

INTERNAL PROPERTY AUDIT REPORT

Property and Inventory Audits of Selected Locations
2013-2014



**BROWARD COUNTY
PUBLIC SCHOOLS**

The Nation's Sixth Largest School District.



**To be presented to the:
Audit Committee
on
November 14, 2013**

**The School Board of Broward County, Florida
on
December 17, 2013**

**by
The Office of the Chief Auditor**



Broward County Public Schools

The School Board of Broward County, Florida

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November 19, 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 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 thirty three (33) locations in the report complied with prescribed policies and procedures. There were two (2) 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. As of July 1, 2004, Florida State Statute 274.02, changed the value of capital assets to be recorded and monitored from \$750 to \$1,000. The District administration requires follow-up verification of all items not accounted for during the physical audit with a historical cost of \$1,000 or more. Subsequently, location administrators must designate the location of recovered individual assets by room/fish number or 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 thirty one (31) schools and four (4) department locations. These audits were finalized between September 20, 2013 and November 5, 2013. For this report, we noted that two (2) locations had audit exceptions. A summary of this report notes that:

- For the 35 locations, 31,334 items were listed in the property records at a historical cost of \$48,480,811.
- For the 35 locations included in this report, a total of 75 items could not be accounted for with a historical cost of \$138,407.

SECTION I: Summary
Property and Inventory Audits Performed

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

The following table presents a summary of the property and inventory audits that were finalized during the period **September 20, 2013 and November 5, 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	0343 Attucks Middle	1,556	\$2,267,663	13	\$22,079	No Exception	
School	0691 Stirling Elementary	534	\$790,509	0	0	No Exception	
School	0711 Orange Brook Elementary	647	\$924,398	0	0	No Exception	
School	0891 Sanders Park Elementary	545	\$765,635	1	\$1,000	No Exception	
School	1011 HD Perry Middle	842	\$1,258,242	6	\$11,587	No Exception	
School	1051 Sheridan Tech Center	2,777	\$6,200,619	2	\$11,588	No Exception	
School	1091 Lloyd Estates Elementary	488	\$784,872	0	0	No Exception	
School	1451 Plantation High	1,680	\$2,526,162	19	\$33,791	Exception	10-19
School	1621 Village Elementary	678	\$1,008,075	0	0	No Exception	
School	1311 Nova Middle	916	\$1,292,859	0	0	No Exception	
School	1711 Deerfield Beach High	1,868	\$3,215,339	9	\$16,988	No Exception	
Sub Total This Page		12,531	\$21,034,373	50	\$97,033	1 Exception 10 No Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	1752 Whispering Pines School	543	\$751,279	0	0	No Exception	
School	1811 Sheridan Hills Elementary	474	\$704,933	0	0	No Exception	
School	2621 Tamarac Elementary	726	\$1,088,392	0	0	No Exception	
School	2711 Ramblewood Middle	1,019	\$1,270,081	1	\$1,399	No Exception	
School	2811 Pinewood Elementary	670	\$951,831	0	0	No Exception	
School	2851 Griffin Elementary	501	\$696,518	0	0	No Exception	
School	2961 Chapel Trail Elementary	656	\$828,248	0	0	No Exception	
School	3061 Sandpiper Elementary	590	\$842,796	0	0	No Exception	
School	3081 Silver Ridge Elementary	760	\$1,103,144	2	\$4,165	No Exception	
School	3321 Virginia Shuman Young Elementary	558	\$754,817	0	0	No Exception	
School	3401 Sawgrass Elementary	596	\$778,757	0	0	No Exception	
School	3441 Eagle Ridge Elementary	686	\$937,112	13	\$17,638	Exception	20-25
School	3471 Indian Ridge Middle	1,683	\$2,302,950	0	0	No Exception	
Sub Total This Page		9,462	\$13,010,858	16	\$23,202	1 Exception 12 No Exception	

