

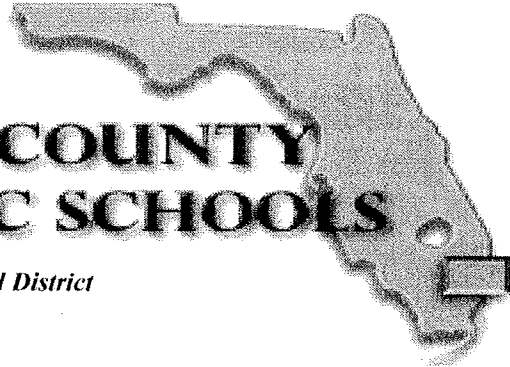
INTERNAL AUDIT REPORT

**Internal Audit Report – Audit of the Internal Funds
of Selected Schools**



**BROWARD COUNTY
PUBLIC SCHOOLS**

The Nation's Sixth Largest School District



To be presented to the:

**Audit Committee on
June 20, 2013**

**The School Board of Broward County, Florida on
July 23, 2013**

By

The Office of the Chief Auditor



Broward County Public Schools

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June 12, 2013

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
Robert W. Runcie, Superintendent of Schools

Ladies and Gentlemen:

We have audited the Statement of Changes in Fund Balances for the Internal Funds at twelve (12) schools for the fiscal years ended June 30, 2010, 2011 and 2012 pursuant to the Florida State Board of Education, Administrative Rule 6A-1.087(2) and School Board Policy 1002.1. Each school's Principal is responsible for the preparation of the Statement of Changes in Fund Balances. Our responsibility is to express an opinion on these statements based on our audits.

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

The audits at these twelve (12) schools included an examination of the Internal Funds, Payroll, and After School Care, as applicable.

An audit includes evaluating and examining, on a test basis, the financial statements and supporting documents. In planning and performing our audits of the schools' financial statements for the fiscal years ended June 30, 2010, 2011 and 2012 we considered the internal control structures. Our review of the internal control structures facilitates the development of the audit procedures and the expression of an opinion on the financial statements. We believe our audits provide a reasonable basis for our opinion.

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
Robert W. Runcie, Superintendent of Schools
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June 12, 2013

The schools' records were maintained in conformity with the School Board's accounting procedures for Internal Funds. These accounting procedures require all financial transactions be recorded on a cash basis method, with no records maintained on accounts receivables, accounts payable, or accruals. Accordingly, the Statements of Changes in Fund Balances, as shown in this report, do not present the financial position or the results of operations of the schools in the manner required by generally accepted accounting principles.

Our audits indicated that six (6) schools in this report complied with prescribed policies and procedures. The remaining six (6) schools' reports contained some audit exceptions.

In our opinion, the Statements of Changes in Fund Balances for the twelve (12) schools present fairly the cash receipts and disbursements of the schools' Internal Funds, arising from cash transactions.

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

Sincerely,



Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

Audits Supervised and Reviewed by:
Delores McKinley, CPA

Audits Performed by:
Meredith Filcman
Hermine James
Sheena Newton
Danielle Thomas
Reynaldo Tunnermann

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INTERNAL AUDITOR'S REPORT

AUTHORIZATION

State Board of Education Rule 6A-1.087(2), Florida Administrative Code, requires District School Boards to provide for audits of the schools' Internal Funds. In accordance with School Board Policy 1002.1 and the Audit Plan for the 2012-2013 fiscal year, the Office of the Chief Auditor has audited the financial statements for the years ended June 30, 2010, 2011 and 2012 for the schools listed in the Table of Contents section of this report. The financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. These financial statements are the responsibility of the Principal. Our responsibility is to express an opinion on these financial statements based on our audits.

SCOPE, OBJECTIVES, AND METHODOLOGY

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We selected and tested a representative sample of receipts and disbursements for all the audited schools. We also analyzed selected activities where the schools generated significant revenues. An audit also includes assessing the accounting principles and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We perform our audits with the objectives of:

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

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

Financial Statements

In our opinion, the financial statements contained in these audit reports present fairly, in all material respects, the changes in fund balances arising from cash transactions of the schools, during the 2009-2010, 2010-2011 and 2011-2012 fiscal years, on the cash basis of accounting.

Compliance

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

Internal Control Structure

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

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

The scope of our audits also included an assessment of the controls in place at the schools to promote compliance with the Standard Practice Bulletins, which contain the procedures established to control the use of the Internal Funds. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that material errors or irregularities in the school's financial records, cash receipts, and disbursements, may occur and not be detected within a timely period by school employees in the normal course of performing their assigned functions.

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

OTHER FUNCTIONS EXAMINED

In addition to the audit of the Internal Funds, we also conducted certain auditing procedures to improve accountability at the school level and provide assurances to the administration about the operation of the payroll procedures.

PAYROLL

A review of selected payroll procedures related to the preparation of the payroll and the distribution of the payroll checks was made at the schools to determine adherence to Standard and Business Practice Bulletins. Specifically, we determined that the payroll rosters were generally supported by payroll records and the payroll functions were adequately segregated. Currently, the Business Practice Bulletin-PR-100 has been implemented which provides the new payroll procedural requirements.

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

Areas of Audit Findings
2009-2010, 2010-2011 and 2011-2012

<u>Boyd H. Anderson High School 2011-12</u>	1 Finding
1. Vending Commissions	
<u>Manatee Bay Elementary School 2010-11 & 2011-12</u>	1 Finding
1. PTA Activities	
<u>Miramar High School 2010-11</u>	1 Finding
1. Unaccounted/Missing Funds	
<u>Peters Elementary School 2010-11 & 2011-12</u>	1 Finding
1. Missing Receipt Book	
<u>Silver Ridge Elementary School 2010-11 & 2011-2012</u>	1 Finding
1. Vending Commission	
<u>South Broward High School 2009-2010 & 2010-2011</u>	8 Findings
1. Missing Funds (Athletic Ticket Reports)	
2. Missing Funds (Fundraising Activities)	
3. Over/Under Account (Deposit Shortages)	
4. Late Remittances	
5. Receipting Procedures	
6. Internal Advance	
7. Vending Commissions	
8. SGA Account (Use of Funds for Faculty)	
 TOTAL FINDINGS	 13 Findings

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

SCHOOL	CURRENT AUDIT PERIOD 2011-12	PRIOR AUDIT PERIOD 2010-11
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Boyd H. Anderson High School

Vending Commissions

During our review of vending commissions for fiscal year 2012, we noted \$10,753.26 was posted into the Faculty Account. The school received the vendor's commission check along with a letter detailing how funds were to be distributed. Based upon our calculations, the Faculty should have only received \$3,753.26, based upon the number of vending machines assigned to faculty. Therefore, they were overpaid \$7,000.

Missing Funds

The examination of the school's cash handling procedures showed missing funds totaling \$892.15:

- a. In January 2011, staff did not officially receipt \$391.15 in the school's accounting system. The amount was collected during a fundraiser and recorded on a Monies Collection Envelope.
- b. In March 2011, a shortage of \$501 occurred in a cash deposit as recorded by the bank. The school did not file a claim with the bank for this loss, nor request an SIU investigation.

End of the Year Procedures

For F/Y 10, the analysis of the end of the year documentation showed \$580.97 of advances were not returned at the end of F/Y-10 and could not be recovered in F/Y-11.

For F/Y-11, staff did not account for \$66.21 of advances. In both cases, the unreturned funds were advances given to employees that later resigned their employment with SBBC.

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

**CURRENT AUDIT PERIOD
2011-12**

**PRIOR AUDIT PERIOD
2010-11**

SCHOOL

Boyd H. Anderson High School

Late Deposits

The examination of the school's deposits showed that five deposits totaling \$13,012.14 were remitted with delays from three (3) to four (4) days to the bank.

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	<p><u>PTA Activities</u></p> <p>In November 2012, complaints/concerns from parents and staff (both current and former) of Manatee Bay Elementary School to the Superintendent, regarding the activities of the Parent Teachers' Association (PTA), resulted in a preliminary investigation by the Broward District Schools' Police Department (SIU #2012-11-0001). In December 2012, a referral was issued requesting an audit be conducted of the school's (PTA's) "fundraising books" under Referral #12-1130, issued to the Office of the Chief Auditor (OCA) by the Superintendent. It is important to clarify that the Office of the Chief Auditor does not have jurisdiction over outside organizations, such as PTAs. In this case, though, the PTA was cooperative and did allow us to review some of their accounting records.</p> <p>One of the allegations made was that the school had two sets of books. Other allegations included missing funds, missing documents and other questionable transactions by the after school care providers to School Board employees. These allegations were directed against the former PTA President, several PTA members, several school employees, the After School Care vendor and the current Principal.</p>	No Audit Exception

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	<p>Some other allegations that were made by parents and staff were related to personal issues. The Office of the Chief Auditor addresses monetary and financial issues where fraud and misappropriation of funds are concerned, but not personal conflicts or allegations of a personal nature. The parents/staff's concerns were heightened when the former PTA President abruptly resigned from her duties in November 2012. As part of our audit fieldwork, we attempted to contact the former PTA President; however, we were unsuccessful. We also used the services of our Broward District Schools' Police Department, who were also unable to locate the former PTA President. Subsequently, a review of Miscellaneous Income (Form 1099 - Misc) disclosed a mailing address in New Jersey.</p> <p>Manatee Bay Elementary School's Principal has historically allowed the PTA to handle most fundraising activities at the school. Beginning in September 2012, the PTA also began operating an after school care business, called "Club 2:05", which consisted of extra-curricular classes and academic camps, even though the School Board's awarded vendor, After School Programs Inc., (ASP) was hired by the school to run the school's after care program.</p>	No Audit Exception

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School

Per discussion with ASP personnel, they had no issues with a competing after school care program operated by the PTA that used the same facility (school's cafeteria). The PTA's after school care program includes "social clubs and academic camps", which require a fee from every student who participates. The PTA's program begins at 2:05 p.m. and ends at 4:00 p.m., making it necessary for some parents to pay for the second program (ASP), if they need coverage between 4:00 p.m. and 6:00 p.m. There is no discounted rate offered by ASP for the two hours, resulting in some parents paying the full price for two competing after school care programs.

No Audit Exception

The procedures used to satisfy our objectives in this audit included a review of the PTA's accounting records, financial statements and bank statements; interviews with school staff, PTA members, ASP staff, parents and Broward District Schools' Police staff; and other auditing procedures, as deemed necessary. We determined that there were not two sets of books for the school's internal funds, which would have been improper; however, we did confirm that there were actually three sets of books relating to the financial transactions for the different entities. Each entity had its own books and records to record receipts and disbursements

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School	and financial information, as follows:	No Audit Exception
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1. Manatee Bay Elementary School's books and records are handled by the school's Bookkeeper.
2. The After School Care vendor's (ASP), books and records are handled by their staff.
3. The PTA's books and records are handled by the PTA's Bookkeeper/Treasurer.

We reviewed the PTA's records relating to activities for the past six months (August 2012 to January 2013) specifically focusing on the collections for the Social clubs (which are currently in their second session) and Academic camps (in their first session). Approximately \$76,000 was collected for Social clubs and approximately \$29,000 for Academic camps. In addition, the PTA reported collecting approximately \$103,000 from various other fundraising activities during this period. Therefore, a total of approximately \$208,000 was collected by the PTA during this period and recorded in the PTA's accounting records and monies were deposited into the bank. We noted that the PTA handled all fundraising activities for the school. The school did not conduct any fundraisers during the period reviewed.

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School	<p>During our review, we determined that verification of monies collected was inconclusive, since it was not the practice of Manatee Bay's PTA to utilize pre-numbered or any type of receipts, which would help to ensure that all amounts collected were deposited. When receipts are not used, there is a lack of accountability and internal controls, making it impossible to confirm whether all monies collected were deposited. It was difficult to determine the potential revenues for club fees and fundraisers, since the deposits did not contain breakdowns of the monies collected. Instead, the deposits showed only lump sum amounts for each type of deposit. In one example, we reviewed the financial information and bank deposits and determined for the PTA's fall fundraiser, a total of \$32,444 was recorded in the PTA's books and deposited into the PTA's bank account. There were no receipts identifying the amounts paid by each student. We did obtain an Excel spreadsheet from the PTA that provided a list of the donations broken down by individuals who donated \$100 or more and those who donated less than \$100. The students who donated \$100 or more were allowed to attend a "Mega" party; however, those who donated less than \$100 were only allowed to attend the ice cream party. The total amount collected, per the spreadsheet, was \$28,596.</p>	
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**SELECTED SCHOOLS
ANALYSIS OF CURRENT AND PRIOR
AUDIT FINDINGS BY SCHOOL**

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	<p>Although cash deposited was greater than the spreadsheet showed, we had no way to determine that all monies collected were recorded and deposited or to determine the accuracy of the data on the spreadsheet.</p> <p>The PTA did not make monetary donations to the school; instead they donated items to the school, which included Interactive Document Cameras/projectors, educational & school supplies, office supplies, craft supplies, musical instruments & other supplies. In addition, expenditures were incurred for teacher appreciation, teacher support and various payments to teachers for the After Care program activities. These donations were not agreed upon in writing, but rather were simply verbal agreements made with the Principal. Also, we sampled expenditures and determined that approximately \$113,000 was spent on the above mentioned school related expenses, teacher appreciation, teacher support and payments to teachers working for the PTA, during the six month period we reviewed.</p> <p>We reviewed payroll related expenditures and determined the PTA is paying teachers between \$225 to \$750 per session to lead the Social clubs and \$40 per hour for Academic camps.</p>	No Audit Exception

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	<p>In addition to payment, teachers were also given gift cards during the first session. One teacher was paid \$500 to be the staff liaison between the PTA and the Manatee Bay Elementary teachers who were hired as Social or Academic Leaders in these PTA operated after school clubs. A review of the Miscellaneous Income (Form 1099 – Misc) information disclosed that the prior PTA President received \$2,000 in compensation. A total of six other individuals received 1099 Forms for compensation that ranged between \$617 and \$2,250. The amount of compensation recorded on all 1099 Forms amounted to \$9,280 for the 2012 calendar year. Routinely, most PTA's use volunteers who do not receive monetary compensation.</p> <p><u>Conclusion</u></p> <p>Based on our review, we could not substantiate any of the allegations pertaining to missing funds, missing documents or other questionable transactions made by the parents and staff of Manatee Bay Elementary School that were directed against the former PTA President, several PTA members, several school employees, the After School Care vendor and the current Principal. We followed up on these allegations; however, we did not receive any specific supporting documentation from the</p>	

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	<p>parents/staff who made the complaints to substantiate their allegations. If any individual still believes that there is or has been any misappropriation of funds by the Manatee Bay Elementary PTA, he/she should contact an outside law enforcement agency, such as the Broward Sheriff's Office, or the Office of the State Attorney, to present their allegations. The outside law enforcement agency may wish to contact the former PTA President, if they believe the allegations are warranted. In addition, pertaining to questionable transactions by the after school care providers to School Board employees, we believe a separate investigation should be conducted by our Broward District Schools' Police Department.</p> <p>As previously stated, the District does not have jurisdiction over the PTA's books, records and procedures for handling cash and cash disbursements; however, the District has Standard Practice Bulletins and School Board Policies that must be followed at each school related to Internal Funds and interactions with Independent School Related Organizations (ISRO). Our review provided recommendations to improve internal fund operations pertaining to after school care programs. We also identified several non-compliance issues with Standard Practice Bulletins,</p>	No Audit Exception

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	<p>School Board Policies and procedures that relate to internal fund activities and Independent School Related Organizations as follows:</p> <p>1. Consider Establishing an In-House After School Care Program for Manatee Bay Elementary School</p> <p>As part of our fieldwork, we compared the services provided by the After School Care Vendor and the PTA's Club 2:05, which were offered each day to students. We made several site visits to Manatee Bay Elementary School's cafeteria, where both after school care programs (PTA's "Club 2:05" and the awarded vendor's After School Programs (ASP)) are conducted each day beginning at 2:00 p.m. We determined for the fall session (September 18, 2012 through November 28, 2012), parents were being charged from \$125 to \$250 for each class in "Club 2:05". For the second session beginning in January 2013, academic classes were added that ranged between \$90 and \$110 per class. The After School Programs, (ASP) cost per month, Monday through Friday, was \$180.</p> <p>For example, if a parent needed after school services Monday through Friday until 6:00 p.m. and elected to enroll in "Club 2:05" classes, this could be a typical</p>	

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
Manatee Bay Elementary School	breakdown of their expenses for one 11 week session: Monday & Wednesday Karate \$250 Tuesday Double Dutch \$130 Thursday Hip Hop \$135 ASP* (11 week session) <u>\$495</u> Total Cost per Session <u>\$1,010</u>	No Audit Exception

*The ASP program operates from 2:00 – 6:00 p.m.; therefore, it would be necessary to pay for this entire program fee in order to have coverage from 4:00 – 6:00 p.m., since the PTA’s “Club 2:05” ends at 4:00 p.m..

2. Non-Receipting

The PTA does not issue pre-numbered or any type of receipts to students or parents when payment is received or when item(s) are purchased. This practice makes it difficult to verify what the collections represent (i.e. fundraising, t-shirt sales) and trace initial monies collected to the bank statement(s).

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School

The PTA's Dollars and Sense-Treasurer's Manual states "Dollars and Sense is a manual for Florida PTA Treasurers. It includes basic information on a variety of topics that combined with your PTA's bylaws and publications of the National PTA, provides a foundation on which to build a solid financial system for your PTA. Six basic rules will make your job easier – ALWAYS follow them:

No Audit Exception

- Pay every bill, no matter how small, by a dual-signed check
- Never - ever - give anyone a pre-signed blank check or one made payable to "cash"
- Count money received with the person presenting it
- Issue receipts for all money received
- Deposit money promptly in the bank
- Present accurate treasurer's reports at all meetings"

Dollars and Sense - The Accounting for Funds Section states "At any time when funds are received, the Treasurer and the chair of the event or another designated person should count all monies received together and both sign a receipt verifying the amount. If the Treasurer is unavailable, then two people count the money, sign the receipt and then the money is taken to the Treasurer who in turn issues receipts for all monies received and promptly makes a

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School	<p>deposit in the PTA bank account. Make arrangements to use the bank's night depository, if needed. Do not leave money in the school, trunk of your car or your home overnight."</p>	No Audit Exception
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3. Principal Approval

A Letter of Agreement approving the fundraisers, showing the approval of the Principal, did not exist between the PTA and Manatee Bay Elementary School; therefore, only verbal agreements were given to the Principal by the PTA for fundraising activities held.

