

INTERNAL PROPERTY AUDIT REPORT

Property and Inventory Audits of Selected Locations
2013-2014



**To be presented to the:
Audit Committee
on
October 10, 2013**

**The School Board of Broward County, Florida
on
November 5, 2013**

**by
The Office of the Chief Auditor**



Broward County Public Schools

The School Board of Broward County, Florida

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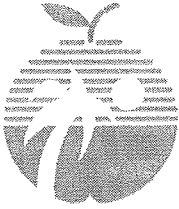
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September 24, 2013

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
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Ladies and Gentlemen:

We have performed a Review of the Property and Inventory of selected locations, pursuant to The Rules of the Florida Administrative Code, Section 69I-72, and School Board Policy 1002.1.

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

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

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

Our property audits indicated that sixty two (62) locations in the report complied with prescribed policies and procedures. There were five (5) locations that contained audit exceptions consisting of unaccounted for property and the failure to follow some prescribed rules.

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

Sincerely,

Patrick Reilly, CPA
Chief Auditor

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PROPERTY AUDIT REPORT

AUTHORIZATION

The Rules of the Florida Administrative Code, Section 69I-72, require that each custodian shall ensure that a complete physical inventory of all property is taken at least once each fiscal year. Each custodian shall ensure that a complete physical inventory of all property under the control of the custodian or custodian's delegate is taken whenever there is a change of custodian or custodian's delegate. In accordance with School Board Policy 1002.1 and the Audit Plan for The Office of the Chief Auditor, the inventories of the locations in the District that have been audited are presented in Section I of this report. School Board Policy 3204 – Property Accountability and Responsibility states, “The Board designates that Principals shall be the custodians of property at schools. Directors shall be the custodians of property for the County Support Services Departments.” Rule 1 states “**All physical inventories shall be conducted by the Office of the Chief Auditor’s Property Audits Division.**”

SCOPE, OBJECTIVES AND METHODOLOGY

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

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

Compliance

We tested compliance with policies and procedures prescribed by the School Board Policies and Business Practice Bulletin 0-100 Procedure for Property & Inventory Control. The results of our tests of compliance indicated some locations did not comply with some policies and procedures established in the sources identified above. Noncompliance items are reported in **Section I** and **Section III** of this report.

Property Control Structure

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

- internal property control structure established by the administration.
- assessed level of controlled risk to determine the nature, timing, and extent of substantive tests for compliance with applicable laws, administrative rules and district policies; including the safeguarding of assets.

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

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

Property Audit Exceptions

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

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

The Office of the Chief Auditor reported no property exceptions for locations with an aggregate historical value, of items unaccounted for, falling below the designated 1% threshold unless significant process control weaknesses have been identified. The District administration requires follow-up verification of all items not accounted for during the physical audit with a historical cost of \$1,000 or more. Subsequently, location administrators must designate the location of recovered individual assets by room/fish number or demonstrate activity on the appropriate District approved forms.

Unaccounted / Found Items

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

In addition to having items which are not accounted for, the Office of the Chief Auditor issues a final audit report to the property custodian, identifying the final discrepancy list as well as outlining any material weaknesses associated with the location's inventory control. A copy of the final discrepancy report will be forwarded to AFRD in order to amend the property records as deemed appropriate. For any new/found tangible personal property listed on the final audit discrepancy report with a historical cost/estimated value of \$1,000 or more, the location must forward a **03290** Equipment Acquisition Form signed by the property custodian with invoices or supported estimated values authorizing AFRD to add these property items to the Master File of Capital Assets database.

Summary of Property and Inventory Review for Fiscal Year 2013-2014

The following report discloses the audits for fifty two (52) schools and fifteen (15) departments. These audits were finalized between June 7, 2013 and September 20, 2013. For this report, we noted that five (5) locations had audit exceptions. A summary of this report notes that:

- For the 67 locations, 40,755 items were listed in the property records at a historical cost of \$73,638,623.
- For the 67 locations included in this report, a total of 104 items could not be accounted for with a historical cost of \$173,077.

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

The following table presents a summary of the property and inventory audits that were finalized during the period June 7, 2013 and September 20, 2013. For any location that received an exception, we have included a detailed listing of the items that were unaccounted for and the administration's response.