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	3541 Monarch High	3,525	\$4,953,481	8	\$16,467	No Exception	
School	3622 Falcon Cove Middle	1,038	\$1,611,952	0	0	No Exception	
School	3661 Sunset Lakes Elementary	855	\$1,137,664	0	0	No Exception	
School	3741 Coconut Palm Elementary	791	\$1,101,621	0	0	No Exception	
School	3771 Challenger Elementary	728	\$1,050,186	0	0	No Exception	
School	3821 Liberty Elementary	768	\$1,191,869	0	0	No Exception	
School	4772 Millennium Middle	1,313	\$1,531,494	1	\$1,705	No Exception	
DEPT	9536 Safety	133	\$395,313	0	0	No Exception	
DEPT	9613 Material Logistics	124	\$722,265	0	0	No Exception	
DEPT	9613 Material Logistics VEHICLES	18	\$632,667	0	0	No Exception	
DEPT	9706 Payroll	48	\$107,068	0	0	No Exception	
Sub Total This Page		9,341	\$14,435,580	9	\$18,172	11 No Exception	

Summary of Previous Pages	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/Exception
Sub Total Page 4	12,531	\$21,034,373	50	\$97,033	1 Exception 10 No Exception
Sub Total Page 5	9,462	\$13,010,858	16	\$23,202	1 Exception 12 No Exception
Sub Total Page 6	9,341	\$14,435,580	9	\$18,172	11 No Exception
TOTAL	31,334	\$48,480,811	75	\$138,407	2 Exception 33 No Exception

Audits Performed by:

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

Audits Processed by:

Gail Mouzon-Williams

Audits Managed by:

Mark Magli

SECTION II:
Locations-All Items Accounted for

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

0691 Stirling Elementary
0711 Orange Brook Elementary
1091 Lloyd Estates Elementary
1621 Village Elementary
1311 Nova Middle
1752 Whispering Pines School
1811 Sheridan Hills Elementary
2621 Tamarac Elementary
2811 Pinewood Elementary
2851 Griffin Elementary
2961 Chapel Trail Elementary
3061 Sandpiper Elementary
3321 Virginia Shuman Young Elementary
3401 Sawgrass Elementary
3471 Indian Ridge Middle
3622 Falcon Cove Middle
3661 Sunset Lakes Elementary
3741 Coconut Palm Elementary
3771 Challenger Elementary
3821 Liberty Elementary

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

9536 Safety

9613 Material Logistics

9613 Material Logistics-VEHICLES

9706 Payroll

**SECTION III:
Locations with Exceptions**

School Name: Plantation High 1451
Administrator's Name: Ms. Susan Bruining, Former Principal
 Ms. Alona DiPaolo, Current Principal (As of July 1, 2013)

Address: 6901 NW 16th Street
 Plantation, Florida 33313

Total Number of Items in Inventory: 1,680
 Total Dollar Cost of Items in Inventory: \$2,526,162
 Total Number of Items Unaccounted for: 19
 Total Dollar Cost of Items Unaccounted for: \$33,791
 Total Net Value of Items Unaccounted for: \$878

Audit Committee Dates	Total Assets Unaccounted For	Historical Value of Assets Unaccounted For	Status
11-12	13	\$20,008	No Exception <i>Bruining, S.</i>
10-11	78	\$148,370	REPEAT Exception <i>Bruining, S.</i>
08-09	217	\$486,276	REPEAT Exception <i>Bruining, S.</i>

Ms. DiPaolo was not the Principal of record at the time of audit commencement. A pre-exit conference was held with Ms. Bruining on June 19, 2013. As a result of the administrative transition, a time extension was granted to enable the school's staff to more effectively address the preliminary material concerns and items deemed unaccounted for. The Property Audit Manager visited the location to personally aid in the final reconciliation effort. Some issues still have not been resolved.

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.

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.

(Plantation High continued)

MONITORING PROPERTY RECORDS

A pre-audit discrepancy report identified some asset record discrepancies that were not corrected by school staff prior to the start of the audit. Optispool PNI 811 & PNI 954 Reports, provided by Information & Technology (IT), should be reviewed routinely to ensure that record modifications, additions and amendments are executed in the Master File of Assets effectively. This is a repeat condition.

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 IT (fka-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.