4. Non-Compliance with School Board Policy 1341 – Use of Broward County School Facilities for Non-School Purposes

Although the PTA is considered a "School-Allied" group and is not required to have a facility rental contract for normal meetings, the PTA contracted with two private companies to conduct "on school grounds" classes, (karate and dance lessons) for which students were charged a fee. Since a fee was charged, it should be required that the PTA pay for the rental of the facility.

These two companies, which provided karate and dance lessons to students, are not District approved vendors and did not have a facility rental contract with the District. In addition, both companies occupy a portion of the cafeteria, although After School

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School

Programs Inc., has an approved lease agreement with the District to occupy the same space.

No Audit Exception

5. Overlapping Hours (Double Dipping)

Teachers at this school are contracted by the District to work until 3:00 p.m., but since some club activities begin at 2:00 p.m., teachers who worked for the PTA "Club 2:05" began working for the PTA at 2:05 p.m.; therefore, they did not complete their full 7.5 hour work day at Manatee Bay Elementary School. This resulted in the teachers being paid by the District for an hour of work not performed, and in most cases, teachers were receiving additional monetary compensation from the PTA for this same hour. There were thirteen (13) teachers who had between eight (8) and seventeen (17) instances each where they began working with the PTA at 2:05 p.m. during the first session from September 19, 2012 through November 28, 2012, instead of completing their contracted 7.5 hour work day with the District.

In addition, per our conversation with the Principal, teachers were asked to document their time spent in PTA clubs and were instructed to make up the time at the end of the day. However, we learned that not all teachers stayed after school to make up that time.

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School

6. Security Clearance

No Audit Exception

The owner of the karate company sought a Level 1 clearance with the District in December 2012, after we brought this issue to the PTA's attention; therefore, this individual and possibly his employees were in contact with children without the proper clearance from the District prior to December 2012.

In addition, the PTA also hired four non-school board employees (identified as volunteers) to lead some of its "clubs". Three employees had some type of security clearance, but only one of these individuals has a Level 1 and Level 2 (background) clearance. The second individual is a detective and according to the Broward District Schools' Police, persons in law enforcement are waived from background checks. The third individual had a Level 1 (background) clearance. Therefore, one individual was in the presence of children without having the required background screening.

7. Tutoring

As leaders of the "Social clubs" and "Academic camps", some teachers were tutoring their own students.

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School

8. PTA Documents & Deliveries

No Audit Exception

The PTA correspondence, such as financial documents and invoices, were not specifically labeled in order to distinguish between the “Manatee Bay Elementary PTA” and “Manatee Bay Elementary School”; therefore, vendor invoices were and continue to be forwarded, to the school’s bookkeeper for payment.

According to staff, PTA packages were delivered to the school, but a PTA member was not always on school grounds to take possession of these items; instead, the school’s staff signed for items which were ordered by the PTA.

9. Games of Chance

The PTA sponsored and held a “Family Bingo Night” which included a raffle of a weekend cruise. Parents were charged \$10 for a chance to win a cruise for four and \$1 for each bingo card for a chance to win gift baskets. The flyer for this event stated, “Manatee Bay Elementary is proud to announce our first Family Bingo Night”. Manatee Bay PTA should have been listed as the sole sponsor for this event and for any other PTA event held on or off school grounds.

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Manatee Bay Elementary School

10. Payments to Volunteers

No Audit Exception

We noted that PTA members are being compensated for volunteering, including the former president, current president(s), and treasurer, who were paid up to \$2,250 for the 2012 calendar year or at an hourly rate of \$10/hour to volunteer in some capacity with the "Social clubs and Academic camps".

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11	PRIOR AUDIT PERIOD 2009-10
Miramar High School	<p style="text-align: center;"><u>Unaccounted/Missing Funds</u></p> <p>The following shortages were noted during our review of the school's receipting documents:</p> <ol style="list-style-type: none"> 1. The Assistant Principal violated Standard Practice Bulletins when collecting \$1,850 using BC40 Receipt book #5017201, and not depositing the money with the bookkeeper. According to the bookkeeper, the monies collected were for the purpose of a play-off football game. Miramar High did not issue tickets and all monies collected were forwarded to the visiting school. According to the Assistant Principal, she issued tickets from another school, used the receipt book and forwarded the money to the school. As a result of the audit on April 22, 2013 the other school provided a receipt for the \$1,850. 2. A shortage of \$421 was noted during our examination of BC40-P receipt book #3775901. The receipt book showed collections of \$5,925, but only \$5,504 was officially receipted (RCT #4355) and deposited. 	<p style="text-align: center;"><u>Vending Commissions</u></p> <p>We found an additional three thousand dollars (\$3,000) of vending commissions were recorded in the faculty account. The contract between the school and the Vending Company established a flat commission of \$100,000 yearly. The sales from the machines located in the faculty areas accounted for 4.5% of all sales; however a total of \$7,500 was booked in the faculty account for commissions that year.</p>

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11	PRIOR AUDIT PERIOD 2009-10
Miramar High School	3. Shortages totaling \$60 were noted in BC40-P receipt book #5016201. Although \$345 was collected, only \$335 was officially received under RCT #53341 leaving a \$10 shortage; in addition a second collection of \$140 was officially received as \$90 under RCT #5895 leaving a \$50 shortage.	

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Peters Elementary School

Missing Receipt Book

No Audit Exception

During our review of receipting documents, we noted one (1) BC-40P receipt book was missing. The previous audit also disclosed a missing book.

Receipting Procedures

We determined that school staff stated the prior Bookkeeper told them to leave the green copies of the receipts in the receipt books.

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

SCHOOL	CURRENT AUDIT PERIOD 2010-11 & 2011-12	PRIOR AUDIT PERIOD 2009-10
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Silver Ridge Elementary School

Vending Commissions

No Audit Exception

During our analysis of vending commissions, we noted:

- a. In FY 2011, an incorrect amount of vending commissions totaling \$721.95 (\$984.97-\$263.02) was posted to the Faculty and Secretaries Club accounts. Only \$263.02 from vending sales was due to faculty/staff.
- b. In FY 2012, an incorrect amount of vending commissions totaling \$863.76 (\$1,102.10-\$238.34) was posted to the Faculty and Secretaries Club accounts. Only \$238.34 from vending sales was due to faculty/staff.
- c. As of the audit date, the June 2012 monthly vendor payment was not remitted by the vendor. The missing payment was not discovered until the execution of the audit on February 21, 2013.

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
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South Broward High School

1. Missing Funds (Athletic Ticket Reports)

No Audit Exceptions

During our examination of pre-numbered tickets, we noted:

- a. In Fiscal Year (FY) 2011, athletic ticket sales (cash) totaling \$6,055 were neither officially receipted nor deposited in the bank by the bookkeeper. The official receipt number issued by the bookkeeper for the November 5, 2010 football game (South Broward vs. St. Thomas Aquinas) was a duplicate receipt number issued for a girls Varsity Basketball tournament held on November 12, 2010. Ticket sales totaling \$916 for the girls Varsity Basketball tournament were receipted, deposited and verified in the Great Plains system.

During the Pre-Exit Conference, the bookkeeper admitted to the auditor and current Principal that she received the \$6,055 in cash from the Athletic Director, but could not provide an explanation for its disappearance. Neither a police report nor a Certificate of Loss was completed.

As a result of the Broward District Schools Police Investigation, the bookkeeper resigned on May 7, 2013.

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
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South Broward High School

- b. In FY 2011, Ticket Report numbers were not always cross-referenced in the Athletics account (#1000-0000).
- c. In FY 2010 and 2011, duplicate report numbers were issued for twelve (12) Reports of Tickets Sold.
- d. In FY 2010, the incorrect ticket numbers (used tickets) were documented on one (1) Report of Tickets Sold.

No Audit Exceptions

2. Missing Funds (Fundraising Activities)

(2009-2010)

During our analysis of fundraising activities/merchandising sales, we noted:

- a. Sales figures documented on the Senior Parking Decals Financial Report were overstated by \$180. The amount posted to the General Ledger was \$180 less than the Financial Report. A Parking Decal Distribution Report was not completed in an effort to document actual sales.
- b. Actual sales reported on the Grad Bash Financial Report did not agree with the amount posted to the general ledger.

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
South Broward High School	<p>Posted sales were understated by \$210. In addition, a Complimentary List of chaperones was not provided.</p> <ul style="list-style-type: none"> i. Grad Bash and Prom ticket sales were combined and posted to the General Ledger. c. Actual sales reported on the Dolphins Tickets Financial Report did not agree with the amount posted to the general ledger. Posted sales were understated by \$150. The understated sales included a \$100 deposit shortage for seven (7) BC-40P receipts (official receipt #3760). Sales totaling \$725 were officially receipted and deposited as \$625, even though \$725 was collected. <ul style="list-style-type: none"> i. Dolphin ticket sales were combined with other athletic collections in the general ledger. d. Sixty (60) non-chocolate candy items, valued at \$60 were unaccounted for during a Cheerleading fundraiser. A Certificate of Loss was completed; however, there was no explanation for the occurrence. e. Ending inventory for the Varsity Baseball discount cards fundraiser were overstated by 10 (ten) items. In addition, 180 cards or 60% of the items valued at \$900 were unsold. 	No Audit Exceptions

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
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South Broward High School

(2010-2011)

No Audit Exceptions

- a. Fifty percent (50%) or 312 chocolate items purchased for resale were not returned by students during the Varsity Cheerleading fundraiser. Student obligations were not entered in the TERMS database for every student. In addition, the Purchasing Summary was not completed on the Varsity Cheerleading Financial Report.
- b. Actual sales reported on the DECA (candy-non chocolate) Financial Report did not agree with the amount posted to the general ledger. Posted sales were understated by \$103.55. The understated sales included a \$100 shortage for funds collected on Monies Collection Envelope # 413651 (official receipt #5780). Funds collected total \$157.50, however only \$57.50 was posted. They did not account for the missing \$100.
 - i. Monies Collection Envelopes for the DECA fundraiser (candy-non chocolate) contained collection discrepancies. In aggregate, discrepancies totaled \$3.55 (overages/shortages).

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
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South Broward High School

(2009-2011)

No Audit Exceptions

- a. Student obligations for various fundraisers were not always entered in the TERMS database.
- b. Student Obligations forms did not include the student's FSI number or the student's signature.

3. Over/UnderAccount (Deposit Shortages)

(2010-2011)

During our analysis of the Over/Under account, we noted:

- a. A \$200 adjustment to the Over/Under trust account was not supported with documentation to explain the reason for the adjustment. Review of the October 2010 Bank Statement revealed a \$200 deposit shortage on October 6, 2010. The bookkeeper's Cash Reconciliation Report and Bank Deposit Posting Journal showed cash collections of \$9,489.12. An explanation for the deposit shortage could not be provided by the bookkeeper. Further inquiry with the bank into the deposit shortage was never initiated by the bookkeeper.
- b. Three (3) additional adjustments totaling \$65.10 did not include supporting documentation.

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
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South Broward High School

The adjustments were not properly offset in the Over/Under trust account. At year-end, a transfer from the General fund account was made to clear the unexplained adjustments.

No Audit Exceptions

4. Late Remittances

During our review of cash collections, we noted:

- a. Staff held sixty-eight (68) remittances totaling \$27,324.35 for two (2) to twenty-one (21) days before funds were remitted to and/or received by the bookkeeper.
- b. One (1) athletic remittance totaling \$4,163.00 was thirty-two (32) days late. The funds were collected on September 30, 2010 by the Athletic Director and were not officially receipted by the bookkeeper until November 16, 2010. The bookkeeper could not explain the reason for the delay, but indicated that she may have forgotten the funds were placed in the vault.

5. Receipting Procedures

During our review of receipting procedures, we noted:

- a. Student collections were not counted or verified by the

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
South Broward High School	<p>bookkeeper in the presence of the teacher/sponsor. Monies were often dropped off by students in Monies Collection Envelopes or BC-40P receipt books and left with the bookkeeper for counting.</p> <p>b. Two (2) BC-40P receipt books were missing (#3797801 & #3797901). A Certificate of Loss was not completed.</p> <p>c. One (1) collection totaling \$120 was not officially receipted or deposited in the bank (BC-40P receipt #3802917). The teacher copy of the BC-40P receipt remained in the receipt book; however, there was no indication that this was a voided receipt as the student copy (white copy) of the receipts was not retained, nor was the remaining carbon receipt(s) documented as such. The bookkeeper indicated that a free ticket was issued to the student for perfect attendance.</p> <p>d. The amount collected on at least three (3) Monies Collection Envelopes did not agree with the amount officially receipted by the bookkeeper. In aggregate, discrepancies totaled \$50.95 in overages/shortages.</p> <p>e. The bookkeeper served as the initial receptor of funds (BC-40P receipt books).</p> <p>f. BC-40P receipts were not always completed in date or sequential order.</p> <p>g. The dollar amount and dates</p>	No Audit Exceptions

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
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South Broward High School

- were not always recorded on BC-40P receipts.
- h. The incorrect official receipt date was recorded on one (1) Monies Collection Envelope.
 - i. Monies Collection Envelopes did not always include the collection amount or dates.

No Audit Exceptions

6. Internal Advance

(2009-2011)

During our analysis of the Internal Advance account we noted the following:

- a. Internal advance replenishment checks and/or cash amounts were not always properly offset in the Internal Advance trust account. In some instances, unused cash and vendor receipt totals were not posted separately in the internal advance account; the total internal advance amount was offset, instead.
- b. Monthly internal advances issued for Paw & Grill expenditures were not replenished until the end of the school year. The internal advances were not cleared on a monthly basis prior to the issuance of the next advance.
- c. In some instances, multiple internal advances issued to the same recipient were combined.
- d. Internal advances were issued

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
South Broward High School	<p>from the General fund and Paw & Grill accounts, instead of the designated Internal Advance trust account (#6251-0000).</p> <ul style="list-style-type: none"> e. The bookkeeper was the recipient of an internal advance totaling \$300. Proper segregation of duties procedures was not followed. The advance was not replenished until the end of the year. f. Amounts posted to the Internal Advance account did not always agree with vendor receipt totals and cash replenishment amounts. g. Cash replenishments were not noted as such in the Internal Advance trust account. h. The replenishment check date of one (1) advance did not agree with the date the internal advance was actually cleared in the Internal Advance account. i. Eight (8) Expense Reimbursement/Payment Request forms were not signed by the recipients of the internal advances (teachers/sponsors). However, all recipients returned the advances. <p>7. Vending Commissions</p> <p>During our analysis of vending commissions, we noted:</p> <ul style="list-style-type: none"> a. In FY 2010, an incorrect amount of vending commissions totaling \$4,855.07 (\$7,000-\$2,144.93) 	No Audit Exceptions

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
South Broward High School	<p>was posted to the Sunshine account (#4810-0000). However, only \$2,144.93 from vending sales was due to faculty.</p> <p>b. In FY 2011, an incorrect amount of vending commissions totaling \$3,208.21 (\$5,000-\$1,791.79) was posted to the Sunshine account (#4810-0000). However, only \$1,791.79 from vending sales was due to the faculty.</p> <p>8. SGA Account (Use of Funds for Faculty)</p> <p>During our review of the SGA (Student Government) club account, we noted:</p> <p>(2009-2010)</p> <p>a. A total of \$4,348.87 from the SGA account (#4635-0000) was used to provide beverages, a luncheon and purchase embroidered jackets for staff.</p> <p>b. Check #32459 in the amount of \$90.37 was disbursed on August 20, 2009 from the SGA club account; however, students did not return to school until August 24, 2009. In addition, the Expense Reimbursement/ Payment Request form was not signed by the sponsor/teacher and the expenditure was not supported with SGA Minutes.</p>	No Audit Exceptions

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

SCHOOL	CURRENT AUDIT PERIOD 2009-10 & 2010-11	PRIOR AUDIT PERIOD 2008-09
South Broward High School	(2010-2011)	No Audit Exceptions
	<ul style="list-style-type: none"> a. A total of \$1,763.36 from the SGA account (#4635-0000) was used to provide a welcome back luncheon for staff. Check #33664 was disbursed on August 10, 2010; however, students did not return to school until August 23, 2010. SGA Minutes were signed after the event on August 26, 2010. b. Sales tax of \$104 was not paid on the staff luncheon. 	

