory audit findings, the following provides our processes and procedures (with timelines) to ensure an elimination of audit exceptions in the future.

All 9 items listed as missing on the final report have a Police Report. Below is a brief description of each item.

- BPI # 05-35125, 04-84091, 96-2355 were submitted to Capital Assets on 5/11/10 with Form 3291B and a Police Report.
- BPI # 05-85461 was reported stolen by an employee upon his resignation from Seminole Middle. The employee sent a case via fax. I contacted the school's SRO officer. The SRO office requested a copy of the police report from the Lauderhill Police Department. The original copy of the police report was missing serial # of the laptop. The SRO officer tried contacting the officer from Lauderhill Police Department to have the serial # amended to the report but was not successful. Then, the SRO officer contacted the sergeant of the Lauderhill Police who contacted the officer to have the serial# of the laptop amended to the report. The item was submitted to Capital Assets on 5/11/10 with from 3291B and a police report.
- BPI # 05LA14706, 05LD04436, 05LD04484, 05LD04488, 05LD04493 were reported missing on 6/10/10 (Last Day of School) prior to the commencement of the audit. The school's SRO officer was contacted and a police report created.

Seminole Middle School will make every effort to maintain and care for all property and records assigned to our site. The following processes and procedures (with timelines) will assist to ensure proper care and monitoring for all property listed for Seminole Middle School:

- I. Principal has assigned an Assistant Principal to be responsible for and monitor all aspects of related to property and inventory.
- II. Principal has an experienced Technology Specialist to address all property and inventory needs such as locating items, monitoring throughout the year.

- III. Principal will form a team of other key personnel to assist with the processes and procedures.
- The complete team is as follows:
 - i. Principal (Property Custodian)
 - ii. AP (Inventory Liaison)
 - iii. Technology Specialist (Database Manager)
 - iv. Bookkeeper
 - v. Head Custodian
 - vi. Assistant Head Custodian
 - vii. Media Specialist
 - viii. SRO
 - ix. Security Specialist
 - x. ESE Specialist
 - xi. Band Director
- IV. Technology Specialist and Assistant Principal will maintain all records in one location
- V. Any discrepancies found on the inventory reviews will be immediately addressed by the Technology Specialist
- VI. Orientation will be held for staff regarding the inventory process and their role in maintaining equipment and accurate records.
- VII. Continue proper use of property passes by all staff members
- VIII. Continue use of in-house inventory tracking database.
- IX. Proper surplus procedures have been implemented and reviewed with key staff working with surplus items.
- X. Below is a detailed outline of Seminole's property and inventory process for the 2010 - 2011 school year.

INVENTORY PROCESS

Inventory Procedures

- Database Manager, Technology Specialist will request a PNI811 download from ETS on the first Friday of every month and reconcile the download with the in-house inventory tracking system.
- Property Passes issued annually to the staff by the Technology Specialist and approved by the Principal.
- In the event of a theft, a police report, SIU report and Form 3291B Tangible Loss Form will be completed and submitted to Capital Assets immediately upon receipt of all proper documentation.
- All equipment is entered on the in-house inventory tracking system.
- Technology Specialist will inspect all rooms and post individual room inventory checklist by September 30, 2010
- Inventory Team Meeting to discuss the inventory process and each member's role and responsibility on the team. September 22, 2010.

1st Quarter Inventory Procedures

- Database Manager, Micro Tech already requested a PNI811 download from ETS on September 10, 2010
- All staff will submit 1st quarter self-audit reports the week of October 18, 2010.
- Each Assistant Principal checks the inventory room by room in their assigned zone the week of October 25, 2010
- Inventory Team Meeting – October 28, 2010 (Early Release Day).

2nd Quarter Inventory Procedures

- Database Manager, Micro Tech requests a PNI811 download from ETS. November 5, 2010 (1st Friday of the Quarter)
- All staff submit 2nd quarter self-audit reports the week of January 10, 2011.
- Each Assistant Principal checks the inventory room by room in their assigned zone the week of January 17, 2011.
- Inventory Team Meeting - January 21, 2011 (Early Release Day).

3rd Quarter Inventory Procedures

- Database Manager, Micro Tech requests a PNI811 download from ETS. January 28, 2011 (1st Friday of the Quarter)
- All staff submit 2nd quarter self-audit reports the week of March 21, 2011
- Each Assistant Principal checks the inventory room by room in their assigned zone the week of March 28, 2011
- Inventory Team Meeting - April 1, 2011 (Early Release Day).