Procedures for allocating and securing high risk items such as laptop computers should be strengthened. Updated property passes and daily logging of cart based equipment should be implemented to assist in the safeguarding of assets in the future. The plan should incorporate daily and hourly (as needed) laptop cart allocation logs to be certified by the Micro Tech Specialist and the assigned teachers. Administrators should verify that the expectations regarding the planned implementation by the teachers and property team members are realized at the location. This is a repeat condition.

NEW FOUND ITEMS REPORTED

Two hundred ninety eight (298) items were located at the school that did not appear in the Master File of Assets. The school has not provided complete information to have the equipment added in alignment with the state requirements for recording and monitoring fixed assets (>\$1000). In some cases, the historical cost was certified below the value of assets captured by Accounting & Financial Reporting Department (AFRD) for tracking, but should still be maintained in the school's database and secured accordingly. Support records for 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

(Plantation High continued)

Reporting Department (AFRD) - 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 (AFRD) - Capital Assets to add these property items to the Master File of Capital Assets database.

As of September 17, 2013 the school continues to work on adding these items via AFRD. Additionally, as a result of bundling practices employed during the initial purchases, some heavy equipment in the horticulture area was identified that was not included in the original New Found Items Report. Those items need to be itemized and captured via Equipment Acquisition Form(s) as well. The Office of the Chief Auditor will apply tracking serial numbers for the items that do not have clear manufacturer identification plates or stickers affixed when the items have been added by staff.

SECONDARY DATABASE

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

Although tangible personal property purchases with a unit value of 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.

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 (or more if 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.

A uniform system of review for musical equipment is recommended to align the school with District outlined procedures. All musical instrument records should be updated and physically verified periodically during the year. Musical equipment rental agreements should be closely examined for accuracy as well.

(Plantation High continued)

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. Periodic physical verification of equipment is needed.

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 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 location must then complete a **03290** Tangible Property Loss/ Equipment Acquisition Form listing all of the tangible personal property items which were stolen. The form must contain all of the appropriate identifiable information and be signed by the property custodian.*

*The original **03290** Tangible Property Loss/ Equipment Acquisition Form, with a copy of the Broward School District Police (fka SIU) and police reports attached, should then be forwarded to Accounting & Financial Reporting Department - Capital Assets for record amendment. After allowing an appropriate period of time for the loss to be processed, the location should verify the applicable property records have been amended to reflect the loss by requesting an electronic download of the location's PNI 811 report from IT Production (or via Optispool PNI 954 Reports). In the event property records have not been appropriately amended, the location should follow-up with AFRD-Capital Assets to ascertain the processing status of the submitted documentation.*

Two incidents were reported to the local agency (Plantation Police) since the last property audit was completed at Plantation High (January 12, 2012). Neither incident was completely documented as prescribed by Business Practice Bulletin O-100 or submitted for processing by AFRD. In addition, it is incumbent upon the school's administration to assess where additional measures can be implemented or processes modified to more efficiently safeguard the site's assets. Members from the Risk Management, Broward School District Police and Information

(Plantation High continued)

and Technology Departments are available to conduct a review of the circumstances with the school's staff if the loss event is deemed significant.

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

Items not accounted for:

Plantation High 1451

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 11-04991	Macbook laptops	\$ 1,037.30
2 07-82307	SAXOPHONE, SELMER TENOR	\$ 1,786.40
3 07-05656	APPLE IBOOK G4 W/CD-RW/DVD/12.1"DISPLAY	\$ 1,431.50
4 07-04432	DELL,DESKTOP, PENTIUM 4 W/17"FLAT PANEL	\$ 1,095.00
5 05LL01943	Lexmark Refresh Printer-T640n	\$ 1,099.66
6 05LD03586	Dell-Refresh Laptop	\$ 1,418.35
7 05LD03572	Dell-Refresh Laptop	\$ 1,418.35
8 05LD03547	Dell-Refresh Laptop	\$ 1,418.35
9 05LD03546	Dell-Refresh Laptop	\$ 1,418.35
10 05LD03530	Dell-Refresh Laptop	\$ 1,418.35
11 05LD03486	Dell-Refresh Laptop	\$ 1,418.35
12 05LD03459	Dell-Refresh Laptop	\$ 1,418.35
13 05LD03407	Dell-Refresh Laptop	\$ 1,418.35
14 05LD03367	Dell-Refresh Laptop	\$ 1,418.35
15 04-15759	DELL DESKTOP PENTIUM4 W/15"FLT PANEL/CD-RW	\$ 1,154.00
16 02-06730	COMPUTER, POWER MAC G4	\$ 2,458.96
17 00-14593	PROJECTOR MULTIMEDIA	\$ 4,261.34
18 99-05907	COMPUTER, DELL 400 GX 1/M	\$ 1,104.99
19 97-60105	PROJECTOR VIDEO LCD	\$ 5,596.50