SECTION I:
Audit Reports (with No Exceptions)

APOLLO MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2010-11 AND 2011-12 FISCAL YEARS
 JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 6800 Arthur Street, Hollywood, Florida 33024

Principal: Shawn Aycock (November 2011 to current)

Principals during Diane Hall (October 2011 to November 2011)
Audit Period: Lourdez Gonzalez (July 2009 to October 2011)

Bookkeeper: Sharon Jackson

Payroll Processor: Lilli Vella

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Cash Account:		
Checking Account – Wells Fargo	\$ 32,905.62	\$ 30,473.77
Investment:		
Treasurer’s Pool Account	<u>6,000.00</u>	<u>6,000.00</u>
TOTAL	\$ <u>38,905.62</u>	\$ <u>36,473.77</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Apollo Middle School for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board’s policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

APOLLO MIDDLE SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 193.46	\$ 4,466.42	\$ 3,115.55	\$ 1,544.33
Music	2,173.91	1,144.80	1,103.75	2,214.96
Classes	0.00	10,292.78	10,292.78	0.00
Clubs	12,102.31	16,976.69	16,877.77	12,201.23
Departments	2,981.74	4,882.32	4,688.82	3,175.24
Trusts	5,724.83	32,401.14	31,146.76	6,979.21
General	<u>12,333.13</u>	<u>9,287.21</u>	<u>8,829.69</u>	<u>12,790.65</u>
TOTALS	<u><u>\$ 35,509.38</u></u>	<u><u>\$ 79,451.36</u></u>	<u><u>\$ 76,055.12</u></u>	<u><u>\$ 38,905.62</u></u>

APOLLO MIDDLE SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 1,544.33	\$ 7,380.02	\$ 5,505.23	\$ 3,419.12
Music	2,214.96	1,854.00	3,739.36	329.60
Classes	0.00	25,630.00	25,525.00	105.00
Clubs	12,201.23	10,552.42	12,645.32	10,108.33
Departments	3,175.24	3,953.99	4,972.28	2,156.95
Trusts	6,979.21	25,448.10	22,818.96	9,608.35
General	<u>12,790.65</u>	<u>6,343.83</u>	<u>8,388.06</u>	<u>10,746.42</u>
TOTALS	<u><u>\$ 38,905.62</u></u>	<u><u>\$ 81,162.36</u></u>	<u><u>\$ 83,594.21</u></u>	<u><u>\$ 36,473.77</u></u>

BEACHSIDE MONTESSORI VILLAGE
AUDIT REPORT
FOR THE 2010-11 AND 2011-12 FISCAL YEARS
JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 2230 Lincoln Street, Hollywood, Florida 33020

Principal: Joseph Balchunas

Bookkeepers: Joanne Day (April 2011 to current)
Regina Scarbrough (July 2010 to March 2011)

Payroll Processor: Linda Apolaro

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Checking Account – Wells Fargo	\$ <u>8,490.20</u>	\$ <u>10,858.75</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Beachside Montessori Village for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

BEACHSIDE MONTESORRI VILLAGE

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Music	\$ 0.00	\$ 80.00	\$ 0.00	\$ 80.00
Classes	0.00	47,807.80	46,944.29	863.51
Clubs	0.00	5,329.60	3,513.50	1,816.10
Departments	0.00	239.55	147.44	92.11
Trusts	0.00	419,231.22	416,526.22	2,705.00
General	0.00	4,175.45	1,241.97	2,933.48
TOTALS	\$ 0.00	\$ 476,863.62	\$ 468,373.42	\$ 8,490.20

BEACHSIDE MONTESORRI VILLAGE

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 0.00	\$ 174.00	\$ 174.00	\$ 0.00
Music	80.00	983.00	458.48	604.52
Classes	863.51	24,324.02	24,054.44	1,133.09
Clubs	1,816.10	4,335.20	3,731.31	2,419.99
Departments	92.11	639.84	94.96	636.99
Trusts	2,705.00	495,250.87	496,411.77	1,544.10
General	<u>2,933.48</u>	<u>7,070.05</u>	<u>5,483.47</u>	<u>4,520.06</u>
TOTALS	<u>\$ 8,490.20</u>	<u>\$ 532,776.98</u>	<u>\$ 530,408.43</u>	<u>\$ 10,858.75</u>

HERON HEIGHTS ELEMENTARY SCHOOL
AUDIT REPORT
FOR THE 2010-11 AND 2011-12 FISCAL YEARS
JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 11010 Nob Hill Road, Parkland, FL 33076
Principal: Kenneth King
Bookkeeper: Connie Ginn
Payroll Processor: Connie Ginn

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Checking Account – Wells Fargo	\$ <u>59,194.65</u>	\$ <u>45,933.54</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Heron Heights Elementary School for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

HERON HEIGHTS ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 1,592.03	\$ 89,908.07	\$ 89,534.01	\$ 1,966.09
Clubs	821.71	5,679.46	4,587.62	1,913.55
Departments	2,982.76	2,210.93	3,316.66	1,877.03
Trusts	23,796.77	365,033.40	344,478.19	44,351.98
General	6,557.95	6,225.86	3,697.81	9,086.00
TOTALS	\$ 35,751.22	\$ 469,057.72	\$ 445,614.29	\$ 59,194.65

HERON HEIGHTS ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 1,966.09	\$ 51,458.00	\$ 51,686.33	\$ 1,737.76
Clubs	1,913.55	3,732.56	3,131.88	2,514.23
Departments	1,877.03	588.12	802.28	1,662.87
Trusts	44,351.98	327,858.00	340,319.25	31,890.73
General	9,086.00	5,435.80	6,393.85	8,127.95
TOTALS	<u>\$ 59,194.65</u>	<u>\$ 389,072.48</u>	<u>\$ 402,333.59</u>	<u>\$ 45,933.54</u>

PINE RIDGE ALTERNATIVE CENTER
AUDIT REPORT
FOR THE 2011-12 FISCAL YEAR
JULY 1, 2011 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 1251 SW 42nd Avenue, Fort Lauderdale, Florida 33317
Principal: Belinda Hope
Bookkeepers: Linda Deck (July 2009 to December 2012)
Maria Renzifo – Business Center (December 2012 to current)
Payroll Processor: Betty Symonette

CASH SUMMARY

Cash Account:	<u>6/30/12</u>
Checking Account – Wells Fargo	\$ <u>2,446.68</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statement of Pine Ridge Alternative Center for the 2011-12 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-12 fiscal year, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

PINE RIDGE ALTERNATIVE CENTER

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 1,019.68	\$ 2,026.00	\$ 2,253.25	\$ 792.43
Clubs	40.82	5,661.90	4,636.17	1,066.55
Trusts	173.12	10,874.18	10,947.30	100.00
General	<u>487.72</u>	<u>397.54</u>	<u>397.56</u>	<u>487.70</u>
TOTALS	<u>\$ 1,721.34</u>	<u>\$ 18,959.62</u>	<u>\$ 18,234.28</u>	<u>\$ 2,446.68</u>

SEAGULL SCHOOL
AUDIT REPORT
FOR THE 2010-11 AND 2011-12 FISCAL YEARS
JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 425 SW 28th Street, Fort Lauderdale, Florida 33315
Principal: Bonnie Clemon, Jr.
Bookkeepers: Silvia Valvezan (August 2007 to June 2011)
Sandy Best (June 2011 to Current)
Payroll Processor: Jean Clark

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Checking Account – Bank of America	\$ <u>1,335.86</u>	\$ <u>1,901.37</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Seagull School for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

SEAGULL SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 0.00	\$ 2,413.97	\$ 2,413.97	\$ 0.00
Clubs	428.35	5,014.22	4,617.53	825.04
Departments	119.30	133.05	0.00	252.35
Trusts	165.37	16,144.11	16,279.95	29.53
General	409.30	758.40	938.76	228.94
TOTALS	\$ 1,122.32	\$ 24,463.75	\$ 24,250.21	\$ 1,335.86

SEAGULL SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 0.00	\$ 3,890.68	\$ 3,890.68	\$ 0.00
Clubs	825.04	14,590.96	14,247.24	1,168.76
Departments	252.35	80.04	4.00	328.39
Trusts	29.53	23,923.35	23,784.93	167.95
General	228.94	839.50	832.17	236.27
TOTALS	<u>\$ 1,335.86</u>	<u>\$ 43,324.53</u>	<u>\$ 42,759.02</u>	<u>\$ 1,901.37</u>

WESTERN HIGH SCHOOL
AUDIT REPORT
FOR THE 2011-12 FISCAL YEAR
JULY 1, 2011 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 1200 S W 136 Avenue, Davie, FL 33325
Principal: David Jones (July 2011 to current)
Bookkeepers: Robbie Sumby (October 2011 to current)
Brigitte Vazquez (July 2011 to October 2011)
Payroll Processor: Julia Altschulur

CASH AND INVESTMENT SUMMARY

	<u>6/30/12</u>
Cash Account:	
Checking Account – Wells Fargo	\$ 207,613.90
Investment:	
Treasurer's Pool Account	<u>135,000.00</u>
TOTAL	\$ <u>342,613.90</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statement of Western High School for the 2011-12 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-12 fiscal year, on the cash basis of accounting. With respect to the items tested, the school generally complied with various Florida Statutes, Board Policies and particularly the Standard Practice Bulletins. Our assessment of the controls in place to promote compliance with the School Board's policies and procedures indicated the internal control structure at the school generally functioned as designed by the District administration.

AUDIT EXCEPTIONS

None

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

WESTERN HIGH SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 1,626.33	\$ 57,923.58	\$ 56,219.94	\$ 3,329.97
Music	15,042.30	13,618.43	14,368.69	14,292.04
Classes	58,887.91	142,146.52	158,852.35	42,182.08
Clubs	159,936.20	252,390.20	271,873.01	140,453.39
Departments	13,400.41	13,693.00	13,597.79	13,495.62
Trusts	44,745.55	125,145.35	114,412.25	55,478.65
General	60,474.13	45,212.28	32,304.26	73,382.15
TOTALS	<u>\$ 354,112.83</u>	<u>\$ 650,129.36</u>	<u>\$ 661,628.29</u>	<u>\$ 342,613.90</u>

SECTION II:
Audit Report (with Exceptions)

BOYD H. ANDERSON HIGH SCHOOL
AUDIT REPORT
FOR THE 2011-12 FISCAL YEAR
JULY 1, 2011 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 3050 NW 41 Street, Lauderdale Lakes, Florida 33309
Principal: Angel Almanzar
Bookkeeper: Juanita Boggan
Payroll Processor: Shirley Neal

CASH AND INVESTMENT SUMMARY

	<u>6/30/12</u>
Cash Account:	
Checking Account – Wells Fargo	\$ 85,479.61
Investment:	
Treasurer’s Pool Account	<u>22,000.00</u>
TOTAL	\$ <u>107,479.61</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statement of Boyd H. Anderson High School for the 2011-12 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-12 fiscal year, on the cash basis of accounting. However, as indicated by the findings, the school administration should emphasize adherence to the policies and procedures in the School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

Vending Commissions

During our review of vending commissions for fiscal year 2012, we noted \$10,753.26 was posted into the Faculty Account. The school received the vendor's commission check along with a letter detailing how funds were to be distributed. Based upon our calculations, the Faculty should have only received \$3,753.26, based upon the number of vending machines assigned to faculty. Therefore, they were overpaid \$7,000.

School Board Policy 3411 Internal Accounts states "All monies collected or disbursed by school personnel or by students within a school, in connection with the school program, for the benefit of that school, a class, club, department, employee or student shall be recorded in the school's Internal Funds...All of the aforementioned funds shall be administered and accounted for in accordance with existing laws, Florida State Board of Education Administrative Rules and Board Policies. Internal Accounts Funds shall not be used (1) for any purpose which represents an accommodation to...employees of the Board..."

Standard Practice Bulletin I-205 General states "General Fund monies are, according to the Financial and Program Cost Accounting and Reporting for Florida Schools Manual (*Redbook*), to be utilized for the general welfare of the student body...Revenues for the General Fund are usually obtained from:...Unearmarked donations...General fund monies must be expended for the general benefit of the student body."

Standard Practice Bulletin I-309 Vending Machines/Snack Bars states "All vending machine operations and contracts must be approved by the Purchasing Department. All vending machines must be operated by and monies deposited into a class, club, or department's internal account." It also precludes the deposit of profits from sales to students into the Faculty/Sunshine Account.

The Collective Bargaining Agreement between the School Board of Broward County, Florida, and the Broward Teachers Union (Teachers' Contract) Article 5 Section P. states "Vending Machines: Profits from vending machines in employee workrooms, lunchrooms or lounges shall be expended...as determined by the employees in the school and the principal at the worksite through the faculty council."

The only vending machine commissions which should be receipted into the Faculty/Sunshine Account are commissions from sales by machines located in the faculty lounge or teacher planning area (i.e. machines which are not patronized by students.)

We recommend the Principal:

1. Review the requirements of School Board Policy 3411 and Standard Practice Bulletins I-205 and I-309 with the Bookkeeper.
2. Transfer the \$7,000 from the Faculty account to a class, club or the school's General account.
3. Ensure vending machine commissions derived from sales to students and lump sum payments from a vending agreement are receipted into the General Account or other appropriate class or club accounts.
4. Ensure vending machine commissions derived from machines in faculty lounges and teacher planning areas are receipted into the Faculty/Sunshine Account.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

BOYD H. ANDERSON HIGH SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 513.35	\$ 62,094.79	\$ 61,035.43	\$ 1,572.71
Music	1,104.20	35,182.61	33,729.37	2,557.44
Classes	9,134.15	74,916.82	79,976.34	4,074.63
Clubs	34,784.98	106,479.95	104,328.02	36,936.91
Departments	1,553.26	2,988.74	1,824.77	2,717.23
Trusts	20,709.91	78,739.23	76,688.51	22,760.63
General	<u>35,718.57</u>	<u>29,217.32</u>	<u>28,075.83</u>	<u>36,860.06</u>
TOTALS	<u><u>\$ 103,518.42</u></u>	<u><u>\$ 389,619.46</u></u>	<u><u>\$ 385,658.27</u></u>	<u><u>\$ 107,479.61</u></u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**DESMOND K. BLACKBURN, Ph.D.
CHIEF SCHOOL PERFORMANCE AND ACCOUNTABILITY OFFICER**

Telephone: 754-321-3838

Facsimile: 754-321-3886

Date May 17, 2013

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

FROM: Desmond K. Blackburn, Ph.D.
Chief School Performance and Accountability Officer

SUBJECT: **Internal Audit Response – Fiscal Year 2012
Boyd H. Anderson High School**

The Office of School Performance and Accountability has reviewed the internal audit findings for Boyd H. Anderson High School. These audit findings have been discussed with the Principal, Angel Almanzar, and he has taken full responsibility to implement deliberate steps to ensure exception-free internal audits in the future. The Office of School Performance and Accountability will monitor the school's progress and hold the Principal appropriately accountable should future audit exceptions occur.

If additional information is needed, please let me know.

DKB:mg

cc: Michael J Ramirez, Director, Office of School Performance and Accountability
Nell Johnson, Director Business Support Center
Sheena Newton, Auditor
Angel Almanzar, Principal, Boyd H. Anderson High School

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

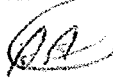
BOYDIE S. DEKONORIS, ESQ.
ANGEL ALMANZAR, Principal
BROWARD COUNTY
Candace K. Baker, Clerk
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May 9, 2013

TO: Mr. Michael Ramirez, Director

FROM: Angel Almanzar, Principal 

SUBJECT: Response to Audit Report Internal Accounts Fiscal Year 2012

The purpose of this memorandum is to provide a response to the Internal Accounts 2012 audit. The audit findings have been acknowledged and corrective actions that have been initiated to prevent these exceptions from recurring.

Findings

The school received a total of \$10,753.26 in commissions posted into the Faculty Account. According to the auditors' calculations, the faculty should have only received \$3,753.26 based on the number of vending machines assigned to faculty. The school received documentation indicating that a total of \$7,000.00 was a donation for the faculty account. The audit findings indicated that the \$7,000.00 should have been deposited in the general account.

Corrective Action

The school bookkeeper and I have reviewed School Board Policy 3411, Standard Practice Bulletin I-205, and I-309 relevant to Internal Accounts, and understand the directives delineated therein. On a monthly basis \$150.00 will be posted in the general account from the faculty commission until the sum of \$7,000 is repaid in full. In the future, vending machine commissions derived from machines in faculty lounges and teacher-planning areas only will be receipted into the Faculty/Sunshine Account.

MANATEE BAY ELEMENTARY SCHOOL
AUDIT REPORT
FOR THE 2010-11 AND 2011-12 FISCAL YEARS
JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 19200 SW 36th Street, Weston, Florida 33332

Principal: Heather Hedman-Devaughn

Bookkeeper: Diane Mulberger

Payroll Processor: Raquel Suarez

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Checking Account – Wells Fargo	\$ <u>65,071.40</u>	\$ <u>63,189.77</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Manatee Bay Elementary School for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. However, as indicated by the findings, the school administration should emphasize adherence to the policies and procedures in the School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

PTA Activities

In November 2012, complaints/concerns from parents and staff (both current and former) of Manatee Bay Elementary School to the Superintendent, regarding the activities of the Parent Teachers' Association (PTA), resulted in a preliminary investigation by the Broward District Schools' Police Department (SIU #2012-11-0001). In December 2012, a referral was issued requesting an audit be conducted of the school's (PTA's) "fundraising books" under Referral #12-1130, issued to the Office of the Chief Auditor (OCA) by the Superintendent. It is important to clarify that the Office of the Chief Auditor does not have jurisdiction over outside organizations, such as PTAs. In this case, though, the PTA was cooperative and did allow us to review some of their accounting records.

One of the allegations made was that the school had two sets of books. Other allegations included missing funds, missing documents and other questionable transactions by the after school care providers to School Board employees. These allegations were directed against the former PTA President, several PTA members, several school employees, the After School Care vendor and the current Principal. Some other allegations that were made by parents and staff were related to personal issues. The Office of the Chief Auditor addresses monetary and financial issues where fraud and misappropriation of funds are concerned, but not personal conflicts or allegations of a personal nature. The parents/staff's concerns were heightened when the former PTA President abruptly resigned from her duties in November 2012. As part of our audit fieldwork, we attempted to contact the former PTA President; however, we were unsuccessful. We also used the services of our Broward District Schools' Police Department, who were also unable to locate the former PTA President. Subsequently, a review of Miscellaneous Income (Form 1099 - Misc) disclosed a mailing address in New Jersey.

Manatee Bay Elementary School's Principal has historically allowed the PTA to handle most fundraising activities at the school. Beginning in September 2012, the PTA also began operating an after school care business, called "Club 2:05", which consisted of extra-curricular classes and academic camps, even though the School Board's awarded vendor, After School Programs Inc., (ASP) was hired by the school to run the school's after care program. Per discussion with ASP personnel, they had no issues with a competing after school care program operated by the PTA

that used the same facility (school's cafeteria). The PTA's after school care program includes "social clubs and academic camps", which require a fee from every student who participates. The PTA's program begins at 2:05 p.m. and ends at 4:00 p.m., making it necessary for some parents to pay for the second program (ASP), if they need coverage between 4:00 p.m. and 6:00 p.m. There is no discounted rate offered by ASP for the two hours, resulting in some parents paying the full price for two competing after school care programs.

The procedures used to satisfy our objectives in this audit included a review of the PTA's accounting records, financial statements and bank statements; interviews with school staff, PTA members, ASP staff, parents and Broward District Schools' Police staff; and other auditing procedures, as deemed necessary. We determined that there were not two sets of books for the school's internal funds, which would have been improper; however, we did confirm that there were actually three sets of books relating to the financial transactions for the different entities. Each entity had its own books and records to record receipts and disbursements and financial information, as follows:

1. Manatee Bay Elementary School's books and records are handled by the school's Bookkeeper.
2. The After School Care vendor's (ASP), books and records are handled by their staff.
3. The PTA's books and records are handled by the PTA's Bookkeeper/Treasurer.

We reviewed the PTA's records relating to activities for the past six months (August 2012 to January 2013) specifically focusing on the collections for the Social clubs (which are currently in their second session) and Academic camps (in their first session). Approximately \$76,000 was collected for Social clubs and approximately \$29,000 for Academic camps. In addition, the PTA reported collecting approximately \$103,000 from various other fundraising activities during this period. Therefore, a total of approximately \$208,000 was collected by the PTA during this period and recorded in the PTA's accounting records and monies were deposited into the bank. We noted that the PTA handled all fundraising activities for the school. The school did not conduct any fundraisers during the period reviewed.