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/Exception	Page No.
School	0031 Oakland Park Elementary	542	\$729,902	0	0	No Exception	
School	0131 Hallandale Elementary	680	\$1,174,170	3	\$4,126	No Exception	
School	0231 Colbert Elementary	584	\$844,496	0	0	No Exception	
School	0321 Walker Elementary	764	\$1,049,802	0	0	No Exception	
School	0452 Whiddon Rogers Education Center	1,627	\$1,923,689	1	\$1,343	No Exception	
School	0461 Oakridge Elementary	556	\$855,362	1	\$1,366	No Exception	
School	0501 Broward Estates Elementary	511	\$743,350	0	0	No Exception	
School	0511 Watkins Elementary	658	\$949,174	2	\$2,837	No Exception	
School	0621 Larkdale Elementary	591	\$802,655	4	\$7,713	No Exception	
School	0701 Parkway Middle	1,704	\$2,478,261	14	\$23,034	Exception	12-23
School	0811 Broadview Elementary	755	\$1,116,203	2	\$3,189	No Exception	
Sub Total This Page		8,972	\$12,667,064	27	\$43,608	10 No Exception 1 Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	0851 Floranada Elementary	464	\$655,175	0	0	No Exception	
School	0871 Bright Horizons Center	374	\$553,920	0	0	No Exception	
School	0881 New River Middle	885	\$1,422,426	1	\$1,515	No Exception	
School	0921 Stephen Foster Elementary	534	\$747,464	0	0	No Exception	
School	0991 Wingate Oaks Center	350	\$741,997	0	0	No Exception	
School	1021 The Quest Center	305	\$517,720	2	\$3,332	No Exception	
School	1071 William Dandy Middle	640	\$849,412	2	\$3,117	No Exception	
School	1211 Cooper City Elementary	673	\$905,222	0	0	No Exception	
School	1282 Nova Blanche Forman Elementary	561	\$837,059	5	\$6,721	No Exception	
School	1461 Castle Hill Elementary	515	\$692,190	0	0	No Exception	
School	1831 Oriole Elementary	519	\$788,549	2	\$3,869	No Exception	
School	1841 Mirror Lake Elementary	521	\$757,440	0	0	No Exception	
School	1871 Crystal Lake Middle	1,327	\$1,949,638	6	\$10,874	No Exception	
Sub Total This Page		7,668	\$11,418,212	18	\$29,428	13 No Exception 0 Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	1881 Pines Middle	1,118	\$1,760,353	0	0	No Exception	
School	2001 Banyan Elementary	614	\$852,578	0	0	No Exception	
School	2071 Pasadena Lakes Elementary	535	\$703,610	2	\$3,341	No Exception	
School	2231 North Lauderdale Elementary	767	\$1,039,293	1	\$1,681	No Exception	
School	2541 Flamingo Elementary	524	\$717,865	1	\$1,196	No Exception	
School	2671 Nob Hill Elementary	549	\$849,207	1	\$1,100	No Exception	
School	2681 Westchester Elementary	685	\$845,914	0	0	No Exception	
School	2691 Morrow Elementary	487	\$692,899	1	\$1,532	No Exception	
School	2801 Davie Elementary	548	\$850,064	1	\$2,770	No Exception	
School	2831 Western High	1,767	\$2,974,414	1	\$1,391	No Exception	
School	2861 Pines Lakes Elementary	693	\$987,488	0	0	No Exception	
School	3051 Forest Glen Middle	919	\$1,253,689	0	0	No Exception	
School	3181 Indian Trace Elementary	617	\$828,445	3	\$5,138	No Exception	
Sub Total This Page		9,823	\$14,355,819	11	\$18,149	13 No Exception 0 Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	3191 Embassy Creek Elementary	718	\$1,012,362	0	0	No Exception	
School	3221 Charles Drew Elementary	404	\$655,129	0	0	No Exception	
School	3222 Cross Creek School	309	\$462,688	1	\$1,158	No Exception	
School	3291 Thurgood Marshall Elementary	883	\$702,185	2	\$2,662	No Exception	
School	3311 Palm Cove Elementary	753	\$1,055,763	0	0	No Exception	
School	3461 Eagle Point Elementary	1,312	\$1,836,543	6	\$9,550	No Exception	
School	3481 Tradewinds Elementary	827	\$1,183,179	1	\$1,457	No Exception	
School	3591 Lakeside Elementary	588	\$783,669	0	0	No Exception	
School	3642 Gator Run Elementary	743	\$976,902	0	0	No Exception	
School	3651 Dave Thomas Education Center	778	\$1,168,744	1	\$1,295	No Exception	
School	3761 Park Lakes Elementary	911	\$1,160,663	3	\$3,756	No Exception	
School	3781 Park Trails Elementary	906	\$1,257,091	2	\$6,711	No Exception	
School	3841 Manatee Bay Elementary	902	\$1,249,371	3	\$4,215	No Exception	
Sub Total This Page		10,034	\$13,504,289	19	\$30,804	13 No Exception 0 Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	3921 Broward Virtual Education	225	\$263,355	0	0	No Exception	
School	3961 Heron Heights Elementary	647	\$900,640	3	\$3,964	No Exception	
DEPT	9514 Official School Board Records	25	\$53,825	0	0	No Exception	
DEPT	9604/9607/9610 Physical Plant Operations	1,054	\$1,756,858	9	\$16,560	No Exception	
DEPT	9604/9607/9610 Physical Plant Operations VEHICLES	426	\$9,721,146	0	0	No Exception	
DEPT	9651 Non-Instructional Staffing	53	\$77,395	0	0	No Exception	
DEPT	9654 Personnel Records	78	\$195,117	0	0	No Exception	
DEPT	9655 Office of the Chief Human Resources Officer	20	\$29,515	0	0	No Exception	
DEPT	9657 Employee & Labor Relations	29	\$48,772	0	0	No Exception	
DEPT	9707 Supply Management & Logistics	87	\$167,713	0	0	No Exception	
DEPT	9776 Instruction & Interventions VEHICLES	95	\$1,286,860	0	0	No Exception	
DEPT	9776 Instruction & Interventions	175	\$328,701	4	\$5,974	Exception	24-28
DEPT	9779 Pre K-2	299	\$751,860	3	\$6,209	No Exception	
Sub Total This Page		3,213	\$15,581,757	19	\$32,707	12 No Exception 1 Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
DEPT	9807-9830-9831 Title 1, Migrant Ed & Special Programs	200	\$341,350	6	\$8,538	Exception	29-34
DEPT	9812 Innovative Programs	50	\$111,882	2	\$2,898	Exception	35-39
DEPT	9870 BECON	707	\$5,498,154	0	0	No Exception	
DEPT	9903-9904 Public Information Officer- Marketing & Communications	88	\$160,096	2	\$6,945	Exception	40-44
Sub Total This Page		1,045	\$6,111,482	10	\$18,381	1 No Exception 3 Exception	
Sub Total Page 4		8,972	\$12,667,064	27	\$43,608	10 No Exception 1 Exception	
Sub Total Page 5		7,668	\$11,418,212	18	\$29,428	13 No Exception 0 Exception	
Sub Total Page 6		9,823	\$14,355,819	11	\$18,149	13 No Exception 0 Exception	
Sub Total Page 7		10,034	\$13,504,289	19	\$30,804	13 No Exception 0 Exception	
Sub Total Page 8		3,213	\$15,581,757	19	\$32,707	12 No Exception 1 Exception	
TOTAL		40,755	\$73,638,623	104	\$173,077	62 No Exception 5 Exception	

Audits Performed by:

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Ivette Lima
Bruce Norris
Stephanie Ormsby
Rhonda Schaefer**

Audits Processed by:

Gail Mouzon-Williams

Audits Managed by:

Mark Magli

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

During the property audit at the following locations, all assets were reconciled.

SCHOOL NAME

0031 Oakland Park Elementary

0231 Colbert Elementary

0321 Walker Elementary

0501 Broward Estates Elementary

0851 Floranada Elementary

0871 Bright Horizons Center

0921 Stephen Foster Elementary

0991 Wingate Oaks Center

1211 Cooper City Elementary

1461 Castle Hill Elementary

1841 Mirror Lake Elementary

1881 Pines Middle

2001 Banyan Elementary

2681 Westchester Elementary

2861 Pines Lakes Elementary

3051 Forest Glen Middle

3191 Embassy Creek Elementary

3221 Charles Drew Elementary

3311 Palm Cove Elementary

3591 Lakeside Elementary

3642 Gator Run Elementary

3921 Broward Virtual Education

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

During the property audit at the following locations, all assets were reconciled.

DEPARTMENT NAME

9514 Official School Board Records

9651 Non-Instructional Staffing

9654 Personnel Records

9655 Office of the Chief Human Resources Officer

9657 Employee Relations

9707 Supply Management & Logistics

9870 BECON

School Name: Parkway Middle 0701
Administrator's Name: Mr. Bradford Mattair

Address: 3600 NW 5th Court
Lauderhill, Florida 33311

Total Number of Items in Inventory: 1,704
Total Dollar Cost of Items in Inventory: \$2,478,261
Total Number of Items Unaccounted for: 14
Total Dollar Cost of Items Unaccounted for: \$23,034
Total Net Value of Items Unaccounted for: \$6,257

Audit Committee	Total Assets U/A	Historical Value of Assets U/A	Status
11-12	6	\$8,665	No Exception <i>Mattair</i>
10-11	8	\$20,118	REPEAT Exception <i>Mattair</i>
09-10	38	\$84,619	REPEAT Exception <i>Mattair</i>
07-08	12	\$18,045	REPEAT Exception <i>Mattair/Hall</i>

The expectations for monitoring and safeguarding District assets are defined by Business Practice Bulletin O-100. Policies, procedures and best practices should be reviewed with all staff to ensure proper compliance and systemic efficiency. The implementation of internal monitoring controls has been inconsistent at the location. Several material weakness concerns were identified in which the internal property control structure elements do not reduce the risk of material errors or irregularities from occurring. NOTE: As a follow up to our initial audit, the school's staff was able to obtain the vendor documentation needed to identify and subsequently reconcile some items that were previously unaccounted for. Those items were removed from the list of unaccounted for items in this final report.

PROPERTY TEAM

Functional back up roles should be developed to increase the efficiency of archiving support documentation utilizing a Property Binder and updated locally managed equipment tracking database. It should be noted that the sharing of oversight responsibilities can foster an improved level of compliance, awareness and adherence to school/department expectations related to property control. The principal and involved staff should maintain access to these items at all times.