Total Historical Cost of Property unaccounted for as of September 12, 2013	\$ 33,790.80
[1]Total Accumulated Depreciation as of September 12, 2013	\$ 32,913.22
Net Value of Property considered to be unaccounted for as of September 12, 2013	<u><u>\$ 877.58</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

October 7, 2013

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

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

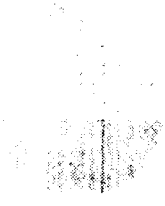
**SUBJECT: PROPERTY AND INVENTORY AUDIT
RESPONSE – PLANTATION HIGH SCHOOL**

The Office of School Performance and Accountability has reviewed the property and inventory audit findings for Plantation High School. These audit findings have been discussed with the Principal, Alona DiPaolo, and she has taken full responsibility to implement deliberate steps to ensure exception-free property and inventory 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
Alona DiPaolo, Principal, Plantation High School



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Plantation High School
Alona DiPaolo, Principal
601 NW 167 Street
Plantation, Florida 33313
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ROBERT W. BUNGE
Superintendent of Schools

DATE: October 4, 2013
TO: Mark Magli, Manager
Office of the Chief Auditor
FROM: Alona DiPaolo, Principal
Plantation High School
RE: PROPERTY AND INVENTORY AUDIT RESPONSE

This memorandum is a response to the Property and Inventory Audit that was conducted at Plantation High School during the summer of 2013. Since then we have implemented processes and procedures that we believe will mitigate future audit exceptions.

Processes and Procedures

- A. Receiving of new items (including online receiving)
 - 1. Copies of all purchase orders are to be given to the budget keeper and the computer tech. Hard and electronic copies will be filed by vendor and date. These staff members will also be responsible for the location assignment of items as they arrive on campus.
 - 2. When new equipment arrives the budget keeper and/or computer tech will verify all items against the purchase order. The packing slip(s) will be scanned and filed and received items will be placed in a designated staging area.
 - 3. Before leaving the staging area each item will be scanned and entered into the school's local database.

- B. Quarterly Property and Inventory Audits
 - 1. A Property and Inventory Team of faculty/staff members has been identified (each individual responsible for a pre-determined area of the campus) to ensure that all property listed to be in each room is present. The Room

- Inventory Checklist” has been posted and verified in each room. No equipment is to be relocated without approval from administration or the computer tech.
2. In the event that it becomes necessary to move an item from one room to another, this will be noted at the bottom of the “Room Inventory Checklist.” The inventory database will then be amended and an updated “Room Inventory Checklist” will be generated and posted in the effected room(s).
- C. Tracking of non-PNI811 items
1. The location’s internal database has been updated to include a layout for entries of high-risk items valued under \$1000.
 2. Document cameras, still/video cameras, and LCD cameras valued under \$1000 will be treated as media resources, tracked in the Destiny database.
 3. A separate database will be generated for band instruments and maintained by the band director.
- D. Quarterly Property and Inventory meetings with key personnel: The Property and Inventory Team will meet before and/or after each quarterly inventory check.
- E. Surplus/Transfer Procedures
1. The surplus or transfer of equipment will only be initiated by administration or the computer tech. Also, administration or the computer tech must be present to sign for any item at the time of its removal/acquisition.
 2. The computer tech will then forward copies of all 3290 forms to both Financial Reporting and Capital Assets for removal from our location in the districts master database (PNI811). The computer tech will maintain copies of the forms and follow-up within 30 days to ensure that the removed items were properly accounted for on the districts master database.
- F. Stolen Property Procedures
1. When an item goes missing, it is contingent upon the faculty/staff to perform a prompt and exhaustive search for the item before alerting the authorities.
 2. If it is determined that an item has been stolen, administration and the computer tech will notify the Plantation Police Department, and complete an SIU Immediate Notification Form (with police report number). Copies of both the police report and the SIU Immediate Notification Form will be maintained by the computer tech.
 3. All stolen items will be listed on a Tangible Property Loss Form and forwarded to Risk Management, Capital Assets, and Financial Reporting for removal from the district master database.