During our review, we determined that verification of monies collected was inconclusive, since it was not the practice of Manatee Bay's PTA to utilize pre-numbered or any type of receipts, which would help to ensure that all amounts collected were deposited. When receipts are not used, there is a lack of accountability and internal controls, making it impossible to confirm whether all monies collected were deposited. It was difficult to determine the potential revenues for club fees and fundraisers, since the deposits did not contain breakdowns of the monies collected. Instead, the deposits showed only lump sum amounts for each type of deposit. In one example, we reviewed the financial information and bank deposits and determined for the PTA's fall fundraiser, a total of \$32,444 was recorded in the PTA's books and deposited into the PTA's bank account. There were no receipts identifying the amounts paid by each student. We did obtain an Excel spreadsheet from the PTA that provided a list of the donations broken down by individuals who donated \$100 or more and those who donated less than \$100. The students who donated \$100 or more were allowed to attend a "Mega" party; however, those who donated less than \$100 were only allowed to attend the ice cream party. The total amount collected, per the spreadsheet, was \$28,596. Although cash deposited was greater than the spreadsheet showed, we had no way

to determine that all monies collected were recorded and deposited or to determine the accuracy of the data on the spreadsheet.

The PTA did not make monetary donations to the school; instead they donated items to the school, which included Interactive Document Cameras/projectors, educational & school supplies, office supplies, craft supplies, musical instruments & other supplies. In addition, expenditures were incurred for teacher appreciation, teacher support and various payments to teachers for the After Care program activities. These donations were not agreed upon in writing, but rather were simply verbal agreements made with the Principal. Also, we sampled expenditures and determined that approximately \$113,000 was spent on the above mentioned school related expenses, teacher appreciation, teacher support and payments to teachers working for the PTA, during the six month period we reviewed.

We reviewed payroll related expenditures and determined the PTA is paying teachers between \$225 to \$750 per session to lead the Social clubs and \$40 per hour for Academic camps. In addition to payment, teachers were also given gift cards during the first session. One teacher was paid \$500 to be the staff liaison between the PTA and the Manatee Bay Elementary teachers who were hired as Social or Academic Leaders in these PTA operated after school clubs. A review of the Miscellaneous Income (Form 1099 – Misc) information disclosed that the prior PTA President received \$2,000 in compensation. A total of six other individuals received 1099 Forms for compensation that ranged between \$617 and \$2,250. The amount of compensation recorded on all 1099 Forms amounted to \$9,280 for the 2012 calendar year. Routinely, most PTA's use volunteers who do not receive monetary compensation.

Conclusion

Based on our review, we could not substantiate any of the allegations pertaining to missing funds, missing documents or other questionable transactions made by the parents and staff of Manatee Bay Elementary School that were directed against the former PTA President, several PTA members, several school employees, the After School Care vendor and the current Principal. We followed up on these allegations; however, we did not receive any specific supporting documentation from the parents/staff who made the complaints to substantiate their allegations. If any individual still believes that there is or has been any misappropriation of funds by the Manatee Elementary PTA, he/she should contact an outside law enforcement agency, such as the Broward Sheriff's Office, or the Office of the State Attorney, to present their allegations. The outside law enforcement agency may wish to contact the former PTA President, if they believe the allegations are warranted. In addition, pertaining to questionable transactions by the after school care providers to School Board employees, we believe a separate investigation should be conducted by our Broward District Schools' Police Department.

As previously stated, the District does not have jurisdiction over the PTA's books, records and procedures for handling cash and cash disbursements; however, the District has Standard Practice Bulletins and School Board Policies that must be followed at each school related to Internal Funds and interactions with Independent School Related Organizations (ISRO). Our review provided recommendations to improve internal fund operations pertaining to after school care programs. We also identified several non-compliance issues with Standard Practice Bulletins,

School Board Policies and procedures that relate to internal fund activities and Independent School Related Organizations as follows:

1. Consider Establishing an In-House After School Care Program for Manatee Bay Elementary School

As part of our fieldwork, we compared the services provided by the After School Care Vendor and the PTA's Club 2:05, which were offered each day to students. We made several site visits to Manatee Bay Elementary School's cafeteria, where both after school care programs (PTA's "Club 2:05" and the awarded vendor's After School Programs (ASP)) are conducted each day beginning at 2:00 p.m. We determined for the fall session (September 18, 2012 through November 28, 2012), parents were being charged from \$125 to \$250 for each class in "Club 2:05". For the second session beginning in January 2013, academic classes were added that ranged between \$90 and \$110 per class. The After School Programs, (ASP) cost per month, Monday through Friday, was \$180.

For example, if a parent needed after school services Monday through Friday until 6:00 p.m. and elected to enroll in "Club 2:05" classes, this could be a typical breakdown of their expenses for one 11 week session:

Monday & Wednesday	Karate	\$250
Tuesday	Double Dutch	\$130
Thursday	Hip Hop	\$135
ASP*	(11 week session)	<u>\$495</u>
Total Cost per Session		<u>\$1,010</u>

*The ASP program operates from 2:00 – 6:00 p.m.; therefore, it would be necessary to pay for this entire program fee in order to have coverage from 4:00 – 6:00 p.m., since the PTA's "Club 2:05" ends at 4:00 p.m..

Recommendation

We recommend the Principal consider the following:

Currently, classes such as reading, math and science are offered by the PTA's after school care program, known as Club 2:05. We recommend that Manatee Bay Elementary School administration create an in-house after school care program and eliminate the two existing, competing after school care programs. Currently, the awarded vendor, After School Programs (ASP) does not provide classes, only recreational and homework assistance. The PTA program, on the other hand, offers academic classes, but closes at 4:00 p.m.. As previously mentioned, if students require care after 4:00 p.m., this results in students having to enroll in both programs, where parents have to pay for two full program fees. Providing an in-house after school care program would allow for a more comprehensive after school care program, offering academic, as well as recreational activities for students, all in one program, resulting in a more affordable

price. It was determined in prior years that a Drama Club was held after school that was operated by teachers at no cost to students. In addition, this would ensure better controls over the curriculum offered in these academic classes and would eliminate the need for some students to attend both programs. This would also ensure proper payment for teachers through the District's payroll system. Lastly, all profits would benefit the school.

2. Non-Receipting

The PTA does not issue pre-numbered or any type of receipts to students or parents when payment is received or when item(s) are purchased. This practice makes it difficult to verify what the collections represent (i.e. fundraising, t-shirt sales) and trace initial monies collected to the bank statement(s).

The PTA's Dollars and Sense-Treasurer's Manual states "Dollars and Sense is a manual for Florida PTA Treasurers. It includes basic information on a variety of topics that combined with your PTA's bylaws and publications of the National PTA, provides a foundation on which to build a solid financial system for your PTA. Six basic rules will make your job easier – ALWAYS follow them:

- Pay every bill, no matter how small, by a dual-signed check
- Never - ever - give anyone a pre-signed blank check or one made payable to "cash"
- Count money received with the person presenting it
- Issue receipts for all money received
- Deposit money promptly in the bank
- Present accurate treasurer's reports at all meetings"

Dollars and Sense - The Accounting for Funds Section states "At any time when funds are received, the Treasurer and the chair of the event or another designated person should count all monies received together and both sign a receipt verifying the amount. If the Treasurer is unavailable, then two people count the money, sign the receipt and then the money is taken to the Treasurer who in turn issues receipts for all monies received and promptly makes a deposit in the PTA bank account. Make arrangements to use the bank's night depository, if needed. Do not leave money in the school, trunk of your car or your home overnight."

Recommendation

We recommend the Principal:

- a. Request that all monies collected for fundraising activities held by the PTA are conducted in accordance with the Florida PTA Rules and By Laws.
- b. Complies with Standard Practice Bulletin I-101, which requires a pre-approved Letter of Agreement for all fundraising activities between the Principal and the PTA or other outside organization. These practices will help to ensure that the Principal will be aware of the revenues and associated expenditures related to each fundraising activity, and that the Principal can determine what the school can expect to receive from each fundraiser.

3. Principal Approval

A Letter of Agreement approving the fundraisers, showing the approval of the Principal, did not exist between the PTA and Manatee Bay Elementary School; therefore, only verbal agreements were given to the Principal by the PTA for fundraising activities held.

Standard Practice Bulletin I-101 General Policy Section II.F.b. states "If the school-related activity is sponsored by the Independent School Related Organization (ISRO), and a share of the proceeds is to be distributed to the school, a Letter of Agreement must be executed prior to the start of the activity. All school related activities that are sponsored by an ISRO must be approved by the school's Principal. This approval must be documented on a Letter of Agreement."

Recommendation

We recommend the Principal ensure that all future PTA fundraising activities are approved using a 'Letter of Agreement' which clearly states the intention of the organization prior to the start of the activity and how the school/students will benefit.

4. **Non-Compliance with School Board Policy 1341 – Use of Broward County School Facilities for Non-School Purposes**

Although the PTA is considered a "School-Allied" group and is not required to have a facility rental contract for normal meetings, the PTA contracted with two private companies to conduct "on school grounds" classes, (karate and dance lessons) for which students were charged a fee. Since a fee was charged, it should be required that the PTA pay for the rental of the facility.

These two companies, which provided karate and dance lessons to students, are not District approved vendors and did not have a facility rental contract with the District. In addition, both companies occupy a portion of the cafeteria, although After School Programs Inc., has an approved lease agreement with the District to occupy the same space.

School Board Policy 1341 Use of Broward County School Facilities for Non-School Purposes Section 5(a)(3) states "School-Allied Groups may charge for fundraising events including dinners, dances, and car washes, and not be required to pay Rental Fees to the School Board or provide a Certificate of Insurance to the School Board as long as all of the funds raised are spent to support school activities. For the purposes of this Policy, fundraising events shall not include camps (see Rule 5(a)(4)). If a School-Allied Group elects to charge students or parents for fundraising purposes, the head of the School-Allied Group must provide the affected school Principal or Faculty Director of the public school facility with data that depicts anticipated projected revenues from the event, prior to the scheduled event, and a statement of actual revenues after the event. At the end of each school year, the School-Allied Group must provide a written statement to the affected school Principal or Faculty Director including how all the funds raised or accumulated by the School-Allied Group were expended to support District School activities. Failure to provide the information as set forth above may result in the Superintendent or designee refusing to allow the School-Allied Group to use the public school facilities."

Recommendation

We recommend the Principal:

- a. Charge the appropriate facility rental fees to the PTA for any future activities where a fee is being charged to students in cases where all of the funds raised are not being used to support school activities, as required by School Board Policy 1341.
- b. Monitor the PTA's activities where leasing of District facilities are concerned.
- c. Ensure that all private vendors are approved vendors and have a facility rental contract on file with the District.
- d. Ensure that the PTA provides the Principal with data that depicts anticipated projected revenues from the event, prior to the scheduled event, and a statement of actual revenues after the event.

5. Overlapping Hours (Double Dipping)

Teachers at this school are contracted by the District to work until 3:00 p.m., but since some club activities begin at 2:00 p.m., teachers who worked for the PTA "Club 2:05" began working for the PTA at 2:05 p.m.; therefore, they did not complete their full 7.5 hour work day at Manatee Bay Elementary School. This resulted in the teachers being paid by the District for an hour of work not performed, and in most cases, teachers were receiving additional monetary compensation from the PTA for this same hour. There were thirteen (13) teachers who had between eight (8) and seventeen (17) instances each where they began working with the PTA at 2:05 p.m. during the first session from September 19, 2012 through November 28, 2012, instead of completing their contracted 7.5 hour work day with the District.

In addition, per our conversation with the Principal, teachers were asked to document their time spent in PTA clubs and were instructed to make up the time at the end of the day. However, we learned that not all teachers stayed after school to make up that time.

School Board Policy 4008 Responsibilities and Duties (Principals and Instructional Personnel) states "All employees of the Board who have been issued contracts as provided by Florida Statutes, or annual work agreements as provided by the Board shall comply with the provisions of the Florida School Code, State Board Regulations and regulations and policies of the Board."

Section A states "Duties of the Principals: The Principal shall - Assume administrative responsibility and instructional leadership, under the supervision of the superintendent in accordance with rules and regulations of the School Board, for the planning, management, operation, and evaluation of the educational program of the school to which the individual is assigned."

Section C states "Miscellaneous - Instructional personnel are required to work 196 days, 180 of which must be devoted to working full-time on instructional matters. Instructional personnel must be on duty a minimum of seven and one-half (7.5) hours daily. Class hours shall be regulated by the Accreditation Standards for Florida Schools. The starting and dismissal hours for schools shall allow for maximum instructional efficiency."

Recommendation

We recommend that the Principal ensure:

- a. that teachers are working the required 7.5 hours each day in accordance with School Board Policy 4008 and their BTU Contract and that they are not overlapping their school hours with hours worked for the PTA.
- b. if teachers are permitted to leave one hour before the completion of their normal workday, they make up the time and document in writing when the time was made up.

6. Security Clearance

The owner of the karate company sought a Level 1 clearance with the District in December 2012, after we brought this issue to the PTA's attention; therefore, this individual and possibly his employees were in contact with children without the proper clearance from the District prior to December 2012.

In addition, the PTA also hired four non-school board employees (identified as volunteers) to lead some of its "clubs". Three employees had some type of security clearance, but only one of these individuals has a Level 1 and Level 2 (background) clearance. The second individual is a detective and according to the Broward District Schools' Police, persons in law enforcement are waived from background checks. The third individual had a Level 1 (background) clearance. Therefore, one individual was in the presence of children without having the required background screening.

According to the Jessica Lunsford Act Section 1012.465, Florida Statutes, "Noninstructional school district employees or contractual personnel who are permitted access on school grounds when students are present, who have direct contact with students or who have access to or control of school funds must meet Level 2 screening requirements as described in Section 1012.32, Florida Statutes. Contractual personnel shall include any vendor, individual, or entity under contract with the school board.

The Statute, as amended, applies to three categories of either non-instructional or contractual personnel, all of whom must meet Level 2 background screening requirements, including those:

- Who are permitted access on school grounds when students are present,
- Who have direct contact with students, or
- Who have access to or control of school funds.

Guest Speakers / Fundraisers / Community Organizations / Career Day Speakers / College Sport Recruiters / Transportation to Private Facilities / Organizations Contracted by the PTA: Unless a

contract exists with the School Board, individuals falling into these categories only require a Level 1 screening. Level 1 screening includes checking the name of the individual against the sexual predator and local criminal database.

Consultant/Trainers (Neither a contract nor bid with the District): Any consultant/trainer that will be compensated for their services by the school district or an individual school must be fingerprinted and issued an ID badge for a fee of \$75.”

Recommendation

We recommend the Principal ensure that non-School Board persons are not given access to school grounds when students are present unless the necessary background checks are done, i.e. Level 2 background screening, and proper credentials are obtained and badges are worn at all times.

7. Tutoring

As leaders of the “Social clubs” and “Academic camps”, some teachers were tutoring their own students.

School Board Policy 4202 Tutoring states “By maintaining a high quality instructional staff and providing a rich, varied curriculum, the need for individual tutoring should be minimized. Every effort should be made by the Principal and teacher(s) to help the student with educational problems before recommending that parent(s) engage a tutor. In order to cover exceptional cases where it might become necessary to recommend individual tutoring, rules and regulations shall be established by the Superintendent to protect both the Broward County School System and teacher(s) from charges of conflict of interest. These rules and regulations shall be in accordance with Accreditation Standards for Florida Schools, Florida State Board of Education Administrative Rules and/or Florida Statutes.

RULES:

- A teacher may not receive compensation for tutoring any student while that student is assigned to one of his/her classes.
- A music instructor may give private lessons to his/her own student(s) when other qualified tutors on the school’s staff are not available in that subject area.
- Broward teachers who receive compensation for tutoring shall not use public school facilities for such purpose.
- Individual tutoring for compensation by District teachers shall not take place during the school day.
- Board employees shall not request or receive money from students/parents to pay for clinicians/consultants. Booster clubs may be requested to fund these activities pursuant to the school’s internal account dollars.”

Recommendation

We recommend the Principal ensure:

- a. Tutoring is encouraged, free of charge, when necessary.
- b. Teachers are not being compensated for tutoring, especially when the student(s) is/are assigned to his/her class.
- c. Adherence to School Board Policy 4202 – Tutoring.

8. PTA Documents & Deliveries

The PTA correspondence, such as financial documents and invoices, were not specifically labeled in order to distinguish between the “Manatee Bay Elementary PTA” and “Manatee Bay Elementary School”; therefore, vendor invoices were and continue to be forwarded, to the school’s bookkeeper for payment.

According to staff, PTA packages were delivered to the school, but a PTA member was not always on school grounds to take possession of these items; instead, the school’s staff signed for items which were ordered by the PTA.

Standard Practice Bulletin I-101 General Policy, Section VI. Independent School Related Organizations (ISROs) states “Independent School Related Organizations are comprised of groups such as PTA, PTO, PTSO, PTSA, Athletic Booster clubs, Band Patron groups, etc. These groups handle their finances outside the school and make gifts or donations to the school as they elect and as noted in writing to the school’s Principal. To avoid violations of School Board Policy, activities sponsored by Independent School Related Organizations should be conducted in such a way that they are clearly distinguished from student activities...These organizations:...2) Are financially independent and keep a separate bank account and accounting records...5) Must conduct activities separate from school sponsored activities...7) Must not have faculty and other school staff that are co-signers on the organization’s bank account and must not sign any form of agreement on behalf of the organization...8) Must not have faculty and other school staff involved in the handling of money of the Independent School Related Organization...11) Must reflect the organization’s name on all programs, flyers, or other promotional material for activities sponsored by the organization...All public announcements, programs, tickets, etc. should clearly designate the activity as an activity of the independent organization. Examples of independent school-related activities would include the following: ...C. Merchandising services such as a school store handled by PTA, occurs when the PTA orders all merchandise in its name, completely operates the sales activity, and handles the receipts and disbursements of money without involving School Board employees. D. Sales approved by the Principal of any other merchandise by outside parent or civic groups which do not involve School Board employees in the handling of the merchandise or sale proceeds.”

Recommendation

We recommend that the Principal ensure compliance with Standard Practice Bulletin I-101 and require that:

- a. All PTA packages, correspondence and flyers are clearly marked “Manatee Bay PTA” to distinguish between the school and the organization.
- b. All PTA deliveries are signed for by a PTA member and not by a Manatee Bay Elementary School employee.

9. Games of Chance

The PTA sponsored and held a “Family Bingo Night” which included a raffle of a weekend cruise. Parents were charged \$10 for a chance to win a cruise for four and \$1 for each bingo card for a chance to win gift baskets. The flyer for this event stated, “Manatee Bay Elementary is proud to announce our first Family Bingo Night”. Manatee Bay PTA should have been listed as the sole sponsor for this event and for any other PTA event held on or off school grounds.

School Board Policy 6206 Money-Raising Activities states “From time to time, it may be necessary and desirable for students to engage in some fundraising activity in connection with a special project. Money-raising activities shall have the prior approval of the Principal and conform to such rules and regulations as the Board may establish. Organized School groups shall not sponsor or engage in any form of games of chance.”

