



DAVID W. MARTIN, CPA  
AUDITOR GENERAL

# AUDITOR GENERAL STATE OF FLORIDA

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May 21, 2009

Mr. Randy Acevedo, Superintendent  
Monroe County District School Board  
241 Trumbo Road  
Key West, FL 33040

Dear Superintendent:

Enclosed is a list of preliminary and tentative audit findings and recommendations which may be included in a report to be prepared on our financial, operational and Federal audit of the:

Monroe County District School Board  
For the Fiscal Year Ended June 30, 2008

Pursuant to Section 11.45(4)(d), Florida Statutes, you are required to submit to me within thirty (30) days after receipt of this list a written statement of explanation concerning all of the findings, including therein your actual or proposed corrective actions. If within the 30-day period you have questions or desire further discussion on any of the proposed findings and recommendations, please contact this Office.

Your written statement of explanation should be submitted electronically in source format (e.g., Word or WordPerfect) and include your signature. For quality reproduction purposes, if you are not submitting your response in source format, please convert your response to PDF and not scan to PDF. If technical issues make an electronic response not possible, then a hard copy (paper) response will continue to be acceptable.

Please e-mail this Office at [flaudgen\\_audrpt@aud.state.fl.us](mailto:flaudgen_audrpt@aud.state.fl.us) to indicate receipt of the preliminary and tentative audit findings. Absent such receipt, delivery of the enclosed list of findings is presumed, by law, to be made when it is delivered to your office.

Sincerely,

A handwritten signature in blue ink that reads "David W. Martin".

David W. Martin, CPA

DWM/sd

Enclosures

cc: School Board Members

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**SUMMARY OF AUDIT FINDINGS**

MATERIAL WEAKNESSES

Finding Nos. 1 and 2: Controls over certain expenditures and Adult Education Program fee collections were not effective to prevent, or detect and correct, errors or fraud should they occur. Our audit disclosed questioned purchasing card charges, reimbursements to an employee, and certain vendor payments and also disclosed certain unaccounted for cash collections. As of May 8, 2009, a forensic auditor, hired by the District, and the State Attorney's Office were conducting investigations of questioned expenditures and other financial related matters.

Finding No. 3: The District had not developed a formal fraud policy to provide guidance to employees for communicating known or suspected fraud to the appropriate authority.

SIGNIFICANT DEFICIENCY

Finding No. 4: Improvements were needed in District procedures to ensure that information is properly reported on the financial statements, related note disclosures, and Schedule of Expenditures of Federal Awards.

ADDITIONAL MATTERS

Finding No. 5: The District had not established a formal plan to fund its property self-insurance program to cover the significant loss deductible.

Finding No. 6: The District did not conduct a review and evaluation of the collection of social security numbers (SSNs), prepare written statements notifying individuals of the purpose for collection of the numbers, or submit the certification of its compliance with the new SSN requirements to the Legislature, contrary to Section 119.071(5)(a), Florida Statutes.

Finding No. 7: Improvements could be made in controls over high school diplomas.

Finding No. 8: The District should enhance its controls over the reporting of instructional contact hours for adult general education courses to the Florida Department of Education.

Finding No. 9: Instances were noted in which former employees continued to have information technology (IT) access privileges after their employment termination dates.

Finding No. 10: The District did not formally document user authorization and approval of reports and changes to production data provided by the IT department.

Finding No. 11: The District did not periodically review the appropriateness of user access.

Finding No. 12: Certain security controls related to the District's business systems and surrounding IT infrastructure needed improvement.

FEDERAL AWARDS FINDINGS

Federal Awards Finding No. 1: District controls were not effective to ensure the propriety and allowability of expenditures which impact the administration of certain nonmajor Federal programs.

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**Federal Awards Finding No. 2: Enhancements were needed in District procedures for documenting salaries and benefits charged to the Twenty-First Century Program.**

**FINANCIAL STATEMENT FINDINGS**

**Material Weaknesses**

**Finding No. 1: District Expenditures**

The District reported expenditures totaling approximately \$94 million in the General Fund for the 2007-08 fiscal year. Board Policy 6480, *Expenditures*, requires that expenditures from District and all other funds available for the public school program be authorized by law and procedures prescribed by the School Board. Further, Board Policy 6424, *Purchasing Cards*, provides, in part, that purchasing cards only be used in connection with Board-approved or school-related activities and that only those types of expenses that are for the benefit of the District and serve a valid and proper public purpose shall be paid for by purchasing card. The purchasing card policy provides that the Superintendent shall develop administrative procedures that specify those authorized to use purchasing cards, the types of expenses which can be paid by purchasing cards, and their proper supervision and use. Written purchasing card procedures are included in Finance Department Policies and Procedures, Chapter 4, and in the District’s Procurement and Purchasing Card Basic Policy and Procedures Manual.