With regards to our 20 unaccounted for items (the item with BPI # 08-08041 was visited and accounted for by the auditor and was not listed on the Missing Item Report at the conclusion of the audit), we believe that if practices such as the ones outlined above had been in place we would not have incurred these audit exceptions.

We also recognize that having a “plan” is meaningless if we are not consistent in its implementation. Creating a culture of accountability will be the key to our success and we are committed to that cause.

If you have any questions please call me (754) 322-1850

Alona DiPaolo



Plantation High School, Principal

School Name: Eagle Ridge Elementary 3441
Administrator's Name: Ms. Marina Rashid
Address: 11500 Westview Drive
Coral Springs, Florida 33067

Total Number of Items in Inventory:	686
Total Dollar Cost of Items in Inventory:	\$937,112
Total Number of Items Unaccounted for:	13
Total Dollar Cost of Items Unaccounted for:	\$17,638
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 systemic efficiency.

Procedures relating to the recording and execution of the removal of unusable obsolete equipment should be strengthened. The Property Custodian must certify the accuracy of documentation prior to the request for removal by the approved District agency (B-stock Central Warehouse). The Office of the Chief Auditor advises site administrators to avoid creating surplus "piles" whenever possible to prevent unmonitored removal or unrecorded addition of property to the designated pick up area. The school has asserted that most of the unaccounted for items were removed from an area designated as storage for surplus removal. As such, it is unknown when the items were unlawfully removed. They were last verified by school staff on April 4, 2013 (4 months earlier).

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.

*The location must then complete a **03290** Tangible Property Loss/ Equipment Acquisition Form listing all of the tangible personal property items which were stolen. The form must contain all of the appropriate identifiable information and be signed by the property custodian.*

*The original **03290** Tangible Property Loss/ Equipment Acquisition Form, with a copy of the Broward School District Police (fka SIU) and police reports attached, should then be forwarded to Accounting & Financial Reporting Department (AFRD)- Capital Assets for record amendment. After allowing an appropriate period of time for the loss to be processed, the location should verify the applicable property records have been amended to reflect the loss by requesting an electronic download of the location's PNI 811 report from IT Production (or via Optispool PNI 954 Report). In the event property records have not been appropriately amended, the location should follow-up with AFRD-Capital Assets to ascertain the processing status of the submitted documentation.*

(Eagle Ridge Elementary continued)

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

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.

The 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.

After confirming the pick-up of the property items, the Manager, Material Logistics will forward the 3290a Surplus/Transfer Declaration Form along with the B-stock pick-up acknowledgment form to Accounting & Financial Reporting Department - Capital Assets for processing.

Accounting & Financial Reporting Department - Capital Assets will send an email confirmation to the property custodian upon receipt of the form and documentation. Accounting & Financial Reporting Department - Capital Assets will process the 3290a Surplus/Transfer Declaration Form and remove the property records from the location's property inventory.

Within five business days of receiving notification, the 3290a Surplus/Transfer Declaration Form will be processed by Accounting & Financial Reporting Department (AFRD) - Capital Assets and locations will be contacted for any additional information. The property custodian should verify that the property records have been removed from the property inventory by requesting a PNI 811 from ETS Production or by monitoring the Optispool 954 Reports.

The location should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent property and inventory audits.

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.