Standard Practice Bulletin I-402 Fundraising Activities states “Money raising activities SHALL have the prior approval of the Principal and conform to such rules and regulations as the Board may establish.

Fundraising Activities Limitations states “organized school groups SHALL NOT sponsor or engage in any form of games of chance (i.e. raffles, lotteries, etc.)”

Dollars and Sense 2012, the Florida PTA Treasurers’ manual (accessed at www.floridapta.org/running-your-pta/finance) states “PTA Fund-raising Activities—Drawings and Games of Chance: Florida Statute Section 849.0935 governs under what circumstances charitable groups (including PTAs) may conduct drawings and award prizes. Please note there are many conditions associated with the process. Section 3 stipulates in detail how the drawing will be advertised and conducted. Of particular interest to PTAs is Section 3(e) which states that no purchase or contribution is necessary.

Section 4 covers what would be considered unlawful activities by the organization conducting the drawing. Again, what would be of particular interest to PTAs is Section 4(b) which states that it is unlawful to require an entry fee, donation, substantial consideration, payment, proof of purchase, or contribution as a condition of entering the drawing...

Considerable care should be taken when a PTA Board decides to conduct a drawing as a fundraiser to be certain it is in compliance with Florida Statute 849.0935.”

Recommendation

We recommend the Principal adhere to the guidelines of School Board Policy 6206 and Standard Practice Bulletin I-402 and ensure that there are no games of chance held in the name of the school or on school grounds by school personnel or by the PTA for the purpose of raising funds.

10. Payments to Volunteers

We noted that PTA members are being compensated for volunteering, including the former president, current president(s), and treasurer, who were paid up to \$2,250 for the 2012 calendar year or at an hourly rate of \$10/hour to volunteer in some capacity with the “Social clubs and Academic camps”.

Florida PTA Bylaws 2012/2013 Article III states “The Objects (Purposes) of the association, in common with the Objects of the National PTA are: a. To promote the welfare of children and youth in home, school, community and place of worship.”

Article IV.f. states, “No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, directors, trustees, officers or other private persons”

Standard Practice Bulletin I-101 General Policy Section I states “The responsibility for Internal Fund Accounts is established primarily by State Law. State Board Rules, Section 6A-1.085 specifies in part: Monies collected and expended within a school shall be used for financing the normal program of school activities not otherwise financed, for providing necessary and proper services and materials for school activities and for other purposes consistent with the school program as established and approved by the school board. All school activities are approved by and operate under the direct leadership of the School Principal.

Student activities are recognized in State Regulations and School Board Policy as serving the following general purposes:

- A. To promote the education, general welfare, and morale of students.
- B. To finance the legitimate extra-curricular activities of the student body in order to augment, but not conflict with the educational program provided by the School Board.
- C. The School Board of Broward County has adopted a number of policies and regulations related to internal fund activities.”

Recommendation

We recommend the Principal:

- a. Ensure that outside organizations are not given approval to operate on school grounds if their sole purpose is to compensate their officers, members and other volunteers.
- b. Monitor the PTA’s, and any other School-Allied groups’ activities to ensure that the school is benefitting financially from all fundraising or business activities conducted.

OTHER COMMENTS

Payroll
The school generally adhered to the payroll procedures.

MANATEE BAY ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 3,553.44	\$ 217,120.48	\$ 219,211.73	\$ 1,462.19
Clubs	748.61	4,648.63	5,088.50	308.74
Department	12,483.76	549.29	2,333.02	10,700.03
Trusts	7,246.51	21,900.79	19,398.30	9,749.00
General	<u>44,644.59</u>	<u>10,487.32</u>	<u>12,280.47</u>	<u>42,851.44</u>
TOTALS	<u><u>\$ 68,676.91</u></u>	<u><u>\$ 254,706.51</u></u>	<u><u>\$ 258,312.02</u></u>	<u><u>\$ 65,071.40</u></u>

MANATEE BAY ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 1,462.19	\$ 229,928.21	\$ 229,191.24	\$ 2,199.16
Clubs	308.74	3,971.63	3,459.99	820.38
Department	10,700.03	663.21	2,465.17	8,898.07
Trusts	9,749.00	28,430.79	26,600.65	11,579.14
General	<u>42,851.44</u>	<u>3,602.56</u>	<u>6,760.98</u>	<u>39,693.02</u>
TOTALS	<u>\$ 65,071.40</u>	<u>\$ 266,596.40</u>	<u>\$ 268,478.03</u>	<u>\$ 63,189.77</u>

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
DR. DESMOND K. BLACKBURN,
CHIEF SCHOOL PERFORMANCE AND ACCOUNTABILITY OFFICER**

Telephone: (754) 321-3838

Facsimile: (754) 321-3886

Date: April 29, 2013

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

FROM: Desmond K. Blackburn, Ph.D.
Chief School Performance and Accountability Officer

**SUBJECT: AUDIT REPORT ON INTERNAL ACCOUNTS
FISCAL YEARS 2011 & 2012
RESPONSE - MANATEE BAY ELEMENTARY SCHOOL**

The Office of School Performance and Accountability has reviewed the internal audit findings for Manatee Bay Elementary School. These audit findings have been discussed with the Principal, Heather Hedman-DeVaughn, and she has taken full responsibility to implement deliberate steps to ensure exception-free internal audits in the future. The Office of School Performance and Accountability will monitor the school's progress and hold the Principal appropriately accountable should future audit exceptions occur.

If additional information is needed, please let me know.

DKB/MSS:jb

C: Dr. Mark S. Strauss, Director, Office of School Performance and Accountability
Nell Johnson, Director, Business Support Center
Heather Hedman-DeVaughn, Principal, Manatee Bay Elementary School

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANATEE BAY ELEMENTARY
Heather Hedman-DeVaughn, Principal
Mayra Hernandez, Assistant Principal
Marie Price-Dumervil, Assistant Principal
19200 Manatee Isles Drive
Weston, Florida 33332
(754) 323-6450 (Office Phone)
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SCHOOL BOARD

Chair LAURIE RICH LEVINSON
Vice Chair PATRICIA GOOD

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ANN MURRAY
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NORA RUPERT

ROBERT W. RUNCIE
Superintendent of Schools

April 24, 2013

To: Dr. Mark Strauss, Director
Office of School Performance and Accountability

From: Heather Hedman-DeVaughn, Principal
Manatee Bay Elementary *MJD*

Subject: Audit Report Response

Below is a response to the audit exceptions on the April 23, 2013 Audit Report of Internal Accounts for the Fiscal Years of 2011 and 2012, as follows:

1. In response to the recommendation that the Principal consider an In-House After School Care Program for Manatee Bay: This has already been discussed with potential After School Care leaders and we are currently researching this as an option.
2. In response to the Non-Receipting issue and recommendation that all monies collected for fundraising activities held by PTA, are conducted in accordance with the Florida PTA Rules and By Laws, and further that it complies with Standard Practice Bulletin 1-101, requiring pre-approved Letter of Agreement between the Principal and the PTA: I have met with the PTA Leadership and they will begin to use a pre-numbered receipting system for money collection, effective immediately. Additionally, we will continue to use the required pre-approved "Letter of Agreement," prior to any planned fundraising activity.
3. In response to the recommendation that the Principal ensure that all PTA fundraising activities be approved using a "Letter of Agreement," prior to the start of the activity, as stated above: When fundraiser requests are met and agreed upon, I will utilize the "Letter of Agreement" which clearly states the intention of the organization prior to the start of the activity and how the school / students will benefit. This will be discussed and completed in our weekly meeting with PTA Leadership.
4. Non-Compliance with School Board Policy 1341 – Use of Broward County School Facilities for Non-School Purposes, as well as their recommendation that an appropriate facility fee be charged when funds raised are not being used exclusively to support school activities; monitor PTA activities where leasing of District facilities are concerned; ensure private vendors are approved School Board vendors and have a facility rental contract; as well as ensure PTA provides data that depicts projected revenues from the event prior to the event, as well as a statement of revenues after the event: I have spoken to PTA regarding monitoring their activities where leasing of District facilities are concerned. All vendors coming to perform an ongoing activity must see our Office Manager to complete the leasing requirements as we do for non-PTA functions. Furthermore, all planned activities will be monitored before and after the event, to ensure that the school receives fees and revenues from the activity. All previous and post events will be discussed at the weekly PTA Meetings between Principal and PTA Leaders.
5. In response to the Overlapping Hours (Double Dipping) and the recommendation that the Principal ensure that teachers are working the required 7.5 hours daily in accordance with School Board Policy

4008 and their BTU Contracts, that they are not overlapping hours with the hours worked for PTA; and further, that if teachers are permitted to leave one hour before completion of their normal work day, that they make up the time and document in writing when all time was made up: Teachers that begin an afterschool camp or activity after 2:00 p.m. will continue to document their hours until the time has been made up. Additionally, administration will initial time sheets verifying that time was made up.

6. In response to the Security Clearance item and the recommendation that the Principal ensure that non-School Board persons not be given access to school grounds when students are present, unless all required background checks are done; Level 2, etc., and badges are worn: Effective immediately, as we do for daytime activities, we will require PTA to show proof of security clearance for vendors that are on campus. Furthermore, school personnel will check the Security Clearance Database to ensure Level 2 clearance is obtained and maintained for any vendor and its employees, coming into contact with the students of Manatee Bay.
7. In response to Tutoring; adherence to School Board Policy 4202: Some clubs were operated by teachers who taught students during the school day. Teachers will be reminded that they are not permitted to have their own students in any club or tutorial activity conducted on or off our campus. The student roster will be monitored by administration to ensure compliance.
8. In response to PTA Documents & Deliveries and the recommendation that the Principal ensure adherence to Standard Practice Bulletin 1-101 in that all PTA packages, correspondence, flyers, etc., be clearly marked "Manatee Bay PTA," to distinguish between school and the organization, and further that all PTA deliveries be signed by a PTA member, not a Manatee Bay Employee. I have met with the PTA regarding PTA deliveries labeled as Manatee Bay Elementary instead of Manatee Bay PTA. As per the recommendation, I have asked them to be responsible for receiving their own deliveries. They will immediately begin to contact vendors to correct the address (Manatee Bay PTA) and re-route their deliveries to another address to ensure immediate pick up, as they are not at the school daily and cannot come to the office for every delivery. Follow-up discussion will be had to ensure that they have complied with the request.
9. In response to the "Games of Chance" and the recommendation that Principal adhere to the guidelines of School Board Policy 6206 and Standard Practice Bulletin 1-402 to ensure that there are no games of chance held in the name of the school or on school grounds: PTA held Bingo Game giving prizes as rewards and held a raffle. I have already met and discussed with them that, although the PTA Organization does permit these activities, School Board Policy does not allow any "games of chance," and therefore, Manatee Bay will refrain from participating in these activities on or off our campus.
10. In response to the Payment to Volunteers, and the recommendation that the Principal ensure that outside organizations are not given approval to compensate officers, members and other volunteers; and that the Principal will monitor the PTA and any other School Allied Group activities, to ensure that the school is financially benefitting from all fundraising and business activities conducted: Parents that worked for Club 205 as "consultants" during the PTA's afterschool program, were paid by the PTA and issued a 1099. These people were volunteers during the school day. I will continue to monitor through weekly PTA Leadership meetings all activities to ensure that the school is benefitting from all fundraising or business activities conducted.

MIRAMAR HIGH SCHOOL
AUDIT REPORT
FOR THE 2010-2011 FISCAL YEAR
JULY 1, 2010 THROUGH JUNE 30, 2011

PROFILE OF THE SCHOOL

Address: 3601 SW 89th Avenue, Miramar, Florida 33025
Principal Brian C. Faso
Bookkeeper: Anita Nieves
Payroll Processor: Sheryl Harris

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>
Cash Account:	
Checking Account – Wells Fargo	\$ 103,679.21
Investment:	
Savings Account –Wells Fargo	4,598.15
Treasurer’s Pool Account	<u>60,000.00</u>
TOTAL	\$ <u>168,277.36</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statement of Miramar High School for the 2010-11 fiscal year. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 fiscal year, on the cash basis of accounting. However, as indicated by the findings, School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

Unaccounted/Missing Funds

The following shortages were noted during our review of the school's receipting documents:

1. The Assistant Principal violated Standard Practice Bulletins when collecting \$1,850 using BC40 Receipt book #5017201, and not depositing the money with the bookkeeper. According to the bookkeeper, the monies collected were for the purpose of a play-off football game. Miramar High did not issue tickets and all monies collected were forwarded to the visiting school. According to the Assistant Principal, she issued tickets from another school, used the receipt book and forwarded the money to the school. As a result of the audit, on April 22, 2013 the other school provided a receipt for the \$1,850.
2. A shortage of \$421 was noted during our examination of BC40-P receipt book #3775901. The receipt book showed collections of \$5,925, but only \$5,504 was officially receipted (RCT #4355) and deposited.
3. Shortages totaling \$60 were noted in BC40-P receipt book #5016201. Although \$345 was collected, only \$335 was officially receipted under RCT #53341 leaving a \$10 shortage; in addition a second collection of \$140 was officially receipted as \$90 under RCT #5895 leaving a \$50 shortage.

School Board Policy 3411 Internal Accounts states "All monies collected or disbursed by school personnel or by students within a school, in connection with the school program, for the benefit of that school, a class, club, department, employee, or student, shall be recorded in the school's internal funds."

Standard Practice Bulletin I-101 General Policy Section V. states "Responsibility Delegation – Bookkeeper: The Principal will usually designate a person to be the bookkeeper. The bookkeeper will be delegated responsibility for verifying collections, officially receipting, reconciling and preparing bank deposits for funds being collected by staff and students."

Standard Practice Bulletin I-201 Athletics Section I.C. states “All revenues of any sort MUST be deposited in the internal accounts of the school. The Athletic Director will be responsible for certain supplementary records and reports as outlined in this guide.”

Section II states “Athletic Director’s Responsibilities – Internal Funds:

A. RECEIPTS

1. All monies from any source MUST be deposited with the school bookkeeper by the Athletic Director or designee immediately following the athletic event.
2. In presenting deposits to the bookkeeper, the Athletic Director or designee will support the deposits with a properly documented Report of Tickets Sold Form (Exhibit 1) and an Athletic Game Report.

We recommend the Principal ensure:

- a. Staff, especially the Assistant Principal and Athletic Director, comply with the requirements of School Board Policy 3411 and Standard Practice Bulletin I-101 and I-201 when collecting student funds.
- b. All monies collected by staff and students are deposited with the bookkeeper and never held and used for the purpose of change, loans, and/or for safe keeping for another school or location.
- c. The bookkeeper verifies all funds in the presence of the collector and verifies that the monies match pre-numbered document totals.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

MIRAMAR HIGH SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 2,004.84	\$ 100,039.34	\$ 101,710.82	\$ 333.36
Music	6,108.66	37,829.00	41,744.75	2,192.91
Classes	14,196.99	167,626.96	170,330.05	11,493.90
Clubs	62,865.08	213,402.75	208,596.10	67,671.73
Departments	4,317.13	10,143.08	7,507.38	6,952.83
Trusts	84,411.01	75,381.03	90,719.36	69,072.68
General	<u>13,443.53</u>	<u>3,961.82</u>	<u>6,845.40</u>	<u>10,559.95</u>
TOTALS	<u><u>\$ 187,347.24</u></u>	<u><u>\$ 608,383.98</u></u>	<u><u>\$ 627,453.86</u></u>	<u><u>\$ 168,277.36</u></u>

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
DESMOND K. BLACKBURN, Ph.D.
CHIEF SCHOOL PERFORMANCE AND ACCOUNTABILITY OFFICER**

Telephone: (754) 321-3838

Facsimile: (754) 321-3886

Date: April 24, 2013

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

FROM: Desmond K. Blackburn, Ph.D.
Chief School Performance and Accountability Officer

SUBJECT: **INTERNAL FUNDS AUDIT RESPONSE
MIRAMAR HIGH SCHOOL**

The Office of School Performance and Accountability has reviewed the internal audit findings for Miramar High School. These audit findings have been discussed with the Principal, Brian Faso, and he has taken full responsibility to implement deliberate steps to ensure exception-free internal audits in the future. The Office of School Performance and Accountability will monitor the school's progress and hold the Principal appropriately accountable should future audit exceptions occur.

If additional information is needed, please let me know.

DKB/AS:gb

cc: Alan Strauss, Director, Office of School Performance and Accountability
Nell Johnson, Director, Business Support Center
Brian Faso, Principal, Miramar High

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA


MIRAMAR HIGH SCHOOL ADMINISTRATION

Brian C. Faso, Principal
Pamela Carroll, Assistant Principal
Cornelio Huff, Intern Principal
John Murray, Assistant Principal
Kaila Rivera, Assistant Principal
Shani Thompson, Assistant Principal
Schwyn Brown, 9th Grade Support
Donald Reed, 10th Grade Support

SCHOOL BOARD

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Vice Chair: PATRICIA GOODE
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DR. ROSALIND OSGOOD
NORA RUPERT
ROBERT W. RUNCIE
Superintendent of Schools

April 22, 2013

TO: Mr. Alan Strauss, Director
FROM: Brian Faso, Principal 
SUBJECT: Internal Accounts Audit Response

AUDIT EXCEPTION

We agree with the auditor's findings. A total of \$1,850.00 of playoff football ticket sales was not properly received with signatures when it was turned over to Columbus High School prior to the end of the 2010-11 year closing. I have initiated the following actions to prevent this matter from reoccurring:

End of the Year Internal Accounts Procedures:

- The principal, bookkeeper and the administrator assigned to internal accounts will attend training on Year-End Requirements for Internal Accounts.
- The principal and the bookkeeper will review Standard practice Bulletin 1-317 and the Collective Bargaining agreement as it relates to the sale of playoff football tickets.
- The principal and the bookkeeper will meet at the end of each month and prior to year-end closing date to review the Principal's Monthly Financial Report, Trial Balances, and General Ledger and take appropriate action to ensure that all accounts have a positive balance and all receipts are accounted for with proper signatures prior to the end-of-year-closing.
- The principal and bookkeeper will offer professional development to all assistant principals to ensure the accurate documentation of all ticket sales
- Receipt has been obtained from Columbus High School with proper signatures and has been submitted. (Please see attached)

We agree with the auditor's findings. A shortage of \$421.00 and \$60.00 was recorded in an account and Receipt Book BC40 that was not cleared prior to the end of the 2010-11 year closing. I have initiated the following actions to prevent this matter from reoccurring:

End of the Year Internal Accounts Procedures:

- The principal, bookkeeper and the administrator assigned to internal accounts will attend training on Year-End Requirements for Internal Accounts.
- The principal and the bookkeeper will review Standard practice Bulletin 1-317 and the Collective Bargaining agreement as it relate to accurate receipt books and deposits.
- The principal and the bookkeeper will meet at the end of each month and prior to year-end closing date to review the Principal's Monthly Financial Report, Trial Balances, and General Ledger and take appropriate action to ensure that all accounts have a positive balance prior to the end-of-year-closing.
- The principal and bookkeeper will review all receipt books to ensure the accurate identification of all deposited funds and cross-reference with the official sales report from the club sponsor.