4th Quarter Inventory Procedures

- Database Manager, Micro Tech requests a PNI811 download from ETS. April 8, 2011 (1st Friday of the Quarter)
- All staff submit 2nd quarter self-audit reports the week of May 30, 2011
- Each Assistant Principal checks the inventory room by room in their assigned zone the week of June 6, 2011
- Inventory Team Meeting - June 9, 2011 (Early Release Day).

Wireless Laptop Cart Checkout/Check-in Procedures

- Teachers will fill out a request for checkout through the in-house inventory tracking system. An email will be generated through the inventory tracking system to the Technology Specialist and to the Team Leader who will be monitoring the wireless cart. A historical data will be kept of all activities relating to a particular wireless cart.
- A list of all laptops assigned to a wireless cart will be generated upon the checkout of the wireless cart. The secured login will serve as an acceptance of the # of laptops checked out by each teacher of a particular wireless cart. Each teacher will verify the inventory upon accepting the wireless cart for checkout.
- The wireless cart will be returned to the team leader who will monitor the wireless cart. An email will be generated to the Team Leader and the Technology Specialist as notification that the wireless cart is being returned by the teacher to the Team Leader. The Team Leader will verify the inventory of the cart, as it is returned.
- The team leader will periodically monitor the wireless cart and will immediately notify the technology specialist of any missing items. In the event of any equipment loss, the technology Specialist will notify the Security Specialist and the school's SRO officer immediately to start an investigation and to have a SIU and Police Report generated.

Bookkeeper / Budget keeper Process for Receiving Equipment

- New equipment delivered to the school will initially be checked in through the Budget Keeper.
- Budget keeper will copy all invoices. The copy goes to the Database Manager, Technology Specialist for the inventory binder and the originals get filed in the Budget Keeper's office.
- The Database Manager, Technology Specialist will scan all new items received. A list will be generated and giving to the budget keeper with the serial# in barcode to be scanned for on-line receipting. This will eliminated serial# errors.

Department Name: Instructional Staffing 9652
Director Name: Ms. Susan Rockelman (As of July 1, 2010)
Ms. Rebecca Brito, Former
(Current Miramar Elementary)

Address: 600 SE 3rd Avenue
Fort Lauderdale, Florida 33301

Total Number of Items in Inventory:	106
Total Dollar Cost of Items in Inventory:	\$178,420
Total Number of Items Unaccounted for:	4
Total Dollar Cost of Items Unaccounted for:	\$8,084
Total Net Value of Items Unaccounted for:	\$0

Ms. Rockelman assumed the role of Director of Instructional Staffing on the day of audit commencement, July 1, 2010.

Self Inventories/Record Review

Routine asset record download review (PNI 811-ETS Production) is suggested for confirming the accurate processing of transferred/surplus documentation by Financial Reporting Capital Assets (FRCA) following the request for changes by the site administrator. If errors or inaccuracies are identified by department staff during internal review, it must be reported to FRCA for correction in the Master File of Assets immediately. This should not occur as the result of a property audit.

Transfer Declarations for four (4) items intended for transfer in 2006 were not submitted to FRCA for processing at the time of transfer or as a result of the discrepancies being identified during the previous audit. The transfer declaration was acknowledged by Drop Out Prevention 9540 (Director, Peggy Thurston), but was not submitted for record modification by the initiating location. Despite considerable research by Instructional Staffing and the Office of the Chief Auditor (OCA), the OCA was unable to confirm the disposal activity or a current location of the unaccounted for assets. As such, the records have remained on the audit roster of Instructional Staffing without interruption since the time of their purchase.

Property Team

Functional back up roles should be developed to increase efficiency related to centralized archiving of support documentation utilizing a Property Binder and local tracking database. It should be noted that the sharing of oversight responsibilities can foster an improved level of compliance, awareness and adherence to department expectations related to property control.

(Instructional Staffing continued)

The OCA suggests a complete "hands on all" reconciliation of items for schools and departments be performed to ensure a physical accounting of all assets by the department staff. The Property Team's responsibilities should be made clear to involved staff in order for deadlines and objectives for monitoring to be met.

Ms. Gracie Diaz, Assistant Superintendent-Human Resource Development, has reviewed the response submitted by Ms. Rockelman for eliminating the material concerns identified during this property audit. Ms. Diaz will provide administrative oversight and support for ensuring proper implementation of a comprehensive and efficient plan for monitoring property at the Instructional Staffing department in the future.

