

Paul R. Philip, Chief of Staff

**SUBJECT: INTERNAL AUDIT REPORT – AUDIT OF THE INTERNAL FUNDS OF  
SELECTED REGION II SCHOOLS, NOVEMBER 2002, PRESENTED BY  
THE OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS**

In accordance with the Audit Plan for the 2002-03 Fiscal Year, the Office of Management and Compliance Audits has completed the audits of the internal funds for the 2001-02 fiscal year of 20 of the 40 schools in Region II. The remaining schools will be presented to the Audit Committee at its next meeting on January 28, 2003, and subsequently to the School Board. The audits included a review of the internal funds, property, and payroll records. Community School Program records were reviewed at schools having the program, which is accounted through the internal funds. The audits indicated that 18 of the 20 schools were in compliance with prescribed policies and procedures and their internal funds and payroll records were maintained in good order. The audit exceptions at two schools were in the areas of internal funds. The review of the Procurement Credit Card Program at nine schools showed that they were in compliance with the prescribed policies and procedures. The physical inventory results at 37 of the 40 schools showed that they were in compliance with the prescribed procedures related to property. Property reported missing through the Plant Security Report process at several schools was significant, mostly due to theft, loss and break-ins. The following audits are included in this report:

<b>Nautilus Middle</b>	<b>William J. Bryan Elementary</b>
<b>Norland Middle</b>	<b>Crestview Elementary</b>
<b>Miami Beach Senior</b>	<b>Fienberg/Fisher Elementary</b>
<b>North Miami Senior</b>	<b>Greynolds Park Elementary</b>
<b>Highland Oaks Middle</b>	<b>Myrtle Grove Elementary</b>
<b>John F. Kennedy Middle</b>	<b>North Beach Elementary</b>
<b>North Miami Middle</b>	<b>Norwood Elementary</b>
<b>Parkway Middle</b>	<b>Parkway Elementary</b>
<b>Biscayne Elementary</b>	<b>South Pointe Elementary</b>
<b>Ruth K. Broad/Bay Harbor Elementary</b>	<b>Treasure Island Elementary</b>

When applicable, a conference is held with the principal and the appropriate region director to discuss each audit exception and recommendation noted in the draft of the audit report. The principal is required to write a response to each exception specifying what corrective action(s) will be implemented to prevent its recurrence. The response from the principal is submitted for review to the region office and then to School Operations. If considered appropriate, the response is forwarded to the Office of Management and Compliance Audits, which also reviews it to assure corrective action was or will be taken, and inclusion with the audit report.

In accordance with the procedures for the Office of Management and Compliance Audits, the Internal Audit Report – Audit of the Internal Funds of Selected Region II Schools, November 2002 is submitted to the School Board. The School Board Audit Committee will review the audit report at its November 26, 2002 meeting and will submit its recommendations to the School Board and the Superintendent of Schools by December 4, 2002.

Copies of this report will be distributed to Board Members, the Superintendent of Schools, and region and district staff and will be placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, receive and file the Internal Audit Report – Audit of the Internal Funds of Selected Region II Schools, November 2002, presented by the Office of Management and Compliance Audits.