I hope this procedure meets with your approval. If you have any questions, please do not hesitate to contact me.

Educating Today's Students for Tomorrow's World
Broward County Public Schools Is An Equal Opportunity Equal Access Employer

MIRAMAR HIGH

Brian C. Faso, Principal

Event: Pre-Sale Tickets - Miramar High School vs Christopher Columbus High School

Date: December 8-9

Tickets Starting #000001

Tickets Ending #0000190

Total Number of Tickets Sold - 190 tickets @ \$10.00 each

Total Value of Tickets Sold - \$1,900.00

Bill	Number	Total
\$100	1	\$100.00
\$50	2	\$100.00
\$20	75	\$1500.00
\$10	11	\$110.00
\$5	15	\$75.00
\$1	15	\$15.00
Total Bills		\$1900.00

Cash and Tickets Starting #000191 turned into to Christopher Columbus High School

Print Name of Receiving Administrator Josh McKee

Signature of Receiving Administrator [Signature] Date 12/9/11

Miramar High School Administrator Cornelia Hoff

Signature of Miramar High School Administrator [Signature] Date 12/9/11

PETERS ELEMENTARY SCHOOL
 AUDIT REPORT
 FOR THE 2010-11 AND 2011-12 FISCAL YEARS
 JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 851 NW 68th Avenue, Plantation, Florida 33317

Principal: Kathleen Sedlack

Bookkeeper: Business Center (January 2013 to present)
 Christen Rector (Until January 2013)

Payroll Processor: Sharon Arias

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Cash Account:		
Checking Account – Wells Fargo	\$ 27,400.43	\$ 28,379.49
Investment:		
Treasurer’s Pool Account	<u>10,000.00</u>	<u>10,000.00</u>
TOTAL	\$ <u>37,400.43</u>	\$ <u>38,379.49</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Peters Elementary School for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. However, as indicated by the findings, the school administration should emphasize adherence to the policies and procedures in the School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

Missing Receipt Book

During our review of receipting documents, we noted one (1) BC-40P receipt book was missing. The previous audit also disclosed a missing book.

Standard Practice Bulletin I-302 Cash Collections Section I.B. states "The Principal shall be responsible for all monies collected and deposited within his/her school; and for maintaining an accurate record as to whom departmental receipt books, monies collection envelopes, ticket sales reports, cash reports, etc. are issued."

Section II.B. states "The preservation and retention of initial receipting documents (BC-40Ps, monies collection envelopes, tickets, facility rental contracts, etc.) is extremely important. Loss of a document may result in the school receiving audit exceptions."

Section II. B.1g. states "Bookkeeper will count the monies in the presence of the collector, verify collection amounts received in the BC-40P book, issue an official receipt from the computer and complete the bookkeeper's area on front of the receipt book."

Standard Practice Bulletin I-404 Certificate of Loss, Section I.A. states "When any person is unable to account for all items issued to them or explain monies received/collected but not deposited, a Certificate of Loss Form must be completed explaining the particulars of the loss.

- A. The Certificate of Loss is to be completed in incidences of theft or loss. In incidences of theft, a Security Report is also required and must be retained for audit.
- B. The Certificate of Loss must be presented to the School Principal for his/her signature and any action deemed appropriate.
- C. The Certificate of Loss must be retained for audit.
- D. It is recommended a copy of the completed Certificate of Loss be attached to or included with any initial receipting document (Monies Collection Envelope; BC-40P Receipt Book, etc.)."

We recommend the Principal review Standard Practice Bulletins I-302 and I-404 with staff and ensure receipt books are safeguarded by periodically accounting for all pre-numbered documents.

Receipting Procedures

We determined that school staff stated the prior Bookkeeper told them to leave the green copies of the receipts in the receipt books.

Standard Practice Bulletin I-302, Cash Collections, Section II. B. 1. H. states “Bookkeeper will return green copies of the BC-40P receipts with the official receipt to the depositor (along with the book, if additional collections are to be made).”

We recommend the Principal review Standard Practice Bulletin I-302 with staff and ensure they retain the green copies of the receipts.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

PETERS ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 1,727.10	\$ 27,571.05	\$ 26,855.22	\$ 2,442.93
Clubs	1,451.41	3,773.56	3,248.43	1,976.54
Department	3,598.40	16,494.75	17,704.43	2,388.72
Trusts	19,130.84	85,674.09	103,231.29	1,573.64
General	<u>28,182.49</u>	<u>14,560.09</u>	<u>13,723.98</u>	<u>29,018.60</u>
TOTALS	<u>\$ 54,090.24</u>	<u>\$ 148,073.54</u>	<u>\$ 164,763.35</u>	<u>\$ 37,400.43</u>

PETERS ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 2,442.93	\$ 39,242.39	\$ 38,478.69	\$ 3,206.63
Clubs	1,976.54	1,658.67	2,076.48	1,558.73
Department	2,388.72	8,204.28	7,518.93	3,074.07
Trusts	1,573.64	25,147.21	23,381.48	3,339.37
General	<u>29,018.60</u>	<u>8,614.22</u>	<u>10,432.13</u>	<u>27,200.69</u>
TOTALS	<u>\$ 37,400.43</u>	<u>\$ 82,866.77</u>	<u>\$ 81,887.71</u>	<u>\$ 38,379.49</u>

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
DR. DESMOND K. BLACKBURN
CHIEF SCHOOL PERFORMANCE AND ACCOUNTABILITY OFFICER**

Telephone: (754) 321-3800

Facsimile: (754) 321-3886

Date: April 10, 2013

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

FROM: Desmond K. Blackburn, Ph.D.
Chief School Performance and Accountability Officer

SUBJECT: **AUDIT REPORT ON INTERNAL ACCOUNTS
FISCAL YEARS 2011 & 2012
RESPONSE - PETERS ELEMENTARY SCHOOL**

The Office of School Performance and Accountability has reviewed the internal audit findings for Peters Elementary School. These audit findings have been discussed with the Principal, Kathy Sedlack, and she has taken full responsibility to implement deliberate steps to ensure exception-free internal audits in the future. The Office of School Performance and Accountability will monitor the school's progress and hold the Principal appropriately accountable should future audit exceptions occur.

If additional information is needed, please let me know.

DKB/MSS:jb

cc: Dr. Mark S. Strauss, Director, Office of School Performance and Accountability
Nell Johnson, Director, Business Support Center
Kathleen Sedlack, Principal, Peters Elementary School

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

PETERS ELEMENTARY SCHOOL
Kathy Sedlack, Principal
851 N.W. 68 Avenue
Plantation, FL 33317
754.322.7900 Telephone
754.322.7940 Facsimile

SCHOOL BOARD

MEMORANDUM FOR THE SCHOOL BOARD
DATE: 4/4/13
TO: School Board
FROM: Kathy Sedlack, Principal, Peters Elementary
SUBJECT: Audit on Internal Accounts -- Fiscal Years 2011 & 2012
Corrective Action Plan

April 4, 2013

To: Dr. Mark Strauss
Director, School Performance and Accountability

From: Kathy Sedlack
Principal, Peters Elementary

RE: Audit on Internal Accounts -- Fiscal Years 2011 & 2012
Corrective Action Plan

Peters Elementary's bookkeeper suddenly and without notice resigned from her position on 1/8/13. I immediately requested an audit of internal accounts be conducted. During the audit, the following two audit exceptions were found: one missing receipt book and receipting procedures were not followed (i.e. green copies of the receipts were left in the receipt books)

Corrective Action:

On 1/9/13, I contacted the Business Support Center and requested that they take over all bookkeeping responsibilities for Peters Elementary. Once the auditor discovered these findings, procedures for receipt book use was reviewed with all staff. In addition, another office staff person was hired and one of her responsibilities is to act as the liaison between the Business Support Center and Peters Elementary. She is being advised of correct Standard Practice procedures to follow by the Business Support Center bookkeeper assigned to Peters and me.

In the future, staff will adhere to all Standard Practice Bulletins.

SILVER RIDGE ELEMENTARY SCHOOL
AUDIT REPORT
FOR THE 2010-11 AND 2011-12 FISCAL YEARS
JULY 1, 2010 THROUGH JUNE 30, 2012

PROFILE OF THE SCHOOL

Address: 9100 SW 36 Street, Davie, Florida 33328
Principal: Saemone Hollingsworth Luis (June 2012 to current)
Principal during
Audit Period: Marion Gundling (July 2011 to May 2012)
Bookkeeper: Charlene Walbroehl
Payroll Processor: Jane Jones

CASH AND INVESTMENT SUMMARY

	<u>6/30/11</u>	<u>6/30/12</u>
Checking Account – Wells Fargo	\$ <u>51,792.16</u>	\$ <u>46,106.60</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of Silver Ridge Elementary School for the 2010-11 and 2011-12 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2010-11 and 2011-12 fiscal years, on the cash basis of accounting. However, as indicated by the findings, the school administration should emphasize adherence to the policies and procedures in the School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

Vending Commissions

During our analysis of vending commissions, we noted:

- a. In FY 2011, an incorrect amount of vending commissions totaling \$721.95 (\$984.97-\$263.02) was posted to the Faculty and Secretaries Club accounts. Only \$263.02 from vending sales was due to faculty/staff.
- b. In FY 2012, an incorrect amount of vending commissions totaling \$863.76 (\$1,102.10-\$238.34) was posted to the Faculty and Secretaries Club accounts. Only \$238.34 from vending sales was due to faculty/staff.
- c. As of the audit date, the June 2012 monthly vendor payment was not remitted by the vendor. The missing payment was not discovered until the execution of the audit on February 21, 2013. On March 18, 2013, the school received the payment of \$51.30.

Standard Practice Bulletin I-309 Vending Machines/Snack Bars Section I.C. states "All vending machines must be operated by and monies deposited into a class, club, or department's internal account." This would preclude the school from depositing profits from sales to students into the Faculty/Sunshine or Secretaries' Club Accounts.

Section II. B.4b. states "Vending machine profits may be used for:.... Faculty benefit: Vending machines must be located in the faculty planning or lounge areas of the school and should be for faculty and staff use only. Monies to be deposited in the Faculty/Sunshine account or in accordance with the current teachers' union contract."

The Collective Bargaining Agreement between the School Board of Broward County, Florida, and the Broward Teachers Union (Teachers' Contract) Article 5 Section P. states "Vending Machines: Profits from vending machines in employee workrooms, lunchrooms or lounges shall be expended...as determined by the employees in the school and the principal at the worksite through the faculty council."

We recommend the Principal review the requirements of Standard Practice Bulletin I-309 and the Collective Bargaining Agreement between the School Board of Broward County, Florida, and the Broward Teachers Union (Teachers' Contract) with the bookkeeper and ensure:

1. The incorrect amount of vending commissions totaling \$1,585.71 is recouped from the Faculty and Secretaries club accounts and payment remitted to the appropriate student and/or General fund account(s).
2. All payments from the vendor are received in a timely manner, if not, the Bookkeeper should contact vendor to request payment.
3. Faculty related vending machine commissions are derived only from actual sales. Vending Sales Reports should be requested from the vendor on a monthly or quarterly basis to ensure proper allocation.

OTHER COMMENTS

Payroll

The school generally adhered to the payroll procedures.

SILVER RIDGE ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 2,217.36	\$ 51,973.49	\$ 52,972.04	\$ 1,218.81
Clubs	809.99	24,265.24	21,239.69	3,835.54
Department	2,837.91	11,697.56	10,232.53	4,302.94
Trusts	41,494.05	548,427.17	549,473.16	40,448.06
General	<u>9,869.18</u>	<u>36,052.02</u>	<u>43,934.39</u>	<u>1,986.81</u>
TOTALS	<u>\$ 57,228.49</u>	<u>\$ 672,415.48</u>	<u>\$ 677,851.81</u>	<u>\$ 51,792.16</u>

SILVER RIDGE ELEMENTARY SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2011 - 2012

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Classes	\$ 1,218.81	\$ 34,539.78	\$ 34,895.91	\$ 862.68
Clubs	3,835.54	8,722.63	9,220.53	3,337.64
Department	4,302.94	5,288.58	7,344.99	2,246.53
Trusts	40,448.06	747,194.44	748,451.75	39,190.75
General	<u>1,986.81</u>	<u>62,089.68</u>	<u>63,607.49</u>	<u>469.00</u>
TOTALS	<u><u>\$ 51,792.16</u></u>	<u><u>\$ 857,835.11</u></u>	<u><u>\$ 863,520.67</u></u>	<u><u>\$ 46,106.60</u></u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA


**DESMOND K. BLACKBURN, Ph.D.
CHIEF SCHOOL PERFORMANCE AND ACCOUNTABILITY OFFICER**

Telephone: 754-321-3800

Facsimile: 754-321-3886

April 15, 2013

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

FROM: Desmond K. Blackburn, Ph.D. 
Chief School Performance and Accountability Officer

**SUBJECT: INTERNAL FUNDS AUDIT RESPONSE
SILVER RIDGE ELEMENTARY SCHOOL**

The Office of School Performance and Accountability has reviewed the audit findings for Silver Ridge Elementary School. These audit findings have been discussed with the Principal, Saemone Hollingsworth, and she has taken full responsibility to implement deliberate steps to ensure exception-free internal audits in the future. The Office of School Performance and Accountability will monitor the school's progress and hold the Principal appropriately accountable should future audit exceptions occur.

If additional information is needed, please let me know.

DKB/JBH:syd

cc: Jacquelyn B. Haywood, Director, Office of School Performance and Accountability
Nell Johnson, Director, Business Support Center
Saemone Hollingsworth, Principal, Silver Ridge Elementary School



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

9100 SW 36 Street, Davie, FLORIDA 33328 • TEL. 754-323-7500 • FAX 754-323-7540

Silver Ridge Elementary
Saemone Hollingsworth, Interim Principal
9100 SW 36 Street, Davie, FL 33328
Phone 754-323-7500
Fax 754-323-7540

SCHOOL BOARD

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Vice Chair: PATRICIA GOOD

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ABBY M. FELDMAN
DEBRA P. KOBES
KATHERINE M. LEACH
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DEBRA M. OSBORN
SARA RUTLER

ROBERT W. LISCH
Superintendent of Schools

April 14, 2013

TO: Ms. Jacqueline Haywood, Director
Office of School Performance and Accountability

FROM: Saemone Hollingsworth, Principal
Silver Ridge Elementary School

RE: **AUDIT REPORT MEMO ON INTERNAL ACCOUNTS-
FISCAL YEARS 2011 & 2012**

Please find that the following procedures and corrections to the documented Audit Exception have been executed.

Vending Commissions

1. Based on the FY audit 2011 and 2012, an incorrect amount of vending commissions totaling \$1585.71 was deposited into the Faculty and Secretaries Club accounts.

The corrective action is the Silver Ridge Elementary School PTO has donated \$1000 into the Social account for staff discretionary expenditures. This money will be used to offset the vending machine commission's deficiency. The total deficiency after the donation will be \$585.71. The remainder of the money owed will be transferred monthly as the vending commission is earned.

2. Based on the FY 2012, the June 2012 vending commissions had not been paid. The Bookkeeper contacted the vendor and payment was remitted.

3. To avoid further delay in payment from the vendor, the Bookkeeper will ensure that commissions are allocated on a monthly basis. If the vendor has not allocated the funds then the Bookkeeper will contact the vendor for payment in a timely fashion.

I understand that it is vitally important to maintain accurate internal accounting records and promise to ensure 100% compliance with all Standard Practice bulletins and procedures. If you require any additional information or documentation, please let me know.

SH/jj

SOUTH BROWARD HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2009-10 AND 2010-11 FISCAL YEARS
 JULY 1, 2009 THROUGH JUNE 30, 2011

PROFILE OF THE SCHOOL

Address: 1901 N. Federal Highway, Hollywood, Florida 33020

Principal: Olayemi Awofadeju

Principal during
 Audit Period: Alan Strauss (July 2005 to June 2012)

Bookkeeper: Jill Hall

Payroll Processor: LaShune Rabb

CASH AND INVESTMENT SUMMARY

	<u>6/30/10</u>	<u>6/30/11</u>
Cash Account:		
Checking Account – Wells Fargo	\$ 50,180.27	\$ 37,506.90
Investment:		
Treasurer’s Pool Account	<u>50,000.00</u>	<u>50,000.00</u>
TOTAL	\$ <u>100,180.27</u>	\$ <u>87,506.90</u>

In accordance with the State Board of Education Rule 6A-1.087(2), Florida Administrative Code, we have audited the financial statements of South Broward High School for the 2009-10 and 2010-11 fiscal years. We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. The financial statement of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2009-10 and 2010-11 fiscal years, on the cash basis of accounting. However, as indicated by the findings, the school administration should emphasize adherence to the policies and procedures in the School Board's Policies and the Standard Practice Bulletins, which establishes the system of internal controls designed by the District administration.

AUDIT EXCEPTIONS

1. Missing Funds (Athletic Ticket Reports)

During our examination of pre-numbered tickets, we noted:

- a. In Fiscal Year (FY) 2011, athletic ticket sales (cash) totaling \$6,055 were neither officially receipted nor deposited in the bank by the bookkeeper. The official receipt number issued by the bookkeeper for the November 5, 2010 football game (South Broward vs. St. Thomas Aquinas) was a duplicate receipt number issued for a girls Varsity Basketball tournament held on November 12, 2010. Ticket sales totaling \$916 for the girls Varsity Basketball tournament were receipted, deposited and verified in the Great Plains system.

During the Pre-Exit Conference, the bookkeeper admitted to the auditor and current Principal that she received the \$6,055 in cash from the Athletic Director, but could not provide an explanation for its disappearance. Neither a police report nor a Certificate of Loss was completed.

As a result of the District's Police Investigation, the Bookkeeper resigned on May 7, 2013.

- b. In FY 2011, Ticket Report numbers were not always cross-referenced in the Athletics account (#1000-0000).
- c. In FY 2010 and 2011, duplicate report numbers were issued for twelve (12) Reports of Tickets Sold.
- d. In FY 2010, the incorrect ticket numbers (used tickets) were documented on one (1) Report of Tickets Sold.