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

Items not accounted for:

Eagle Ridge Elementary 3441

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 05LA24104	Apple-Refresh Laptop	\$ 1,395.62
2 05LA24122	Apple-Refresh Laptop	\$ 1,395.62
3 05LA24129	Apple-Refresh Laptop	\$ 1,395.62
4 05-42347	APPLE, IBOOK G4 W/CD-RW/DVD/12.1"DISPLAY	\$ 1,456.50
5 03-08645	COMPUTER, MAC IMAC G4	\$ 1,443.18
6 03-05352	PRINTER, LEXMARK OPTRA COLOR 45N	\$ 1,063.00
7 03-05357	PRINTER, LEXMARK T520N	\$ 1,258.00
8 03-05389	PRINTER, LEXMARK T520N	\$ 1,258.00
9 03-02955	COMPUTER, DELL GX240D	\$ 1,366.00
10 01-18265	COMPUTER, MAC IMAC	\$ 1,098.86
11 01-12528	COMPUTER, MAC IMAC	\$ 1,195.86
12 01-01004	COMPUTER, MAC IMAC	\$ 1,195.86
13 97-11219	PRINTER, LASERWRITER 16/600, M2471LL	\$ 2,116.00

Total Historical Cost of Property unaccounted for as of September 17, 2013	\$ 17,638.12
[1]Total Accumulated Depreciation as of September 17, 2013	\$ 17,638.12
Net Value of Property considered to be unaccounted for as of September 17, 2013	\$ -

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 October 8, 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 PROPERTY INVENTORY**
 RESPONSE – EAGLE RIDGE ELEMENTARY SCHOOL

The Office of School Performance and Accountability has reviewed the property and inventory audit findings for Eagle Ridge Elementary School. These audit findings have been discussed with the Principal, Marina Rashid, and she has taken full responsibility to implement deliberate steps to ensure exception-free property and inventory 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/IC:bc

cc: Irene Cejka, Director, Office of School Performance and Accountability
 Marina Rashid, Principal, Eagle Ridge Elementary School

The School Board of Broward County, Florida
Marina Sanchez-Rashid, Principal
EAGLE RIDGE ELEMENTARY SCHOOL
11500 Westview Drive
Coral Springs, Florida
Phone 754-322-6300 FAX 754-322-6340

October 3, 2013

TO: Dr. Desmond Blackburn, Chief School Performance and
Accountability Officer

FROM: Marina Sanchez-Rashid, Principal

SUBJECT: Audit Report on Property Inventory -
Fiscal Year 2013-14

In response to the Audit report on Property and Inventory-Fiscal Year 2013-14, corrective measures have been implemented to improve the monitoring of equipment at Eagle Ridge Elementary.

The thirteen items listed as unaccounted for have not been found. They were last accounted for in FISH 113, as per our last internal P and I check on Friday, May 31, 2013.

The property audit took place over the summer months. As soon as I became aware that these items were missing from Room 113 which has traditionally been utilized as our "surplus and items to be sent out for repairs" location, a school-wide search took place by our P and I Team and myself. Once we were certain that these items were in fact missing from our campus, the following action plan was implemented:

- A police report was filed with the City of Coral Springs Police Department (Case #01-13-005734). A report was also filed with our School Police Department and with Risk Management.
- I contacted Coral Springs Parks and Recreations to make them aware of our loss since the City was leasing our facility during the summer months to run Kamp Kool.
- A work order was placed (J612490) to change the lock to Room 113. This work order was completed in September, 2013.
- Our P and I Team will continue to meet on a monthly basis; this includes implementation of ongoing monthly internal audit checks, updating our P and I Binder, reconciling records, etc.

- We will avoid “surplus piles” of equipment, and will surplus equipment only at a specific time of the year (January). All staff members have been instructed that no equipment is to be moved from a designated room/work area without my permission. Collections will be made by appointed staff during the scheduled time only.
- We will continue to download and monitor asset record changes to the PNI 811 reports or the Optispool PNI 954 Report.

We have collaborated with the management and staff from the Office of the Chief Auditor in an effort to continue our improvement in this area. I would also like to reassure you that in all the years that I have been principal my school has always had and maintained exemption free audits. I take my job as the property custodian of this equipment extremely seriously and expect everyone at Eagle Ridge Elementary to feel the same way. Although I listed the most important measures that my team and I will implement to make sure that our equipment is secure, I do welcome any other recommendations that you may have for us.

Thank you for your continued support.

Cc: Ms. Irene Cejka, Director
Mr. Mark Magli, Manager Property Audits Division