(Parkway Middle continued)

MONITORING PROPERTY RECORDS

A pre-audit discrepancy report identified an excessive amount of asset record discrepancies that were not corrected by school staff prior to the start of the audit. Forty nine (49) items in the Master File of Assets contained incomplete, duplicated or erroneous record information since 2012.

CONDUCTING SEMI-ANNUAL INVENTORIES per Business Practice Bulletin O-100

The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools/departments to ensure an accurate physical accounting of designated assets by the staff.

All locations are minimally required to conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.

The location will request an electronic copy of its PNI 811 report from ETS Production or actively monitor the Optispool PNI 954A Report.

Appropriate staff will physically verify that each property item listed on the PNI 811 report is accounted for on premises or there is a current Property Pass executed for tangible personal property assigned to individuals. Locations shall surplus tangible personal property twice per year in accordance with conducting self-inventories.

NEW FOUND ITEMS REPORTED

One hundred sixty two (162) items were located at the school that did not appear in the Master File of Assets. The school has not provided any information to have the equipment added in alignment with the state requirements for recording and monitoring fixed assets (more than \$1000). In some cases, the historical cost was below the value of assets captured by AFRD for tracking, but should still be maintained in the school's secondary database and secured accordingly. Support records for activity relating to the items identified in the New Found Items Report should be kept in the location's property binder for future audit review. This is a repeat condition.

*The OCA will then issue a final audit report to the property custodian, identifying the final discrepancy list and outlining any material weaknesses associated with the location's inventory control. A copy of the final discrepancy report will also be forwarded to Accounting & Financial Reporting Department - Capital Assets in order to amend the property records as deemed appropriate. For any new/found tangible personal property listed on the final audit discrepancy report with a historical cost/estimated value of \$1,000 or more, the location must forward a **03290 Tangible Property Loss/ Equipment Acquisition Form** signed by the property custodian with invoices or estimated values authorizing Accounting & Financial Reporting Department - Capital Assets to add these property items to the Master File of Capital Assets database.*

SECONDARY DATABASE

The Inventory Audit Specialist did not receive confirmation of the school's secondary database for tracking high risk items and/or band equipment with a value less than \$1000. Business Practice Bulletin O-100 establishes the procedures for schools to track all high risk equipment.

(Parkway Middle continued)

Although tangible personal property purchases with a unit value less than \$1,000 are not maintained on the District's Master File of Capital Assets database, property custodians should take appropriate precautions to safeguard and track all tangible personal property, especially high risk items such as computers, cameras, LCD Projectors, custodial equipment, and musical instruments. Locations must maintain records of these high risk items within a secondary, site based tracking database. The property custodian will determine the format for maintaining the information contained in the location's secondary, site-based tracking database (Excel, FileMaker Pro, etc.) unless otherwise mandated by the respective ELT administrator.

In addition, all musical instrument records should be updated and physically verified periodically during the year.

STANDARD PRACTICE BULLETIN I - 202

Since music area equipment is frequently assigned into the custody of students and is involved in off-campus uses, it is necessary for instructors to maintain perpetual inventory records of all musical equipment.

Physical inventories of musical equipment should be taken once a year (semi-annual is required) and must be reconciled.

Physical inventory with all reconciling items noted should be filed in the Principal's office and available for audit purposes.

Databases were not provided for a cursory review by the Inventory Audit Specialist during the evaluation.

ASSIGNMENT OF TANGIBLE PERSONAL PROPERTY TO STAFF

At the time of audit commencement, several property passes were determined to contain recording inaccuracies. Those passes were identified and subsequently corrected by staff as a result of the audit. The procedures for allocating equipment to students or staff are outlined in Business Practice Bulletin O-100.

It is recognized that tangible personal property will be assigned to staff for temporary removal of the property from the primary operational site location. In such instances, a Property Pass must be executed to document the assignment and removal of capital equipment from the location.

A unique Property Pass must be completed for each piece of tangible personal property removed from the location.

Property Passes must be updated annually or as needed to ensure the physical accounting and proper return of the District's capital equipment.

REPORTING THEFT OR VANDALISM per Business Practice Bulletin O-100

All locations must take appropriate measures to ensure the safekeeping of all tangible personal property. This includes securing all high-theft equipment during hours of non-operation. To the extent possible, tangible personal property should be designated to individual staff that is

(Parkway Middle continued)

requested to oversee the equipment and report any loss or theft to appropriate administration in “real-time”. Additionally, tangible personal property that is not utilized on a day-to-day basis should be stored in a secured location, and the appropriate staff should physically verify this property as needed to provide the most effective means of securing tangible personal property.

**The Office of the Chief Auditor
Property Division
2013-14**

Items not accounted for:

Parkway Middle 0701

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	12-05011	APPLE MACBOOK PRO 13" 2.4GHZ 13.3 DISPLY	\$ 1,511.75
2	12-04906	APPLE MACBOOK PRO 13" 2.4GHZ 13.3 DISPLY	\$ 1,511.75
3	12-04916	APPLE MACBOOK PRO 13" 2.4GHZ 13.3 DISPLY	\$ 1,511.75
4	12-04877	APPLE MACBOOK PRO - 2.4GHZ 17" DISPLAY	\$ 2,617.10
5	09-05819	APPLE MACBK 2.4GHZ DVD/CD-RW 13.3"	\$ 1,690.00
6	08-05798	DELL LAPTOP D630 W/DVD+/-RW 14.1" DISPLA	\$ 1,592.00
7	07-10621	88 KEY DIGITAL PIANO	\$ 1,382.94
8	05-51030	APPLE DESKTOP EMAC G4W/17"FLATCRT/CD-RW/	\$ 1,100.00
9	05-86057	PROJECTOR, EPSON POWERLITE 61P	\$ 1,100.00
10	05-82826	TUBA, CERVENY 4 VALVE	\$ 2,983.00
11	04-19622	PRINTER LEXMARK T630N B/W LASER	\$ 1,208.00
12	04-07801	APPLE, IBOOK G3 W/CD-ROM/12.1"DISPY	\$ 1,452.20
13	02-11229	COMPUTER, LAPTOP MAC I BOOK	\$ 2,019.36
14	97-23953	HORN FRENCH, DOUBLE F/BB, LACQUER FINISH	\$ 1,354.00

Total Historical Cost of Property unaccounted for as of September 20, 2013 \$ 23,033.85

[1]Total Accumulated Depreciation as of September 20, 2013 \$ 16,776.41

Net Value of Property considered to be unaccounted for as of September 20, 2013 \$ 6,257.44

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

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August 28, 2013

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

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

**SUBJECT: PROPERTY AND INVENTORY AUDIT RESPONSE, 2012-2013
PARKWAY MIDDLE SCHOOL**

The Office of School Performance and Accountability (OSPA) has reviewed the property and inventory audit response for Parkway Middle School. These audit findings have been discussed with the Principal, Bradford Mattair, and he has taken full responsibility to implement deliberate steps to ensure exception free property and inventory audits in the future. OSPA has implemented the following monitoring strategies to strengthen the Principal's business management competencies and eliminate recurrences of audit exceptions. OSPA will provide the following assistance:

- The Principal will oversee the Property and Inventory Team to eliminate future audit exceptions and will follow up with a progressive discipline plan for employees who do not adhere to the P&I procedures.
- The Cadre Director has directed the Principal to meet monthly with the P&I Team to ensure that checks and balances are in place to monitor the implementation and communication of their new plan.
- Effective September 2013, the Principal will be required to provide his Property and Inventory Reviews to his Cadre Director, including the PNI 811 Asset Report, on a monthly basis.
- The Principal will schedule a meeting with the Cadre Director quarterly to review the implementation status of the school's new monitoring plan.