Standard Practice Bulletin I-101 General Policy Section III.A. states "The bookkeeper will be delegated responsibility for verifying collections, officially receipting, reconciling and preparing bank deposits for funds being collected by staff or sponsors."

Standard Practice Bulletin I-201 Athletics Section II. A.1. states "All monies from any source must be deposited with the school bookkeeper by the Athletic Director or designee immediately following the athletic event."

Section II. A.2. states "In presenting deposits to the bookkeeper, the Athletic Director or designee will support the deposits with a properly documented Report of Tickets Sold Form and an Athletic Game Report."

Section II. E.C. states "The Athletic Director is accountable for the total sales value of all tickets available for sale by the Athletic Department; this includes tickets received through the order method and the carry over inventory from previous year(s)."

Section II. F. *Gate Receipts* states:

1. "All monies generated from the sale of pre-numbered tickets for athletic events must be kept in a secured area until presented to the bookkeeper for receipting and depositing. It is strongly advised if access cannot be obtained to the school vault, then a safe be obtained for the Athletic Director's office for the safekeeping of the collections until deposited with the bookkeeper.
2. All monies generated from the sale of pre-numbered tickets for athletic events held on campus are to be presented to the bookkeeper with a properly documented Report of Tickets Sold form.
3. If an athletic event is held at a location other than the host school's location then arrangements have to be made to transport the collections back to the host school's location for safekeeping in a safe (immediately after reconciling the money to the Report of Tickets Sold) or arrangements made with the host school's bank for a night deposit. Under no circumstances are collections to be safe kept in an individual's possession at their home or in their car."

Standard Practice Bulletin I-302 Cash Collections Section I.A. states "All monies collected or disbursed by school personnel or by students within a school, in connection with the school program for the benefit of that school, class, club or department shall be recorded in the school's internal funds."

Section I.B. states "The Principal shall be responsible for all monies collected and deposited within his/her school; and for maintaining an accurate record as to whom departmental receipt books, monies collection envelopes, ticket sales reports, cash reports, etc. are issued."

Standard Practice Bulletin I-403 Admission Tickets/ Ticket Report Section V.B. states "The School Bookkeeper will issue the report number. It is advisable to distinguish between Athletic Ticket Reports and nonathletic Ticket Reports by the report number."

Section V.D. states "The School Bookkeeper must verify the following areas:

1. Quantity of Tickets Sold
2. Ticket Price
3. Total Value of Tickets Sold
4. Net Cash Receipts"

Section V.F. states "Collections and deposits equals the Total Net Cash Receipts."

Section V.G. states "Overages/Shortages in receipts must be reflected on Report of Tickets Sold."

Standard Practice Bulletin I-404 Certificate of Loss Section I.A. states "When any person is unable to account for all items issued to them or explain monies receipted/collected but not deposited, a Certificate of Loss Form must be completed explaining the particulars of the loss.

- A. The Certificate of Loss is to be completed in incidences of theft or loss. In incidences of theft, a Security Report is also required and must be retained for audit.
- B. The Certificate of Loss must be presented to the School Principal for his/her signature and any action deemed appropriate.
- C. The Certificate of Loss must be retained for audit.
- D. It is recommended a copy of the completed Certificate of Loss be attached to or included with any initial receipting document (Monies Collection Envelope; BC-40P Receipt Book, etc.)."

We recommend the Principal review the requirements of Standard Practice Bulletins I-101, I-201, I-302, I-403 and I-404 with staff and ensure:

1. The bookkeeper repays the school \$6,055.
2. The morning following an athletic event, the bookkeeper counts all monies in the presence of the Athletic Director and verifies ticket numbers and cash collection amounts documented on Reports of Tickets Sold. An official receipt should be issued to the Athletic Director at such time.
3. Duplicate receipt numbers are not issued by the bookkeeper for any athletic or nonathletic ticketed events. Receipt numbers should be issued in numerical order.
4. Ticket Report numbers are cross-referenced in the Great Plains system.

2. Missing Funds (Fundraising Activities)

(2009-2010)

During our analysis of fundraising activities/merchandising sales, we noted:

- a. Sales figures documented on the Senior Parking Decals Financial Report were overstated by \$180. The amount posted to the General Ledger was \$180 less than the Financial Report. A Parking Decal Distribution Report was not completed in an effort to document actual sales.
- b. Actual sales reported on the Grad Bash Financial Report did not agree with the amount posted to the general ledger. Posted sales were understated by \$210. In addition, a Complimentary List of chaperones was not provided.
 - i. Grad Bash and Prom ticket sales were combined and posted to the general ledger.
- c. Actual sales reported on the Dolphins Tickets Financial Report did not agree with the amount posted to the general ledger. Posted sales were understated by \$150. The understated sales included a \$100 deposit shortage for seven (7) BC-40P receipts (official receipt #3760). Sales totaling \$725 were officially receipted and deposited as \$625, even though \$725 was collected.
 - i. Dolphin ticket sales were combined with other athletic collections in the general ledger.
- d. Sixty (60) non-chocolate candy items, valued at \$60 were unaccounted for during a Cheerleading fundraiser. A Certificate of Loss was completed; however, there was no explanation for the occurrence.
- e. Ending inventory for the Varsity Baseball discount cards fundraiser were overstated by 10 (ten) items. In addition, 180 cards or 60% of the items valued at \$900 were unsold.

(2010-2011)

- a. Fifty percent (50%) or 312 chocolate items purchased for resale were not returned by students during the Varsity Cheerleading fundraiser. Student obligations were not entered in the TERMS database for every student. In addition, the Purchasing Summary was not completed on the Varsity Cheerleading Financial Report.
- b. Actual sales reported on the DECA (candy-non chocolate) Financial Report did not agree with the amount posted to the general ledger. Posted sales were understated by \$103.55. The understated sales included a \$100 shortage for funds collected on Monies Collection Envelope # 413651 (official receipt #5780). Funds collected total \$157.50, however only \$57.50 was posted. They did not account for the missing \$100.
 - i. Monies Collection Envelopes for the DECA fundraiser (candy-non chocolate) contained collection discrepancies. In aggregate, discrepancies totaled \$3.55 (overages/shortages).

(2009-10 and 2010-11)

- a. Student obligations for various fundraisers were not always entered in the TERMS database.
- b. Student Obligations forms did not include the student's FSI number or the student's signature.

Standard Practice Bulletin I-316 Student Obligations Section II.A. states "Initiation of Student Obligations: A teacher must provide either:

1. A signed student obligation card (Exhibit 2) showing the obligation issued to the student and the amount of the obligation. (School Board Policy 6.5 Textbooks, details the amount to be collected for textbooks.)
 2. A completed copy of the merchandise distribution sheet required for all fund-raisers. (See SPB I-402)
- B. These documents contain the student's signature acknowledging receipt and responsibility for the assigned items and thus are the basis for accountability.
- C. Once the student returns an item or pays for an item in full, and an obligation card has been issued, a copy of the obligation card and the original BC-40P receipt is given to the student and may be used, by the student, as proof that the obligation was satisfied.

Section III. *Student Obligation Documentation* states:

- A. "A designated school staff member should file student obligation cards alphabetically by the student's name. These cards must include the student's FSI number.
- B. In addition to obligations being recorded on a student obligation card, student obligation information must also be recorded in the electronic TERMS database.
- C. Elementary and Middle school administrators must complete a Certificate of Loss for all uncollected obligations incurred for active and withdrawn students. The obligations must also be recorded in TERMS database.
- D. High School administrators must complete a Certificate of Loss for all uncollected high school obligations. All uncollectible obligations including, all withdrawals and graduations, must be "Cleared" in the TERMS database by recording them in the "loss" field in TERMS. The intent of recording obligations for a withdrawn student(s) is that the obligation will be reactivated if the student(s) re-enters the District. (The District's ETS department will maintain a list of withdrawn students until their expected dates of graduation.)
- E. If a student with an obligation withdraws or graduates from a District school, documentation of the withdrawal must be forwarded to the bookkeeper to be maintained for audit purposes.
- F. Student obligation lists should be periodically reviewed and discussed with the student by administration. Students must be aware of existing obligations."

Section IV. *Collection of Student Obligations* states:

A. “Whenever possible, student obligation collections should not be made by the bookkeeper.

Suggested collectors of student obligations are:

1. The Assistant Principal
2. The Guidance Counselor
3. A front office staff member

B. All student obligations should be receipted using a BC-40P receipt book or may be paid using the Online School Payments (OSP) program. Additional information on receipting is located in SPB I-302.

C. Once obligations are collected; they must be forwarded to the bookkeeper for receipting in the Internal Accounts system. The Bookkeeper will receipt collections into the account that incurred the original loss (i.e. ROTC, Class of F/Y etc.)

D. If a check used to pay for an obligation is returned by the bank, the obligation becomes active again.

E. If a District school collects an obligation that originated from another school, the collecting school shall receipt and retain the funds in their textbook account, if the collection was for textbooks, or in the General fund of the school’s internal accounts.

F. Once a student obligation is paid, documentation of payments is forwarded to the staff member that maintains the TERMS database, for adjustment of the obligation amount.

Section V. *Uncollectible Student Obligations* states:

“Every school, especially the school where a student obligation first occurs, must make every effort to collect the student obligation.

A. The only acceptable reasons for an uncollectible obligation are:

1. Student permanently withdrew from District schools.
2. Student graduated.

A Certificate of Loss must be completed and be used to document the obligation.

All Certificates of Loss must be approved by the Principal.

B. School Board Policy 6.5 3 d. (3) details the procedures and documentation required for lost or damaged textbooks. A copy of this documentation should be attached to the Certificate of Loss. If several lost or damaged textbook obligations exist, then one Certificate of Loss for lost or damaged textbooks may be completed.

C. The same procedures set forth in School Board Policy 6.5 3 d. (3) should be followed when documenting uncollectible student obligations that arose from other than lost or damaged textbooks. A copy of this documentation should be attached to the certificate of loss. If several student obligations exist, then one Certificate of Loss for each category of obligation may be completed.

D. The Bookkeeper must maintain student obligation Certificate of Loss for audit purposes.

E. The District’s Internal Auditor may review total student obligations created and uncollectible each year.”

Standard Practice Bulletin I-402 Fundraising Activities Section II. states "All sales of merchandise should be approved only on the condition that an accurate and complete accounting be made for all units purchased. In order to assure an accurate and complete accounting of items purchased for resale, it is strongly recommended a sale deadline date be assigned."

Section II.A.5. states "Because all units or items purchased for resale must be accounted for in some manner, a Merchandise Distribution Sheet must be maintained by the sponsor when merchandise is to be sold by a number of student salespeople."

Section II.A.7. states "Monies are to be turned in daily if over \$200, at least within three days, always on Friday, the last day of the month and before any breaks. (See I-302 Cash Collections)"

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

Section III.A. states " Completing The Financial Report:

1. Complete the top portion of the Financial Report.
2. The second portion of the form must be completed in its entirety. This section of the report is based on total number of units (items) available for sale information taken from the vendor's invoice.
3. It is very important all units (items) must be accounted for either as sales, returns, damaged, remaining in inventory, etc.
4. The Financial Report is to be signed by the Sponsor and submitted to the Assistant Principal who will determine if the report has been submitted in a timely manner, initial the report and return it to the sponsor. The sponsor will then submit the signed Financial Report to the bookkeeper who will enter the date the report was received and have the sponsor sign the Project Log.
5. The Principal is required to sign the Financial Report.
6. School bookkeeper will retain the Financial Report for audit along with any applicable information.
7. Any items not returned by a student salesperson must be documented with a student obligation.
8. Any items given away must be documented with a signed sheet indicating description of item, printed name of receiver and signature of receiver."

We recommend the Principal review the requirements of Standard Practice Bulletins I-316 and I-402 with staff and ensure:

1. Merchandising/fundraising sales are accurately documented on Financial Reports with amounts verified to fund account information, supporting sales documentation and vendor invoices/receipts.

2. The bookkeeper verifies all figures for accuracy when receipting, posting and depositing collections.
3. The amount of items purchased for resale by clubs (candy, discount cards, etc.) are reduced based on historical sales trends/losses.
4. Student obligations are always entered in the TERMS database.
5. Student obligation forms include the student ID number and the student's signature.
6. Certificates of Loss are completed in their entirety. Explanations of the occurrences should be included.
7. The Purchasing Summary is properly completed.

3. Over/Under Account (Deposit Shortages)

(2010-2011)

During our analysis of the Over/Under account, we noted:

- a. A \$200 adjustment to the Over/Under trust account was not supported with documentation to explain the reason for the adjustment. Review of the October 2010 Bank Statement revealed a \$200 deposit shortage on October 6, 2010. The bookkeeper's Cash Reconciliation Report and Bank Deposit Posting Journal showed cash collections of \$9,489.12. An explanation for the deposit shortage could not be provided by the bookkeeper. Further inquiry with the bank into the deposit shortage was never initiated by the bookkeeper.
- b. Three (3) additional adjustments totaling \$65.10 did not include supporting documentation. The adjustments were not properly offset in the Over/Under trust account. At year-end, a transfer from the General fund account was made to clear the unexplained adjustments.

Standard Practice Bulletin A-425 Year End Requirements for Internal Accounts Section I.H. states "Debit Memos, NSF Checks, and Charges are to be posted to the applicable internal fund account, i.e. deposit shortages to the Over and Under account."

We recommend the Principal review the Year-End Closing Requirements for 2010-2011 with the bookkeeper and ensure:

1. A Special Investigative Unit (SIU) investigation is conducted to further examine the deposit shortage.
2. The bookkeeper takes the proper and timely steps to inquire, dispute and follow-through on any deposit discrepancies until resolved. Actions taken should be documented accordingly.
3. Only debit/credit memos (overages/shortages) are reconciled through the Over/Under trust account.

4. Late Remittances

During our review of cash collections, we noted:

- a. Staff held sixty-eight (68) remittances totaling \$27,324.35 for two (2) to twenty-one (21) days before funds were remitted to and/or received by the bookkeeper.
- b. One (1) athletic remittance totaling \$4,163.00 was thirty-two (32) days late. The funds were collected on September 30, 2010 by the Athletic Director and were not officially received by the bookkeeper until November 16, 2010. The bookkeeper could not explain the reason for the delay, but indicated that she may have forgotten the funds were placed in the vault.

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

Standard Practice Bulletin I-302 Cash Collections Section I.F. states "Collections of \$200 or more and initial receipting documents must be turned in to the bookkeeper the same day collected or within three (3) working days if less than \$200."

Standard Practice Bulletin I-303 Deposit of Collections Section I. states "Deposit collections within three (3) working days of the first receipt or when \$200 or more is on hand; by the last working day of the week, last working day of the month, and before all holidays."

We recommend the Principal review School Board Policy 6301 and Standard Practice Bulletins I-302 and I-303 with staff and ensure the timely remittance and deposit of collections.

5. Receipting Procedures

During our review of receipting procedures, we noted:

- a. Student collections were not counted or verified by the bookkeeper in the presence of the teacher/sponsor. Monies were often dropped off by students in Monies Collection Envelopes or BC-40P receipt books and left with the bookkeeper for counting.
- b. Two (2) BC-40P receipt books were missing (#3797801 & #3797901). A Certificate of Loss was not completed.
- c. One (1) collection totaling \$120 was not officially receipted or deposited in the bank (BC-40P receipt #3802917). The teacher copy of the BC-40P receipt remained in the receipt book; however, there was no indication that this was a voided receipt as the student copy (white copy) of the receipts was not retained, nor was the remaining carbon receipt(s) documented as such. The bookkeeper indicated that a free ticket was issued to the student for perfect attendance.

- d. The amount collected on at least three (3) Monies Collection Envelopes did not agree with the amount officially receipted by the bookkeeper. In aggregate, discrepancies totaled \$50.95 in overages/shortages.
- e. The bookkeeper served as the initial receptor of funds (BC-40P receipt books).
- f. BC-40P receipts were not always completed in date or sequential order.
- g. The dollar amount and dates were not always recorded on BC-40P receipts.
- h. The incorrect official receipt date was recorded on one (1) Monies Collection Envelope.
- i. Monies Collection Envelopes did not always include the collection amount or dates.

Standard Practice Bulletin I-302 Cash Collections Section I.B. states “The Principal shall be responsible for all monies collected and deposited within his/her school; and for maintaining an accurate record as to whom departmental receipt books, monies collection envelopes, ticket sales reports, cash reports, etc. are issued.”

Section I.C. states “It is strongly recommended the School Administrator in conjunction with the bookkeeper establish a time of day when collections should be turned in to the bookkeeper to ensure timely deposits to the bank.”

Section I.D. states “The bookkeeper should not be the initial receptor of funds.”

Section I.E. states “Receipting documents must be completed in ink and ‘white out’ never used.”

Section I.G. states “Collections must be remitted to the bookkeeper intact. Intact means in the same form as collected.”

Section I.I states “Bookkeeper will count the money in the collector’s presence and issue an official computerized receipt printed on the required receipt form.”

Section II.B. states “The preservation and retention of initial receipting documents (BC-40Ps, monies collection envelopes, tickets, facility rental contracts, etc.) is extremely important. Loss of a document may result in the school receiving audit exceptions.”

Section II. B.1c. *Receipting document description and use by initial receiptors* states “All receipts must be completed in ink including the following information:

- Collection Date
- Full name of payer
- Dollar amount of collection
- Signature of Collector (Not Initials)
- Complete description of purpose of collection”

Section II. B.1d. states “Receipts must not be altered (“white out” use is strictly prohibited.) if an error occurs:

- Write “VOID” across the receipt
- Staple all copies (white, green, and yellow) in the book. Do not remove from the book.
- Issue a new BC-40P receipt.”

Section II. B.1f. states “Collections must be remitted to bookkeeper intact (exactly as received), counted and reconciled (balanced) with the written receipts’ total. You must not:

- 1) Make purchases from collections.
- 2) Substitute personal checks for collections.
- 3) Hold money for change purposes.

Section II. B.1g. states “Bookkeeper will count the monies in the presence of the collector, verify collection amounts receipted in the BC-40P book, issue an official receipt from the computer and complete the bookkeeper’s area on front of the receipt book.”

Section II. B.1h. states “Bookkeeper will return green copies of the BC-40P receipts with the official receipt to the depositor (along with the book if additional collections are to be made). When collections are finished, collector will initial BC-40P log showing the return of the book to the bookkeeper’s possession for audit.”