While policies and written procedures have been established governing expenditures, District procedures were not operating effectively to ensure that errors or fraud, should they occur, would be detected and timely corrected, as discussed below.

**Finding No. 1A: District Purchasing Card Program**

During the period July 1, 2007, through January 31, 2009, 121 purchasing cards were held by employees, Board members, and the Superintendent. Expenditures incurred using purchasing cards totaled approximately \$2.5 million for the 2007-08 fiscal year and approximately \$1.6 million for the 8-month period from July 1, 2008, through February 28, 2009.

Through inquiry and review of District records, we determined the District’s purchasing card process was intended to work in the following manner. Purchasing card charges, made by District cardholders, moved electronically from the vendor to the bank, and the charges were downloaded daily from the bank to the District’s accounting system. When downloaded, the accounting system generated a requisition, and the cardholder was responsible for comparing his or her receipts to the requisition, coding the charge, and inputting a description of

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the purchase in the accounting system. Afterwards, the cardholder was responsible for notifying his or her supervisor for approval of the charge. If approved by the supervisor, the Finance Department was responsible for verifying the account code of the charge in the accounting system, and approving the charge for payment. Once approved by the Finance Department, the Department created an electronic payment from the District to the bank. At the end of the month when bank statements were received, the cardholder was responsible for reconciling the receipts to the bank statement. The cardholder and supervisor were responsible for signing a Payment Request Form, and remitting it along with the bank statement and receipts to the Finance Department within 15 days of the monthly billing cycle. The Finance Department was then responsible for reconciling the receipts to the bank statements.

Our review of purchasing card procedures and tests of transactions for the period July 1, 2007, through February 28, 2009, disclosed the following significant control deficiencies. (Purchasing card expenditures of the former Adult Education Coordinator are subsequently discussed separately.)

- The cardholder bank statements, receipts, and Payment Request Forms were, in many instances, remitted to the Finance Department from 1 to 19 months after the monthly billing cycle, or an average of approximately 2 months late, and, therefore, were received by the Finance Department after payment had been made to the bank.
- For nine cardholders, cardholder bank statements, receipts, and Payment Request Forms for various months between July 2007 and April 2008, for purchases totaling \$28,157.40, were not submitted to the Finance Department. Notwithstanding the lack of receipt of this documentation, the Finance Department made payment to the bank. Examples of those purchases for the nine cardholders are shown in Table 1, as follows:

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Table 1

Examples of Purchases by Various District Employees for Which Bank Statements, Receipts, and Payment Request Forms Were Not Submitted to the Finance Department		
Purchase Date	Amount	Vendor
6/29/07	\$ 516.00	Hilton Hotels Daytona
7/27/07	344.09	Car Parts Auto
7/27/07	4,816.40	Banner Tire of Key West
8/8/07	184.49	Calendars
9/12/07	749.75	3B Tech Computer
9/26/07	133.43	Avis
9/26/07	326.68	Caribe Royale Resort Orlando
10/22/07	470.00	Florida Recreation & Parks Association
2/4/08	529.88	PC Richard & Son.com #12
2/4/08	794.82	PC Richard & Son.com #12
2/7/08	235.00	Brainpop.com
2/15/08	1,478.00	Prographics Sportswear
2/24/08	86.48	Thrifty Rent A Car
2/28/08	2,900.00	Manuel Perez Woodwind
3/29/08	571.52	Hilton Hotels Daytona
4/1/08	429.15	School Bus Parts, Inc.
4/1/08	429.15	School Bus Parts, Inc.
4/18/08	218.50	The Home Depot
<b>Total</b>	<b>\$ 15,213.34</b>	