Patrick Reilly, Chief Auditor
August 28, 2013
Page 2

- During scheduled site visits, the Principal and Inventory Team will show evidence of new equipment receiving procedures. The property pass binder identifying all equipment checked out to staff, reconciliation of PNI after new purchases, surplus/transfers, and losses; SIU Notification Form, Police Report, and Tangible Property Loss reports, if applicable, will be reviewed during site visits.

The Principal has been apprised as to the seriousness of property control and understands that appropriate disciplinary measures will be applied and documented for repeat audit exceptions.

If additional information is needed, please advise.

DKB/CS/ct

cc: Christine Semisch, Director, Office of School Performance and Accountability
Mark Magli, Office of the Chief Auditor
Bradford Mattair, Principal, Parkway Middle School



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

PARKWAY MIDDLE SCHOOL of the ARTS

Bradford G. Mattair, Principal
3600 Northwest Fifth Court
Lauderhill, FL 33311
Telephone: 754 322 4000
Facsimile: 754 322 4085
Parkwaymiddlesota.com

SCHOOL BOARD

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ROBERT W. RUNCIE
Superintendent of Schools

August 22, 2013

TO: Desmond K. Blackburn, Ph. D.
Chief School Performance & Accountability Officer

FROM: Bradford G. Mattair, Principal *BGM*
Parkway Middle School 0701

SUBJECT: RESPONSE TO PROPERTY & INVENTORY AUDIT REPORT FISCAL YEAR 2012-2013

I am in receipt of the final audit report from our July 2013 Property and Inventory audit conducted at Parkway Middle School. As a result of the final audit, the following items have not been accounted for:

BPI Number	Item Description	Historical Cost
12-05011	Apple MacBook Pro 13" 2.4GHZ 13.3 Display	\$1,511.75
12-04906	Apple MacBook Pro 13" 2.4 GHZ 13.3 Display	\$1,511.75
12-04916	Apple MacBook Pro 13" 2.4 GHZ 13.3 Display	\$1,511.75
12-04877	Apple MacBook Pro – 2.4 GHZ 17" Display	\$2,617.10
09-05819	Apple MacBook 2.4 GHZ DVD/CD-RW 13.3"	\$1,690.00
08-05798	Dell Laptop D630 W/DVD+	\$1,592.00
07-10621	88 Key Digital Piano	\$1,382.94
05-51030	Apple Desktop EMAC G4W/17" FLATCRT/CD-RW/	\$1,100.00
05-86057	Projector, Epson Powerlite 61P	\$1,100.00
05-82826	Tuba, Cervený 4 Valve	\$2,983.00
04-19622	Printer Lexmark T630N B/W Laser	\$1,208.00
04-07801	Apple, IBOOK G3 W/CD-ROM 12.1" Display	\$1,452.20
02-11229	Computer, Laptop Mac IBOOK	\$2,019.36
97-23953	Horn French, Double F/BB, Lacquer Finish	\$1,354.00

Due to the history of repeated audit exceptions, the oversight of the property and inventory team will be reassigned to the Principal and designee in lieu of the technology specialist to ensure better monitoring of the property and inventory at Parkway Middle School.

The following corrective action measures are being implemented at Parkway Middle to improve safeguards of District property for future accountability:

Standard Practice Bulletin 0-100: Reporting Theft or Vandalism

- The property team will revisit the Standard Practice Bulletin during pre-planning week and staff will receive an in-service on sharing best practices for securing equipment and preventing theft. Revisions will be made to our school-wide inventory procedures that are not aligned with the Standard Practice Bulletin. All changes will be provided to the staff and an updated monitoring plan will be implemented. All procedures, policies and documents designed to safeguard District property will be maintained on a school-based electronic database.

Property Team

- Each primary member of the property inventory team will have a backup designee in case of transfer, retirement, etc. Each designee will receive training on property and inventory for their area(s) of responsibility. Each designee will attend monthly meetings and participate in the inventory monitoring procedures. This should provide better monitoring, sharing of responsibilities, and improve compliance and school-wide expectations aligned with property control.
- The Principal, designee and property inventory team members will maintain access to all information related to property inventory.

Monitoring Property Records

Parkway Middle has been operating without a budgetkeeper for over a year. One of the budgetkeeper duties was receiving items on-line and working with the technology specialist to correct discrepancies.

- To improve this process the Principal and designee will discuss with the Business Support Center how communication can be improved to resolve discrepancies, the process for ensuring that new items are received on-line to eliminate new found items and how to decrease/eliminate excessive amounts of asset record discrepancies.

Conducting Semi-Annual Inventories

- Many of the items received were related to the new phase I construction. Those items arrived during the summer of 2011. Many items, such as laptop, gym equipment, were received and housed in the District warehouse. The school received some items during the summer. As a member of the Business Support

Center, personnel would visit the school on various intervals and collect packing slips and invoices to pay vendors and receive items on-line.

- To improve this process, the Principal and designee will request a copy of the PNI 811 report from ETS and actively monitor the Optispool PNI 954A report. The property inventory team members will physically identify and verify that each item listed on the PNI report matches the items on campus.
- In accordance with conducting self-inventories twice per year, all items identified for surplus will be transferred to B-stock. The proper paperwork will be generated to maintain accurate records of items removed from campus.

New Found Items

One hundred and sixty-two (162) items identified did not appear on the Master File of Assets. The Principal, designee and property inventory team will:

- Improve the receiving on-line process with the Business Support Center by identifying a point-person to receive deliveries and provide the correct information to BSC to receive items on-line.
- Improve communication by implementing a one-day turnaround process to report equipment accepted by the school, such as equipment in excess of \$1000.00 or more and completing a 0320 Tangible Property Loss/Equipment Acquisition Form.
- Maintain an accurate school-based database of equipment less than \$1000.00.

Standard Practice Bulletin I-202: Musical Instruments

- Physical inventory of musical instruments will be done quarterly.
- Property passes will be utilized to maintain a track of students who have been assigned an instrument for practice.
- A school-based database will be utilized and maintained for tracking instruments assigned to music programs by the property team.
- A musical instrument database will be reviewed on a quarterly basis by the designee.

Laptop Procedures

- The Principal and designee will monitor the school's technology database of the wireless laptop carts and laptops assigned to designated cart. The Principal and designee will regularly review the binder with each laptop BPI and serial number for accuracy. Teachers will be assigned a specific number cart with the inventoried list of laptops assigned to the carts. Teachers must verify to make sure they have the appropriate number of laptops assigned to that cart and the correct corresponding serial number. Teachers are required to sign for the wireless cart indicating the inventory is correct by serial and BPI numbers.