Audit Start Date:
7/1/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

Items not accounted for : Instructional Staffing 9652

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	01-21502	COMPUTER, LAPTOP MAC G4	\$ 2,499.00
2	01-80400	COMPUTER, LAPTOP MAC I BOOK	\$ 2,020.00
3	00-01424	COMPUTER, POWER MAC G4	\$ 2,190.16
4	99-05716	COMPUTER, MAC IMAC	\$ 1,375.00

Total Historical Cost of Property unaccounted for as of September 8, 2010	\$ 8,084.16
[1]Total Accumulated Depreciation as of September 8, 2010	\$ 8,084.16
Net Value of Property considered to be unaccounted for as of September 8, 2010	\$ -

[1] Based upon class life used by the Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**GRACIE M. DIAZ
ACTING ASSOCIATE SUPERINTENDENT
HUMAN RESOURCES**

Telephone: 754-321-1840

Facsimile: 754-321-2704

October 12, 2010

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

FROM: Gracie M. Diaz, Acting Associate Superintendent
Human Resources



SUBJECT: **CORRECTIVE ACTION PLAN FOR INSTRUCTIONAL STAFFING**

I have reviewed the Corrective Action Plan from the Instructional Staffing Department to improve the identification and verification of property assigned to the department. In compliance with the district's Property Control Procedures, they will continue to organize all documentation relating to the departments property and inventory in a designated binder and they will continually monitor the PNI reports to ensure that discrepancies are reported and resolved in a timely fashion.

I appreciate the cooperation and support extended from the Office of the Chief Auditor to the staff of Instructional Staffing in the resolution of the current audit.

Please feel free to contact me if you have additional questions or concerns.

GMD:dlh

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SUSAN T. ROCKELMAN, DIRECTOR

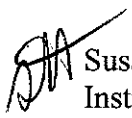
INSTRUCTIONAL STAFFING

Telephone 754-321-2324

Facsimile 754-321-2716

October 11, 2010

TO: Gracie M. Diaz, Acting Associate Superintendent
Human Resources

FROM:  Susan T. Rockelman, Director
Instructional Staffing Department

SUBJECT: Follow-Up Audit Response

As a follow-up to our department audit conducted in June, 2010, please refer to the attached Initial Itemized Audit Response dated July 1, 2010. Four "missing" items remain as unreconciled on the Instructional Staffing's Property Audit Missing List report. The transfers of these items were properly documented by Instructional Staffing and the receiving department in 2006. Attached you will find supporting documentation of the transfer of these items. In compliance with Property Control Procedures, Instructional Staffing maintains a property binder for all documentation relating to inventory items, including property passes, transfer forms and past audit information. The supporting documentation, signed by both departments verifying the transfer of this equipment, was retrieved from the property binder and provided to the auditor. The audit report has depreciated the net value of the assets to \$0.00 and our inventory control person will continue to monitor the PNI report to confirm that the items have been removed.

Please note that two previous audits of the Instructional Staffing department, in February, 2007, and October, 2008, resulted in no exceptions or discrepancies.

Below are the items in question with a detailed explanation for each.

BPI #	Description	Cost/Net Value	Serial #	Ck #	Date	Notes
01-21502	Computer, Laptop Mac G4	\$2,499.00/\$0.00	QT1101PQK6B	845678	05/21/01	Transferred to Whispering Pines and then transferred to Metrology - Forms Attached
01-80400	Computer, Laptop Mac 1 Book	\$2,020.00/\$0.00	UV0312FHHZT	799196	11/15/00	Transferred to DOP Forms Attached
00-01424	Computer, Powermac G4	\$2,190.16/\$0.00	SG946188HM1	703684	02/04/00	Transferred to DOP Forms Attached
99-05716	Computer, Mac IMAC 333	\$1,375.00/\$0.00	ZXB918541G3H	642602	05/24/99	Transferred to DOP Forms Attached

Item 01-21502 was transferred to Whispering Pines in 2006, and paperwork was fully executed by the Principal/Director at that time (form attached). This item was then transferred from Whispering Pines to Metrology in 2006 and signed by the Principal/Directors at that time (form attached). All required paperwork was submitted and accepted in 2006; therefore, should not be a discrepancy in 2010 and be removed from our PNI report.

Items 01-80400, 00-01424 and 99-05716 were transferred out of Instructional Staffing to Drop Out Prevention location #6501 in 2006. We followed up with past staff of Drop Out Prevention who searched their records for additional information. These items were part of the Drop Out Prevention's Drop Back In program which was given to Mr. Bob Crawford at Atlantic Technical Center to dismantle the program. All required paperwork was submitted and accepted in 2006; therefore, should not be a discrepancy in 2010 and be removed from our PNI report.