Section II. B.2c. Monies Collection Envelope states “Monies Collection Envelopes are to be completed in ink. The following information is to be completed:

- Purpose/Activity of the collection
- Teacher/Sponsor’s Name
- Dollar amount of collection
- Fund Account Number
- Date(s) of collections
- Full name of payee
- Teacher/Sponsor Signature”

Section II. B.2e. *Monies Collection Envelope* states “Errors made on collection envelope must be legible. If an error is made, a single line should be made through the entry and the correct entry written on the next line. The auditor must be able to observe the error. (No ‘white out’ or heavy strike lining is to be done).”

Section II. B.2g. sates “Collections must be remitted intact (exactly as received.), counted and reconciled (balanced) with the monies collection envelope total. You must not:

- 1) Make purchases from collections.
- 2) Substitute personal checks for collections.
- 3) Hold money for change purposes.”

Section II. B.2h. states “Bookkeeper will count the monies in the presence of the collector, issue an official receipt from the computer and complete the bookkeeper’s area on front of Monies Collection Envelope.”

Section II. B.5. Monies Collection Envelope states “The bookkeeper’s Official Receipt is to be printed and issued each time the bookkeeper receives monies. There are no exceptions to receipting and printing the receipt.

- a. A receipt must always be printed and distributed to the collector when funds are deposited with the bookkeeper.
- b. Receipts should not be combined. Each initial receipting document must have its own official receipt.”

Standard Practice Bulletin I-404 Certificate of Loss Section I.A. states “When any person is unable to account for all items issued to them or explain monies receipted/collected but not deposited, a Certificate of Loss Form must be completed explaining the particulars of the loss.

- A. The Certificate of Loss is to be completed in incidences of theft or loss. In incidences of theft, a Security Report is also required and must be retained for audit.
- B. The Certificate of Loss must be presented to the School Principal for his/her signature and any action deemed appropriate.
- C. The Certificate of Loss must be retained for audit.
- D. It is recommended a copy of the completed Certificate of Loss be attached to or included with any initial receipting document (Monies Collection Envelope; BC-40P Receipt Book, etc.)”

We recommend the Principal review the requirements of Standard Practice Bulletins I-302 and I-404 with staff and ensure:

- 1. The bookkeeper counts all monies in the presence of the teacher/sponsor, verifies collection amounts receipted in BC-40P books, issues an official receipt from the computer and accurately completes the bookkeeper’s area on front of BC-40P receipt books and Monies Collection Envelopes.
- 2. Receipting documents (BC-40P receipt books, Monies Collection Envelopes and Facility Rental Agreements, etc.) are safeguarded by periodically accounting for all pre-numbered documents.
- 3. A Certificate of Loss is completed, when applicable.
- 4. The amount collected on Monies Collection Envelopes agrees with the amount officially receipted by the bookkeeper.
- 5. Proper segregation of duties is followed when collecting; the bookkeeper should not serve as the initial receptor of funds.
- 6. Proper procedures are followed when voiding BC-40P receipts.

7. BC-40P receipts are completed in date and numerical order.
8. The dollar amount and dates are always recorded on BC-40P receipts.
9. The correct official receipt date is recorded by the bookkeeper.
10. Monies Collection Envelopes include the collection amount and dates.

6. Internal Advance

(2009-2011)

During our analysis of the Internal Advance account we noted the following:

- a. Internal advance replenishment checks and/or cash amounts were not always properly offset in the Internal Advance trust account. In some instances, unused cash and vendor receipt totals were not posted separately in the internal advance account; the total internal advance amount was offset, instead.
- b. Monthly internal advances issued for Paw & Grill expenditures were not replenished until the end of the school year. The internal advances were not cleared on a monthly basis prior to the issuance of the next advance.
- c. In some instances, multiple internal advances issued to the same recipient were combined.
- d. Internal advances were issued from the General fund and Paw & Grill accounts, instead of the designated Internal Advance trust account (#6251-0000).
- e. The bookkeeper was the recipient of an internal advance totaling \$300. Proper segregation of duties procedures was not followed. The advance was not replenished until the end of the year.
- f. Amounts posted to the Internal Advance account did not always agree with vendor receipt totals and cash replenishment amounts.
- g. Cash replenishments were not noted as such in the Internal Advance trust account.
- h. The replenishment check date of one (1) advance did not agree with the date the internal advance was actually cleared in the Internal Advance account.
- i. Eight (8) Expense Reimbursement /Payment Request forms were not signed by the recipients of the internal advances (teachers/sponsors). However, all recipients returned the advances.

Standard Practice Bulletin I-101 General Policy Section VI.A. states "The internal funds of the school may not, at any time, be used for any purpose which directly or indirectly represents an accommodation, loan, or credit to a School Board employee; or other persons (including students). This includes cashing personal checks, payment for services or merchandise, or selling postage stamps."

Standard Practice Bulletin I-310 Internal Advances and Budget Petty Cash Section I. A. states "Single activity internal advances (issued as change funds for dances, variety shows, etc.) must be cleared within ten (10) days after the conclusion of the activity."

Section I. B.2. states "Establishing an internal advance: 1. Obtain a completed Expense Reimbursement/Payment Request Form stating the purpose of the internal advance request. 2. Issue a check to the requesting party (custodian of the advance) for the amount requested and approved from the Internal Advance Account. The payee's name must appear in the reference section. 3. The requesting party cashes the check. Note: This check is not to be cashed by the bookkeeper. 4. The requesting party (custodian) is responsible at all times for the dollar amount issued. The amount issued may consist of all cash; cash and receipts/invoices; or all receipts/invoices; however, if called in, the custodian must be able to account for the dollar amount issued."

Section I.C. states "Replenishing an Internal Advance: 1. The requestor/custodian of the internal advance should seek replenishment when the funds have been depleted. 2. The dollar amount to be replenished will be the amount of receipts/invoices reflecting the expenditure(s) and a completed Expense Reimbursement/Payment Request form. 3. The receipts/invoices used to document the expenditures(s) of the internal advance may be applicable to more than one internal account. 4. Upon receipt of the completed Expense Reimbursement/Payment Request form and applicable expenditure(s) documentation (receipts/invoices), the bookkeeper will issue a replenishment check from the applicable internal account(s). The payee's name must appear in the reference section. 5. The requestor/custodian is issued the replenishment check and cashes the check as described in B3 above."

Section D. states "Closing an Internal Advance: Transfers and adjustments are prohibited from being used to close or clear an internal advance. 1. The procedures detailed in C1 through C4 above will be followed. 2. The requestor/custodian endorses the check on the back in the presence of the bookkeeper and then returns the check and any unused cash to the bookkeeper. 3. The bookkeeper will issue the requestor/custodian an official receipt. The check/money will be receipted into the Internal Advance account. The internal advance custodian's name must appear in the reference section."

We recommend the Principal review the requirements of Standard Practice Bulletins I-101 and I-310 with the bookkeeper and ensure:

1. Internal advance replenishment check/cash amounts are properly offset in the Internal Advance account.
2. Staff follows proper segregation of duties procedures. The bookkeeper should not be the recipient of any internal advance.
3. Internal advances are cleared within 10 days after the conclusion of the activity. Ongoing internal advances must be replenished prior to the issuance of the next advance.
4. All internal advances are supported with vendor receipts.
5. Internal advances are not combined. Each advance should be processed as a separate advance.
6. All internal advances are issued from the designated Internal Advance trust account.
7. Amounts posted to the Internal Advance account agree with vendor receipt totals and cash replenishment amounts.
8. Expense Reimbursement/Payment Request forms are signed by the recipients of the internal advances (teachers/sponsors).

7. Vending Commissions

During our analysis of vending commissions, we noted:

- a. In FY 2010, an incorrect amount of vending commissions totaling \$4,855.07 (\$7,000-\$2,144.93) was posted to the Sunshine account (#4810-0000). However, only \$2,144.93 from vending sales was due to faculty.
- b. In FY 2011, an incorrect amount of vending commissions totaling \$3,208.21 (\$5,000-\$1,791.79) was posted to the Sunshine account (#4810-0000). However, only \$1,791.79 from vending sales was due to the faculty.

Standard Practice Bulletin I-309 Vending Machines/Snack Bars Section I.C. states "All vending machines must be operated by and monies deposited into a class, club, or department's internal account." This would preclude the school from depositing profits from sales to students into the Faculty/Sunshine Account.

Section II. B.4b. states "Vending machine profits may be used for:.... Faculty benefit: Vending machines must be located in the faculty planning or lounge areas of the school and should be for faculty and staff use only. Monies to be deposited in the Faculty/Sunshine account or in accordance with the current teachers' union contract."

The Collective Bargaining Agreement between the School Board of Broward County, Florida, and the Broward Teachers Union (Teachers' Contract) Article 5 Section P. states "Vending Machines: Profits from vending machines in employee workrooms, lunchrooms or lounges shall be expended...as determined by the employees in the school and the principal at the worksite through the faculty council."

We recommend the Principal review the requirements of Standard Practice Bulletin I-309 and the Collective Bargaining Agreement between the School Board of Broward County, Florida, and the Broward Teachers Union (Teachers' Contract) with the bookkeeper and ensure:

1. The incorrect amount of vending commissions totaling \$8,063.28 is recouped from the Sunshine club account (#4810-0000) and remitted to the appropriate student and/or General fund account(s).
2. Faculty related vending machine commissions are derived only from actual sales. Vending Sales Reports should be requested from the vendor on a quarterly basis to ensure proper allocation.

8. SGA Account (Use of Funds for Faculty)

During our review of the SGA (Student Government) club account, we noted:

(2009-2010)

- a. A total of \$4,348.87 from the SGA Account (#4635-0000) was used to provide beverages, a luncheon and purchase embroidered jackets for staff.
- b. Check #32459 in the amount of \$90.37 was disbursed on August 20, 2009 from the SGA club account; however, students did not return to school until August 24, 2009. In addition, the Expense Reimbursement/ Payment Request form was not signed by the sponsor/teacher and the expenditure was not supported with SGA Minutes.

(2010-2011)

- a. A total of \$1,763.36 from the SGA account (#4635-0000) was used to provide a welcome back luncheon for staff. Check #33664 was disbursed on August 10, 2010; however, students did not return to school until August 23, 2010. SGA Minutes were signed after the event on August 26, 2010.
- b. Sales tax of \$104 was not paid on the staff luncheon.

School Board Policy 3411 Internal Accounts states "All monies collected or disbursed by school personnel or by students within a school, in connection with the school program, for the benefit of that school, a class, club, department, employee or student shall be recorded in the school's Internal Funds...All of the aforementioned funds shall be administered and accounted for in accordance with existing laws, Florida State Board of Education Administrative Rules and Board Policies. Internal Accounts Funds shall not be used (1) For any purpose which represents an accommodation to...employees of the Board..."

Standard Practice Bulletin I-101 General Policy Section IV.B. states " Employees may not make purchases through the school in order to benefit from purchasing privileges such as discounts, sales tax exemption, etc."

Section IV.C. states " There shall be no loans to the Faculty/Sunshine Account from the General Fund or other internal accounts."

Standard Practice Bulletin I-305 Disbursements Section I.F. states "Monies collected shall be expended to benefit those students in school unless those funds are being collected for a specific documented purpose or are generated by vocational production shops."

Section I.G. states "Internal Accounts shall not be used to make any kind of loans, pay any form of compensation for additional services directly to an employee or extend credit."

Standard Practice Bulletin I-305 Disbursements Section III.A. states "All school disbursements require use of the computer generated check vouchers. The Expense/Reimbursement Payment Request Form must be attached to the check stub with one of the following documents attached as backup documentation:

1. Vendor Invoice (original, fax, or online invoice)
2. Original Receipt”

Note: Organization Minutes Form must be attached for any club expenses.

Section III. B. states “The following information is required for all disbursement authorization documents:

1. Name of Individual or company (Payee) receiving payment/reimbursement.
2. Amount of reimbursement/payment.
3. Brief description of reason for reimbursement or payment request
4. Required signatures for authorization of documents:
 - a. Ownership accounts (Classes, Clubs, Departments) require:
 - 1) Applicable Teacher/Sponsor for the Class, Club, or Department
 - 2) Applicable Secretary/Treasurer for the Class or Club
 - b. Community School disbursements require the signature of the Director of the community school as the approving teacher/sponsor.
 - c. School Principal.”

Standard Practice Bulletin I-311 Donations Section I.A.2b. states “Donations received by school personnel must be properly receipted into the school’s internal account. If the donors intention is that a portion of the donation be used for food for staff or for the purchase of items which become the personal property of staff, that portion of the donation must be receipted into and disbursed directly from a faculty controlled account.”

Standard Practice Bulletin I-313 Sales and Use Taxes states “All purchases made by a school which are deemed to be for educational purposes are tax exempt except Faculty-Sunshine Accounts.”

We recommend the Principal review the requirements of School Board Policy 3411 and Standard Practice Bulletins I-101, I-305, I-311 and I-313 with staff and ensure:

1. All monies received and deposited for the benefit of students comply with the applicable rules and regulations governing allowable purchases. The transfer of vending commissions to a class and/or club account or the use of student funds at the Principal’s discretion to benefit faculty and/or SBBC district employees does not relieve the school of complying with all rules and regulations governing purchases.
2. Sales tax is paid on all faculty expenditures.
3. All Expense Reimbursement/ Payment Request forms are signed by the sponsor/teacher.

OTHER COMMENTS

Payroll

The School generally adhered to the payroll procedures.

SOUTH BROWARD HIGH SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2009 - 2010

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 379.11	\$ 67,709.25	\$ 59,047.80	\$ 9,040.56
Music	0.00	3,840.35	3,300.14	540.21
Classes	15,282.83	77,222.89	86,592.14	5,913.58
Clubs	46,016.53	225,889.31	226,264.66	45,641.18
Departments	5,253.95	3,270.63	4,271.60	4,252.98
Trusts	24,028.70	119,216.05	114,586.18	28,658.57
General	11,331.68	27,688.30	32,886.79	6,133.19
TOTALS	<u>\$ 102,292.80</u>	<u>\$ 524,836.78</u>	<u>\$ 526,949.31</u>	<u>\$ 100,180.27</u>

SOUTH BROWARD HIGH SCHOOL

STATEMENT OF CHANGES IN FUND BALANCES (CASH BASIS)

2010 - 2011

FUND	BEGINNING BALANCES	RECEIPTS	DISBURSE- MENTS	ENDING BALANCES
Athletics	\$ 9,040.56	\$ 92,211.66	\$ 96,893.16	\$ 4,359.06
Music	540.21	7,259.99	7,497.02	303.18
Classes	5,913.58	82,166.86	77,806.73	10,273.71
Clubs	45,641.18	191,435.63	191,418.92	45,657.89
Departments	4,252.98	2,510.20	3,021.03	3,742.15
Trusts	28,658.57	78,547.44	88,082.70	19,123.31
General	<u>6,133.19</u>	<u>34,243.57</u>	<u>36,329.16</u>	<u>4,047.60</u>
TOTALS	<u>\$ 100,180.27</u>	<u>\$ 488,375.35</u>	<u>\$ 501,048.72</u>	<u>\$ 87,506.90</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**DESMOND K. BLACKBURN, Ph.D.
CHIEF SCHOOL PERFORMANCE AND ACCOUNTABILITY OFFICER**

Telephone: 754-321-3838

Facsimile: 754-321-3886

Date May 6, 2013

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

FROM: Desmond K. Blackburn, Ph.D. *DKB/ST*
Chief School Performance and Accountability Officer

SUBJECT: **INTERNAL ACCOUNTS AUDIT RESPONSE
SOUTH BROWARD HIGH SCHOOL**

The Office of School Performance and Accountability has reviewed the internal audit findings for South Broward High School. These audit findings have been discussed with the Principal, Olayemi Awofadeju, and she has taken full responsibility to implement deliberate steps to ensure exception-free internal audits in the future. The Office of School Performance and Accountability will monitor the school's progress and hold the Principal appropriately accountable should future audit exceptions occur.

If additional information is needed, please let me know.

DKB:mg

cc: Michael J Ramirez, Director, Office of School Performance and Accountability
Nell Johnson, Director Business Support Center
Danielle Thomas, Auditor
Olayemi Awofadeju, Principal, South Broward High School



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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SOUTH BROWARD HIGH SCHOOL
Olayemi Awofadeju, Principal
1901 N. Federal Highway
Hollywood, FL 33020
754-323-1800
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Superintendent of Schools

DATE: May 6, 2013
TO: Michael Ramirez, Director of the Office of Student Performance and Accountability
FROM: Olayemi Awofadeju, Principal 
SUBJECT: Audit Report on Internal Accounts- Fiscal Years 2010 & 2011

I was appointed principal of South Broward High School on July 25, 2012. On April 29, 2013, during the exit meeting, the Auditor, Director of Auditing, the former principal and I participated in an Exit Conference regarding the audit exceptions for the 2010 and 2011 fiscal years. Please note the events, procedures, and plans listed below to ensure that sound and effective business practices are in place for the future in accordance with the SBBC Standards Practice Bulletin.

- The bookkeeper and I have met with all club sponsors and coaches to review current practices and have informed them of the immediate changes in our current business procedures to ensure alignment with the Standard Practice Bulletin
- Training was provided to personnel to ensure that appropriate procedures on Collecting, Receipting, and Reporting of Fundraisers and Field Trips. Follow up training will be provided to staff as needed
- I will approve the ZTIM, ZEARNINGS, and Overtime Reports for "AA" and "BB" payrolls
- I have submitted an SIU investigation to examine bookkeeping procedures and missing monies during the 2010 and 2011 fiscal years. Consequently, the bookkeeper has been placed on administrative leave and she has been directed by SIU to have no contact or conversation with any employees regarding this subject
- I have met with the athletic director and assistant director regarding my expectations on money collection, receipts, and counting
- I will continue to meet with staff to ensure alignment with the Standard Practice Bulletin paying close attention to Cash Collections (I- 302), Deposit of Collections (I 303), Student Obligations (I 316) and Fundraising Activities (I 402)
- I have directed the temporary bookkeeper to adhere to all of the requirements of the Standard Practice Bulletin and will require this of all employees in the future. This includes counting all monies in the presence of teacher/sponsor, receipting money in BC-40P books, and issuing official receipts

- Duties of the bookkeeper will be properly segregated and the bookkeeper will not receive any internal advance
- A Certificate of Loss (I-404) will be completed when applicable
- Internal Advances will agree with the receipt totals and cash replenishment amounts
- I will establish a plan to replenish the General Fund account to recoup the overage of payment during 2010 and 2011 fiscal years
- I will meet with staff to review the Standard Practice Bulletin and ensure that monies are utilized appropriately and adhere to rules and regulations governing allowable purchases
- All expense reimbursement and payment request forms will be signed by the sponsor or teacher

As the new principal, it is my goal to implement a plan that includes monitoring so that the result of future audits will be free of exceptions.