Room Inventory Lists

- Inventory lists will be reviewed and updated as needed. Inventory lists will correlate with the information located in the electronic inventory database.
- The Principal and designee will ensure that posted property and inventory room information is current and accurate. Inventory checklists will be posted in every room identified as storing or utilizing equipment. Checklist updates will be completed the day equipment is added or removed from the room.
- The inventory team will complete quarterly inventory checks. The Principal and designee will monitor the process to ensure that all quarterly checks are thorough, consistent and accurate. Any found discrepancies will be investigated immediately and the proper course of action will be administered to rectify the identified discrepancy.
- The Principal and designee will monitor the removal or addition of technology equipment to the appropriate room.

Property Pass Procedures

- Equipment assigned to faculty/staff will require a property pass. Property passes will be updated on an annual or as needed basis.
- All property passes will be signed and dated by the person receiving the equipment. Property passes will be submitted to the Principal for his signature on the day the property is issued. The property pass binder will be located in a designated area.

Receiving New Items

- All new technology will be received and verified by the technology specialist before signing. Serial numbers must be identified and matched on both the equipment and the invoice. The original invoice is filed with the Business Support Center budgetkeeper and a copy of the invoice will be on file with the appropriate staff.

PNI-811/954 Optispool Reports

- The Principal and designee will request a monthly PNI-811 report to review for accuracy of information being reported, additions, modifications and deletions that are reported by the school and other District departments. Any required corrections will be reported to Capital Assets and monitored until completed.
- School inventories will be scheduled quarterly. The first quarterly inventory will be scheduled for September 2013. The inventory report will be provided to the Principal, designee and property inventory team. To focus on a more streamline approach the property inventory team will conduct quarterly school-wide inventories. This will ensure a more accurate review of equipment and better cross-reference of records.

Desmond K. Blackburn, Ph. D.
August 22, 2013

- The 954 Optispool report will be monitored for any changes or items that need to be reconciled.

Assignment Of Tangible Personal Property To Staff

- The property and inventory team will re-visit Business Practice Bulletin 0-100 and review the procedures for allocating equipment to students or staff as outlined.
- The Principal and designee will review property passes on a monthly basis and utilize an end-of-the year check-out form to maintain a record of any staff leaving during the school year.
- After careful review of missing items, the Principal and designee along with the property and inventory team will continue to discuss and review school-wide inventory procedures in accordance with the Standard Practice Bulletin 0-100. Procedures are in place that will enhance and strengthen security, receiving of new items and monitor accuracy of information on invoices to provide better inventory control.

Thank you for providing continued support and best practices to Parkway Middle School as we implement and monitor the above plan.

BM/lm

cc: Christine Semisch, Director
Office of School Performance & Accountability

Department Name: Instruction & Interventions 9776
Administrator's Name: Dr. Marie DeSanctis

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

Total Number of Items in Inventory:	175
Total Dollar Cost of Items in Inventory:	\$328,701
Total Number of Items Unaccounted for:	4
Total Dollar Cost of Items Unaccounted for:	\$5,974
Total Net Value of Items Unaccounted for:	\$673

The expectations for monitoring and safeguarding District assets are defined by Business Practice Bulletin O-100. Policies, procedures and best practices should be reviewed with all staff to ensure proper compliance and efficiency. The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools/departments to ensure an accurate physical accounting of designated assets by the staff.

MONITORING PROPERTY RECORDS

The department's staff should actively monitor the roster of equipment to ensure that asset information is accurately recorded in the Master File. Notifications of changes/additions to the Master File of Assets are provided to the location's administrator via the Optispool PNI 954 reports. All lower valued (less than \$1,000) high risk equipment should be tracked in the location's department tracking database as well.

CONDUCTING SEMI-ANNUAL INVENTORIES per Business Practice Bulletin O-100

All locations are minimally required to conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.

ASSIGNMENT OF TANGIBLE PERSONAL PROPERTY TO STAFF

"Upon approval of the custodian of property, employees / students may remove equipment from a School Board location..." (SBBC 3204) The SBBC approved property passes must be updated on a yearly basis. Several staff members have been allocated multiple pieces of technology and audio visual equipment. The Inventory Audit Specialist did not receive a confirmation that those property passes align with a recent physical certification by staff. Per Business Practice Bulletin O-100:

It is recognized that tangible personal property will be assigned to staff for temporary removal of the property from the primary operational site location. In such instances, a Property Pass must be executed to document the assignment and removal of capital equipment from the location.

A unique Property Pass must be completed for each piece of tangible personal property removed from the location.

Property Passes must be updated annually or as needed to ensure the physical accounting and proper return of the District's capital equipment.

(Instruction & Interventions continued)

TRANSFER OF TANGIBLE PERSONAL PROPERTY (Surplus Activity)

Property Custodians are responsible for ensuring the accuracy of surplus and transfer activity as provided in Business Practice Bulletin O-100. It should be noted that the bulletin establishes that equipment transfers older than 90 days will not be accepted. Some transfer activity was not processed following the department's reorganization and staff migration in the prior year. The property custodian or designated staff should verify that applicable property records have been removed from their asset roster by reviewing a PNI 811 report or verifying the Optispool amendment reports (954A, 954B & 954C) provided by Information & Technology Production. The location should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent inventory audits. Some unprocessed transfers have been submitted to the Inventory Audit Specialist (IAS) during this audit. Those records will be submitted for processing by the Accounting & Financial Reporting Department as a result of the processing of this report.

**The Office of the Chief Auditor
Property Division
2013-14**

Items not accounted for: **Instruction & Interventions 9776**

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	09-01047	DELL WS3400 W/20" FLAT PANEL	\$ 1,506.00
2	08-02958	INFOCUS LP120 XGA 1100 PROJECTOR	\$ 1,299.99
3	05-38214	PRINTER, LEXMARK T630N B/W LASER	\$ 1,208.00
4	04-19958	APPLE DESKTOP IMAC G4 W/17"FLAT PANEL/CD	\$ 1,960.05

Total Historical Cost of Property unaccounted for as of July 23, 2013	\$ 5,974.04
[1]Total Accumulated Depreciation as of July 23, 2013	\$ 5,301.41
Net Value of Property considered to be unaccounted for as of July 23, 2013	\$ 672.63

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE EXECUTIVE DIRECTOR
INSTRUCTION & INTERVENTIONS**

August 22, 2013

TO: Patrick Reilly
Chief Auditor

FROM: Marie DeSanctis, Ph.D., Executive Director
Instruction & Interventions

SUBJECT: **RESPONSE TO AUDIT OF INVENTORY 2012-13 FISCAL YEAR**

In July 2012, the Instruction and Interventions Department became the umbrella department of the former Advanced Academics, Core Curriculum, Learning Resources & Instructional Materials, Library Media Services, Instructional Technology, English Speakers of Other Languages (ESOL) and Career, Technical, Adult and Community Education (CTACE) Departments. While Instruction and Interventions retained the location number of 9776, many staff members were transferred to other departments that report to Instruction and Interventions. The technology used by the transferred staff members was moved when the staff was relocated. The subsequent audit of Instruction and Interventions show that not all items, formerly the property of 9776, could be located on the inventories of the other departments. Additionally, not all of the items on the PNI for location 9776 could be physically located at the time of the audit.

The attached Resolution Matrix shows the progress made to date in locating the Missing Items. The two items listed as New/Found were found to have been transferred to location 9777 six weeks prior to the audit and are included in error. Copies of the TD2 forms are attached.