At the time of the transfer, the required paperwork was executed and accepted through the past two audit processes. These should not be exceptions in the 2010 audit.

To avoid future discrepancies, our corrective action plan will be:

- to request and utilize the PNI 811 report on a more frequent basis.
- compare the physical inventory to the PNI reports on a quarterly basis to insure that all inventory items are reported correctly.

Any discrepancies will be immediately communicated to Capital Assets department for resolution.

As a follow-up to this audit we will contact Capital Assets/Financial Reporting to receive written direction on how to remove the depreciated items that have a net value of \$0.00.

In summary, the four items that appear as a discrepancy have had the required paperwork submitted at the time of the 2006 transfer. Also, these items did not appear as discrepancies in the 2006-07 or 2007-2008 Audit Report on Property Inventory. Memos received from Patrick Reilly, Chief Auditor, indicate, "no exceptions of any material nature were found and the report is free of exceptions and have been reconciled."

If you have any further questions, please do not hesitate to contact me.

STR:cl

Attachments:

Initial Response dated July 31, 2010
2010-2011 Property and Inventory Audit
Transfer documentation for each missing item
2006-2007 Property and Inventory Audit
2008-2009 Property and Inventory Audit

cc: Mr. Mark Magli

Department Name: Learning Resources and Instructional Materials 9854
Director Name: Ms. Michele Rivera

Address: 2301 NW 26 Street
Oakland Park, Florida 33311

Total Number of Items in Inventory: 75
Total Dollar Cost of Items in Inventory: \$110,468
Total Number of Items Unaccounted for: 2
Total Dollar Cost of Items Unaccounted for: \$2,632
Total Net Value of Items Unaccounted for: \$0

Audit Committee 12/11/08	LRIM	Items unaccounted (U/A) for:	3 Total Assets U/A	\$8,193 Historical Value of Assets U/A	REPEAT Exception
Audit Committee 6/21/07	LRIM	Items unaccounted (U/A) for:	128 Total Assets U/A	\$250,774 Historical Value of Assets U/A	Exception

This audit started 3/12/2010

Monitoring Property Records/ Self Inventories

Seven (7) assets require record information corrections for discrepancies identified during the property audit. In addition, thirteen (13) items were located at the department that did not appear in the Master File of Assets records. The department must provide that information to Financial Reporting Capital Assets (FRCA) to have the equipment added in alignment with the state requirements for recording and monitoring fixed assets (>\$999). In some cases, the historical cost may be below the value of assets captured by FRCA for tracking, but should still be maintained in the school's local database and secured accordingly. It is recommended that a plan utilizing quarterly inventories with physical confirmation of equipment (partner schools), room checklists (to be verified) and asset record download reviews be implemented as operational standards for monitoring property at this location.

All department staff and partner location administrators should be made aware of the best practices for securing equipment. Additionally, items that are not utilized on a day-to-day basis should be stored in a secured location with a directive that the appropriate staff is expected to physically verify this equipment on a periodic basis.

(Learning Resources and Instructional Materials continued)

but the documentation was not submitted to FRCA for standard processing. Removal Acknowledgements (B-stock Transfer Form) should be retained for audit purposes to certify physical removal by the designated approved agent. The processing of transferred and surplus equipment must be confirmed through asset record review (PNI 811) following the request for changes by the site administrator. Partner locations should be instructed to return all obsolete equipment to the School Board of Broward County's host department for proper recording and disposal/auction.

Property Passes

"Upon approval of the custodian of property, employees / students may remove equipment from a School Board location...." (SBBC 3204) The SBBC approved property passes must be updated on a yearly basis. Ten (10) property passes were reviewed during this property audit. Seven (7) of the passes were not properly authorized and acknowledged by signature at the start of the audit. By March 16, 2010, the property pass documentation was corrected. Off-site locations should be visited to confirm the validity of the documentation submitted by the partner schools. Failure to physically verify the equipment may result in inaccurate reporting and possible unrecognized losses in the future.

The Property Audit Supervisor met with Ms. Rivera and the department support team to review the findings identified during the property audit. Recommendations were reviewed and discussed with staff. Dr. Leontine Butler, Deputy Superintendent-Curriculum, will provide administrative oversight to ensure that effective controls have been implemented at the Learning Resources and Instructional Materials Department.

Audit Start Date:
3/12/10

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2010-11

Items not accounted for : Learning Resources 9854
(REPEAT 12/11/08 & 6/21/07)

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	05-37514	DELL, DESKTOP, PENTIUM 4 W/17" FLAT PANEL (87WKX51)	\$ 1,318.00
2	00-00014	TELEVISION, RECEIVER/MONITOR 32"	\$ 1,313.76

Total Historical Cost of Property unaccounted for as of September 8, 2010	\$ 2,631.76
[1]Total Accumulated Depreciation as of September 8, 2010	\$ 2,631.76
Net Value of Property considered to be unaccounted for as of September 8, 2010	\$ -

[1] Based upon class life used by the Financial Reporting Department

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE DEPUTY SUPERINTENDENT
CURRICULUM**

September 23, 2010

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

FROM: Leontine J. Butler, Ed.D., Deputy Superintendent
Curriculum

SUBJECT: **AUDIT REPORT – FISCAL YEAR 2010-2011
9854 LEARNING RESOURCES**

This memorandum is being written to advise you that I have carefully reviewed Learning Resources' Audit Report, fiscal year 2010-2011. The information below and attached reflects the status of the two outstanding items noted on the audit report.

05-37514	Transfer confirmation (Confirmation 02-09945) and original transfer form (Learning Resources 3290a forms) attached. Equipment (Dell Desktop Pentium) has been transferred to Rock Island Elementary.
00-00014	The private school signed a surplus form, which is attached. (00-00014) Learning Resources & Instructional Materials (LRIM) had been directed to change the form to reflect the name Learning Resources because the TV was disposed of by Coral Springs Christian Academy. Both the original and revised forms are attached. The private school disposed of the equipment and sent LRIM the signed surplus form on 2/25/09 (a process that had previously been in place for years).

Previously, private schools sent surplus forms to the Central Processing Lab and were not required to return the equipment. LRIM will follow current property management procedures and check equipment against a new PNI811 report quarterly. Additionally, LRIM will request property passes from the private schools in June of each school year. Due to limited staff it would greatly help if the auditing department could also send an employee out to the private schools to check their inventory on an annual basis.

If you have any questions, please **contact Michele Rivera, Director, Learning Resources & Instructional Materials, at 754.321.3320.**

DC/MR
Attachments

cc: Diane Carr, Executive Director, Core Curriculum
Mark Magli, Audit Supervisor

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE DEPUTY SUPERINTENDENT
CURRICULUM**

September 17, 2010

TO: Leontine J. Butler, Ed.D., Deputy Superintendent
Curriculum

FROM: Michele Rivera, Director
Learning Resources & Instructional Materials

VIA: Diane M. Carr, Executive Director
Curriculum

SUBJECT: **AUDIT REPORT – FISCAL YEAR 2010-2011
9854 LEARNING RESOURCES**

RECEIVED
DEPUTY SUPERINTENDENT
CURR. & INSTR./STUDENT SUPP.
2010 SEP 21 AM 10:31

This correspondence is in response to the Audit Report on Property Inventory, fiscal year 2010-2011. Documentation pertinent to the following list of missing items is attached:

05-37514	Transfer confirmation (Confirmation 02-09945) and original transfer form (Learning Resources 3290a forms) attached. Equipment (Dell Desktop Pentium) has been transferred to Rock Island Elementary.
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If you have any questions, please **contact Michele Rivera, Director, Learning Resources & Instructional Materials, at 754.321.3320.**

DMC/MR
Attachments

Cc: Mark Magli, Audit Supervisor
Patrick Reilly, Chief Auditor



**BROWARD COUNTY
PUBLIC SCHOOLS**
The Nation's Fifth Largest School District



PROPERTY AUDIT DIVISION

GO TO

<http://www.broward.k12.fl.us/auditdept/>

THEN

(see Property Audits / Reports)

OFFICE OF THE CHIEF AUDITOR

Patrick Reilly, Chief Auditor

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INTERNAL FUND AUDITS Reports Summary of Audit Findings	PROPERTY AUDITS Reports Property Related Forms
FACILITY AUDITS Reports	OPERATIONAL AUDITS Reports
EXTERNAL AUDITS Reports	STAFF DEVELOPMENT Workshops

AUDIT COMMITTEE MEETING

May 6, 2010 ([Reports](#))

June 24, 2010 ([Reports](#))

FRAUD HOTLINE

754.321.8325

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Sunrise, FL 33323

1. PRIOR AUDIT FINDINGS W/ AUDIT RESPONSES

2. "THE PROGRAM"

Best Practice Suggestions for Monitoring Equipment