To maintain an accurate property inventory, the Department of Instruction and Interventions:

- Has created a resolution matrix (attached) for use in locating missing items.
- Posted room lists in each area showing the physical property assigned to the area.
- Scheduled physical verification checks of property on a semiannual basis.
- Informed staff of property and inventory rules and the impact of moving property.
- Updated its electronic property and inventory database.
- Is maintaining more accurate record keeping of items transferred to other departments.
- Is maintaining a more accurate record keeping system to verify that items sent for repair are properly accounted for and are returned in a timely manner.

The following steps have been followed to locate Missing items and Items Listed as New/Found:

1. Physical Searches of:
 - a. 13th floor (Instruction and Interventions, College & Career, Literacy)
 - b. 12th floor (Literacy) and 5th floor (STEM & IR)
 - c. Storage Areas assigned to Instruction and Interventions
 - d. Training rooms assigned to Instruction and Interventions at Rock Island Professional Development Center

RE: **RESPONSE TO AUDIT OF INVVENTORY 2012-13 FISCAL YEAR**

August 22, 2013

Page 2

1. Review of Paperwork to determine if missing items were:
 - a. Out for Repair
 - b. Transferred to other departments (3902 forms)
 - c. Out on a Property Pass in the 2011-2012 School Year to follow up on the last known location of items.
2. Emails to staff members

Missing Items and New/Found Items					
Status	Updated Status	BPI	Description	Serial #	Resolution
Missing	Found/ Stored	11-80143	Projector, Epson 1735 W 3000	KZGF070096L	Located in locked file cabinet
Missing	Missing	09-01047	Dell WS3400 W/20" Flat Panel	3CRQGG1	
Missing	Missing	08-02958	Infocus LP 120 XGA 1100	JNV710A0596	
Missing	Missing	05-38214	Printer, Lexmark T630N B/W	99223G3	
Missing	TD2 to 3221	05-21360	Apple Desktop, G5 Tower W/17"	YM4258N5QPM	TD2 to 3221
Missing	Missing	04-19958	Apple Desktop, G5 Tower W/17"	W84141EFQB7	

The safeguarding of district property is of utmost importance. Staff will continue to attempt to locate missing items. Additionally, equipment that is unused will be stored or transferred out as applicable. Please advise if you have any questions regarding this response.

MW:pd

cc: Mark Magli, Manager, Property & Inventory Control

Department Name: 9807 Special Programs
9830 Title 1, Migrant Education & Special Programs
9831 Migrant Education
Administrator's Name: Ms. Luwando Wright-Hines
Address: 701 NW 31st Avenue
Fort Lauderdale, Florida 33311

Total Number of Items in Inventory:	200
Total Dollar Cost of Items in Inventory:	\$341,350
Total Number of Items Unaccounted for:	6
Total Dollar Cost of Items Unaccounted for:	\$8,538
Total Net Value of Items Unaccounted for:	\$798

The expectations for monitoring and safeguarding District assets are defined by Business Practice Bulletin O-100. Policies, procedures and best practices should be reviewed with all staff to ensure proper compliance and efficiency. The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools/departments to ensure an accurate physical accounting of designated assets by the staff.

MONITORING PROPERTY RECORDS

The department's staff should actively monitor record information to ensure that assets are accurately recorded. All high risk equipment should be tracked in the location's secondary database regardless of the value. All items with a purchase value exceeding \$1,000 must be submitted for addition if they are not captured subsequent to the receiving process. Seven (7) items that were located at the school/department do not appear in the Master File of Assets records. The department must provide that information to the Accounting & Financial Reporting Department (AFRD) to have the equipment added in alignment with the state requirements for recording and monitoring fixed assets. In some cases, the historical cost may be below the value of assets captured by AFRD for tracking, but should still be maintained in the department's local database and secured accordingly.

CONDUCTING SEMI-ANNUAL INVENTORIES per Business Practice Bulletin O-100

All locations are minimally required to conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.

The location will request an electronic copy of its PNI 811 report from ETS Production or actively monitor changes via the Optispool PNI 954A Report.

Appropriate staff will physically verify each property item listed on the PNI 811 report is accounted for on premises or there is a current Property Pass executed for tangible personal property assigned to individuals.

Locations shall surplus tangible personal property twice per year in accordance with conducting self-inventories.

(Title 1, Migrant Education & Special Programs continued)

SURPLUS OF TANGIBLE PERSONAL PROPERTY per Business Practice Bulletin O-100

All assets are to be documented at the time of retirement utilizing the prescribed School Board approved 3290 Surplus Declaration Form. Property Custodians are responsible for ensuring efficient and accurate surplus activity. It is suggested that surplus materials be segregated and recorded prior to request for removal.

Periodically, the location should surplus any obsolete or damaged tangible personal property in order to remove these records from their property inventory. Locations shall surplus tangible personal property twice per year in accordance with their self inventories conducted semi-annually.

The location should complete a 3290a Surplus/Transfer Declaration Form to identify the tangible personal property to be salvaged.

3290a Surplus/Transfer Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being surplussed. The 3290a Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplussing the tangible personal property.

The location should make a copy of the 3290a Surplus/Transfer Declaration Form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.

The Warehouse will arrange to pick-up the tangible personal property designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.

Staff should confirm the accuracy of processing for the intended surplus materials by monitoring the Optispool PNI 954 reports. Errors should be reported to AFRD immediately upon detection to ensure timely correction of record information.

**The Office of the Chief Auditor
Property Division
2013-14**

Items not accounted for:

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

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	11-01201	APPLE MACBOOK 2.26 GHZ W/4GB MEM 13.3"	\$ 1,330.25
2	07-83292	LEXMARK T640 B/W LASER 2 DRAWERS	\$ 1,384.00
3	05-55740	APPLE,DESKTOP, EMAC G4 W/17"	\$ 1,100.00
4	05-55124	APPLE,DESKTOP, EMAC G4 W/17"	\$ 1,100.00
5	04-00274	APPLE,DESKTOP, IMAC G4	\$ 1,485.00
6	98-02645	PANEL, LCD CHI1030	\$ 2,138.31

Total Historical Cost of Property unaccounted for as of June 17, 2013	\$ 8,537.56
[1]Total Accumulated Depreciation as of June 17, 2013	\$ 7,739.41
Net Value of Property considered to be unaccounted for as of June 17, 2013	\$ 798.15

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
MICHAELLE VALBRUN-POPE
TASK-ASSIGNED EXECUTIVE DIRECTOR
STUDENT SUPPORT INITIATIVES**

Telephone: 754-321-2090

Facsimile: 754-321-2724

June 25, 2013

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

FROM: Michaelle Valbrun-Pope, Task-Assigned Executive Director
Student Support Initiatives



SUBJECT: **AUDIT REPORT ON PROPERTY INVENTORY –
FISCAL YEAR 2013-14**

Please find attached the corrective action plan related to the Property and Inventory Audit conducted on April 26, 2013 at the Title I, Migrant and Special Programs Department.

For additional information, **please contact Luwando Wright-Hines, Director of Title I, Migrant and Special Programs at 754-321-1420.**

MVP:dt

c: Mark Magli, Manager, Property Audits Division
Luwando Wright-Hines, Director, Title I, Migrant and Special Programs

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

OFFICE OF THE DIRECTOR
TITLE I, MIGRANT AND SPECIAL PROGRAMS

Telephone: 754-321-1400

Fax: 754-321-1441

June 18, 2013

TO: Michaelle Pope, Task-Assigned Executive Director
Student Support Initiatives

FROM: Luwando L Wright-Hines, Director
Title I, Migrant and Special Programs



SUBJECT: RESPONSE TO AUDIT REPORT ON PROPERTY INVENTORY

On March 7, 2013, four (4) pallets of surplus computer/technology equipment was picked up from the Title I, Migrant and Special Programs Department and shipped to B-Stock. While we believe the items listed below were surplus, they were omitted on the Surplus Declaration Transfer form:

BPI	Description	Cost	Serial #	Acquired Date
05-55740	Apple, Desktop, EMAC G4 W17"	\$1,100.00	G85210C4TKG	07/13/05
07-83292	Lexmark T640 B/W Laser 2	\$1,384.00	790ZXY0	02/28/07
05-55124	Apple, Desktop, EMAC G4 W17"	\$1,100.00	G8521FR1TKG	06/30/05
04-00274	Apple, Desktop IMAC G4	\$1,485.00	W83170GYP19	07/21/03
98-02645	Panel, LCD CHI1030	\$2,138.31	210148	05/19/98
11-01201	Apple Macbook 2.26 GHZ W/4GB	\$1,330.25	450360XEGAY	10/11/10

All items mentioned above have been reported missing to the Lauderhill Police Department.

RESPONSE TO AUDIT REPORT ON PROPERTY INVENTORY

June 18, 2013

Page 2 of 2

The following corrective actions have been instituted in order to ensure greater accountability of our property and inventory:

Monitoring Property Records:

- The Information Management Technician (IMT) will work in tandem with the Technology Liaison Contact (TLC) to ensure that the Declaration/Acquisition Form is process in a timely manner to prevent errors in the Master File of Assets.
- Optispool will be accessed monthly to identify and correct errors.
- All new items delivered to our department with a unit value of \$1000 or greater will be submitted on the Property Acquisition form so that they are added to our Master File of Assets.

Purchasing Tangible Personal Property:

- Non-consumable Tangible Personal Property with a unit value of \$1000 or greater will be ordered through the District's Purchasing System using appropriate coding.
- Our Budget Keeper will record the unique serial number for each item within the system, when receiving on-line.

Conducting Semi-Annual Inventories:

- The Office of Student Support Initiatives will conduct monthly on-site monthly spot checks to inventory items with a value of \$1000, and high risk items with a value less than \$1000.
- The IMT will regularly request the electronic copy of the district PNI 811 report, per instructions, only if our school number appears on the report – indicating items have been added or changed on our PNI. Upon receipt of our PNI, the IMT will import and update matching records.

LWH:djt

Department Name: Innovative Programs 9812

Administrator's Name: Ms. Leona Miracola

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

Total Number of Items in Inventory:	50
Total Dollar Cost of Items in Inventory:	\$111,882
Total Number of Items Unaccounted for:	2
Total Dollar Cost of Items Unaccounted for:	\$2,898
Total Net Value of Items Unaccounted for:	0

The expectations for monitoring and safeguarding District assets are defined by Business Practice Bulletin O-100. Policies, procedures and best practices should be reviewed with all staff to ensure proper compliance and efficiency. The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools/departments to ensure an accurate physical accounting of designated assets by the staff.

MONITORING PROPERTY RECORDS

The department's staff should actively monitor record information to ensure that assets are accurately recorded. All high risk equipment should be tracked in the location's secondary database regardless of the value. All items with a purchase value exceeding \$1,000 must be submitted for addition if they are not captured subsequent to the receiving process.

CONDUCTING SEMI-ANNUAL INVENTORIES per Business Practice Bulletin O-100

All locations are minimally required to conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.

The location will request an electronic copy of its PNI 811 report from ETS Production or actively monitor the Optispool PNI 954A Report

Appropriate staff will physically verify each property item listed on the PNI 811 report is accounted for on premises or there is a current Property Pass executed for tangible personal property assigned to individuals.

Locations shall surplus tangible personal property twice per year in accordance with conducting self-inventories.

SURPLUS OF TANGIBLE PERSONAL PROPERTY per Business Practice Bulletin O-100

All assets are to be documented at the time of retirement utilizing the prescribed School Board approved 3290 Surplus Declaration Form. Property Custodians are responsible for ensuring efficient and accurate surplus activity. It is suggested that surplus materials be segregated and recorded prior to request for removal.

Periodically, the location should surplus any obsolete or damaged tangible personal property in order to remove these records from their property inventory. Locations shall surplus tangible

(Innovative Programs continued)

personal property twice per year in accordance with their self inventories conducted semi-annually.

The location should complete a 3290a Surplus/Transfer Declaration Form to identify the tangible personal property to be salvaged.

3290a Surplus/Transfer Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being surplussed. The 3290a Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplussing the tangible personal property.

The location should make a copy of the 3290a Surplus/Transfer Declaration Form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.

The Warehouse will arrange to pick-up the tangible personal property designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.

**The Office of the Chief Auditor
Property Division
2012-13**

Items not accounted for: **Innovative Programs 9812**

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	07-05605	APPLE DESKTOP IMAC INTEL W/17" FLAT PANEL	\$ 1,499.00
2	05-21768	DELL, DESKTOP, P4 TOWER W/17" FLAT PANEL/	\$ 1,399.00

Total Historical Cost of Property unaccounted for as of May 31, 2013	\$ 2,898.00
[1]Total Accumulated Depreciation as of May 31, 2013	\$ 2,898.00
Net Value of Property considered to be unaccounted for as of May 31, 2013	\$ -

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
LESLIE M. BROWN
CHIEF PORTFOLIO SERVICES OFFICER

Signatures on file

June 13, 2013

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

FROM: Leslie M. Brown, Chief Officer
Portfolio Services

SUBJECT: **INVENTORY AUDIT RESPONSES**

The Office of Portfolio Services has reviewed the inventory audit response for Innovative Programs Department. The Office of Portfolio Services has implemented the following monitoring strategies to strengthen the Innovative Programs Department business management competencies and prevent recurrence of audit exceptions. The Director of Innovative Programs Department will provide the following assistance:

- The Chief Officer met with Innovative Programs Department staff to ensure the effective transition to the new procedures.
- The Innovative Programs Department will conduct monthly inventories and reviews with the Chief Officer the implementation status of the new monitoring system.
- The Innovative Programs Department will meet with the audit staff to ensure new processes are in place.

LB:cg

cc: Leona Miracola, Department Director,

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
LEONA MIRACOLA
DIRECTOR, INNOVATIVE PROGRAMS

Telephone: 754-321-2070

Facsimile: 754-321-2718

June 12, 2013

TO: Leslie Brown, Chief Portfolio Services Officer

FROM: Leona Miracola, Director
Innovative Programs, 9812

SUBJECT: Audit Report on Property Inventory – Fiscal Year 2012-13

Based upon the April 24, 2013 audit conducted by Bruce Norris of the Innovative Programs Department inventory, it was noted 2 computers were not located. The items were as follows:

BPI 07-05605 Apple Desktop IMAC Intel W/17" acquired date 12/11/06

BPI 05-21768 Dell, Desktop, P4 Tower acquired date 06/30/04

The Innovative Programs staff conducted an extensive search for the 2 computers within the unit and reviewed all paperwork to determine the status of these items. It was noted that on November 9, 2012, non-functional computers were picked up by B-Stock and a transfer form completed (Transfer 19165) and signed. There were a seventeen computers listed on Transfer 19165, but 18 were identified on the form as been removed from the Innovative Programs unit. The 2 computers in question were not included on this transfer list, however it is believe that the items were picked up at the same time and should have been included. Staff visited B-Stock at the end of April 2013, but did not locate the computers identified as missing.

The staff will continue to monitor all inventory and conduct quarterly reviews of equipment. To ensure that equipment is recorded properly and accounted for within the unit, staff assigned to monitor inventory will conduct a monthly review of all equipment and prepare a report for the director of Innovative Programs. In addition, should equipment be transferred, the items will be physically review by the Director of Innovative Programs and verified with the completed forms prior to the physical transfer as a final verification of accuracy.

LM:kt

Department(s) Name: Office of the Public Information Officer 9903
Marketing & Communications 9904

Administrator's Name: Ms. Tracy Clark
Address: 600 SE 3rd Avenue
Fort Lauderdale, Florida 33301

Total Number of Items in Inventory:	88
Total Dollar Cost of Items in Inventory:	\$160,096
Total Number of Items Unaccounted for:	2
Total Dollar Cost of Items Unaccounted for:	\$6,945
Total Net Value of Items Unaccounted for:	0

The expectations for monitoring and safeguarding District assets are defined by Business Practice Bulletin O-100. Policies, procedures and best practices should be reviewed with all staff to ensure proper compliance and efficiency. The Office of the Chief Auditor suggests "hands on all" item reconciliation be completed at all schools/departments to ensure an accurate physical accounting of designated assets by the staff.

MONITORING PROPERTY RECORDS

The department's staff should actively monitor the roster of equipment to ensure that asset information is accurately recorded in the Master File. All items with a purchase value exceeding \$1,000 must be submitted to Accounting & Financial Reporting (AFRD) for addition if they are not captured subsequent to the receiving process. Notifications of changes/additions to the Master File of Assets are provided to the location's administrator via the Optispool PNI 954 reports. All lower valued (less than \$1,000) high risk equipment should be tracked in the location's department tracking database as well.

REPORTING THEFT OR VANDALISM per Business Practice Bulletin O-100

All locations must take appropriate measures to ensure the safekeeping of all tangible personal property. This includes securing all high-theft equipment during hours of non-operation.

To the extent possible, tangible personal property should be designated to individual staff that is requested to oversee the equipment and report any loss or theft to appropriate administration in "real-time". Additionally, tangible personal property that is not utilized on a day-to-day basis should be stored in a secured location, and the appropriate staff should physically verify this property as needed to provide the most effective means of securing tangible personal property. In the event of theft or vandalism, the property custodian will report the loss to the Special Investigative Unit and the local authorities at the time of the incident. As a component of the police & SIU report the location must provide all applicable property and serial numbers of the stolen tangible personal property along with a narrative of the event. This should be completed within 2 business days from when the incident is known or should have been known.

The timely detection and reporting of theft activity is critical to assisting authorities with identifying and recovering items of loss. In addition, administrators should assess the conditions that have contributed to the loss so they can effectively reduce repeat offenses. Procedures for allocating and securing high risk items, particularly laptops, should be strengthened. During this

(9903-9904 continued)

property audit, it was noted that a loss occurred when equipment was left in an unmonitored area for an extended period of time. In addition, a laptop was stolen from a staff member's personal vehicle. Staff members should routinely verify that designated storage areas are secure and report losses to the proper authorities in accordance with the procedures established by Business Practice Bulletin O-100. The nature of these losses can be shared with staff to accentuate the current expectations regarding equipment management and security along with the protocols for timely reporting if an additional loss occurs.

A police report, 12-126551 , was filed with Fort Lauderdale Police on November 7, 2012 for a laptop "loss" that occurred over a period from April 15, 2012 to October 7, 2012. The serial number for the missing Apple Laptop was identified as W881505SYP4. It is noted that the asset was not assigned to an individual and left in a vacant cubicle. The laptop was recognized as a loss following an internal inventory performed by staff later in the year. Normal departmental storage procedures were not followed to secure the equipment in a locked cabinet or to regularly account for the security of the item.

A police report, 1112-000216, was filed with the Plantation Police Department, regarding the theft of a laptop computer from a staff member's vehicle at their home. It should be noted that the theft occurred between October 28, 2011 and October 31, 2011, but was not reported to the police until December 5, 2011. No serial number was included or subsequently identified in the police report. This event occurred prior to Ms. Clark's employment with the District. It has been asserted by staff that a Powerbook G4 serial number W851736RRG4 was the item stolen.

SURPLUS OF TANGIBLE PERSONAL PROPERTY per Business Practice Bulletin O-100

All assets are to be documented at the time of retirement utilizing the prescribed School Board approved 3290 Surplus Declaration Form. Property Custodians are responsible for ensuring efficient and accurate surplus activity. It is suggested that surplus materials be segregated and recorded prior to request for removal.

Periodically, the location should surplus any obsolete or damaged tangible personal property in order to remove these records from their property inventory. Locations shall surplus tangible personal property twice per year in accordance with their self inventories conducted semi-annually.

The location should complete a 3290a Surplus/Transfer Declaration Form to identify the tangible personal property to be salvaged.

3290a Surplus/Transfer Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being

(9903-9904 continued)

surplussed. The 3290a Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplussing the tangible personal property.

The location should make a copy of the 3290a Surplus/Transfer Declaration Form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.

The Warehouse will arrange to pick-up the tangible personal property designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.

**The Office of the Chief Auditor
Property Division
2013-14**

Items not accounted for:

**Office of the Public Information Officer 9903
Marketing & Communications 9904**

	BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1	08-13706	APPLE MACBOOK (9903)	\$ 4,306.00
2	06-01869	APPLE POWERBOOK (9904)	\$ 2,639.00

Total Historical Cost of Property unaccounted for as of June 27, 2013	\$ 6,945.00
[1]Total Accumulated Depreciation as of June 27, 2013	\$ 6,945.00
Net Value of Property considered to be unaccounted for as of June 27, 2013	\$ -

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE PUBLIC INFORMATION OFFICER
TRACY CLARK

July 17, 2013

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

FROM: Tracy Clark
Public Information Officer

TC

SUBJECT: CORRECTIVE ACTION PLAN

I have reviewed the corrective action plan submitted by Charles Webster to improve the physical safekeeping of tangible personal property, as well as procedural enhancements to improve tracking, accountability and adherence to District procedures.

The actions include increased oversight of existing inventory procedures, departmental tracking of "hi-risk" items with a value of less than \$1,000, increased control of unassigned items, and increasing staff awareness and accountability of required oversight of assigned and unassigned personal property assets. This will include placing unassigned items under the physical control of the inventory custodian.

The department will continue to conduct quarterly physical inventories and will ensure that discrepancies are immediately reported in accordance with Business Practice Bulletin O-100. In addition, the inventory team will monitor the PNI-811 report to verify accuracy of the report itself, and any inventory activities pertaining to the department. This process will be utilized to enact any necessary corrective action in a timely manner. All staff will be familiar with the requirements of Business Practice Bulletin O-100 Procedure for Property & Inventory Control.

These actions will improve our process and stress individual accountability to reduce or eliminate any future audit exceptions.

Thank you.

TC/CW:ds