- The District’s Finance Department did not routinely perform a proper preaudit of purchasing card transactions and related supporting documentation to ensure that purchases were appropriate expenditures of the District, served an authorized public purpose, and were made in accordance with the Board’s policies and directives. Generally, the Finance Department relied on the cardholder’s supervisor to verify the propriety of the purchases. The verification was documented by the supervisor’s signature on the Payment Request Form. Our review and tests disclosed only a few instances in which Finance Department employees questioned purchasing card purchases. However, the explanations provided by the cardholder for questionable purchases were generally accepted and, as noted above, all amounts were paid by the District, even though cardholder bank statements, vendor receipts, and supervisory approval of the charges were, in some instances, not provided by the cardholders.
- Purchases made with the Superintendent’s purchasing card totaled approximately \$40,000 for the period from July 1, 2007, through March 20, 2009. We noted no instances in which supporting documentation was not included in the District’s records for these purchases. Our review of these charges disclosed one personal purchase, totaling \$78, made in August 2007, which was not reimbursed by the Superintendent as of May 7, 2009.
- The District’s purchasing card procedures provide, in part, that the purpose of the purchasing card program was to handle and expedite low dollar purchases of goods and services. However, we noted that one cardholder, an Information Technology Department employee, was provided a dollar limit of

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\$250,000, which did not appear to be consistent with the intent to use purchasing cards for low dollar purchases. We also noted certain payments to vendors which indicated that the use of the purchasing cards was not limited to low dollar purchases, as shown in the examples in Table 2, below:

Table 2

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Examples of High Dollar Purchases Made With Purchasing Cards

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Date	Amount	Description	Cardholder
7/12/07	\$30,475.75	Topsoil for Horace O'Bryant Track	Director, Maintenance/Construction
7/16/07	21,224.95	Topsoil for Horace O'Bryant Track	Director, Transportation
8/24/07	10,500.00	Equipment & Labor for Horace O'Bryant Track	Director, Maintenance/Construction
1/12/09	19,692.06	Electrical Wire	Director, Maintenance/Construction
7/5/07 to 10/9/07	19,384.52	Five Purchases of Tools Ranging from \$3,120.31 to \$4,372.55	Supervisor/Coordinator, Vocational Education

When small dollar limits are not established for purchasing cards, the risk increases for personnel to make large expenditures and bypass bid procedures.

During the period July 1, 2007, through March 24, 2009, District records did not indicate any actions taken for employees' inappropriate use of purchasing cards or the failure to strictly comply with limitations and requirements set forth in the District's purchasing card policies and procedures. As of March 24, 2009, all purchasing cards were canceled by the Board. The absence of adequate controls and procedures increases the risk that errors or fraud, should they occur, will not be detected and corrected in a prompt manner.

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**Recommendation:** In the event the Board authorizes the issuance and use of purchasing cards in the future, the District should enhance internal control procedures over purchasing card transactions to ensure that supporting documentation is provided timely to the Finance Department, purchases are for valid purposes, sufficiently documented, and independently reviewed and approved of record. Also, the Finance Department should establish an appropriate preaudit of purchasing card expenditures, which includes provisions for dealing with questioned expenditures. In addition, appropriate dollar limits should be placed on purchasing cards.

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**Finding No. 1B: Expenditures – Reimbursements to Other Employees**

We noted that the District's purchasing procedures did not require prior supervisory approval or prohibit employees from making large purchases of materials and supplies for the District and subsequently requesting reimbursement when such purchases were initially paid for personally by the employee. During our review and testing of Adult and Vocational Education expenditures, we noted the following reimbursements in Table 3 that were made to an employee for which District records did not document prior supervisory approval for the purchases. (Reimbursements to the former Adult Education Coordinator are subsequently discussed separately.)

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Table 3

Reimbursements Without Prior Supervisory Approval of Record		
Amount	Date of Reimbursement	Description of Items Purchased
\$ 4,000.00	2/29/08	Welding services to build 24 marine engine dollies for Marathon High School
10,054.87 (1)	5/8/08	Building materials for Marathon High School Habitat for Humanity house
8,549.50 (1)	6/20/08	Building materials for Marathon High School Habitat for Humanity house
1,997.94 (1)	6/20/08	Building materials for Marathon High School Habitat for Humanity house

Note (1) Federal Grant Funds - Career and Technical Education - Basic Grants to States (CFDA No. 84.048) totaling \$20,602.31. See Federal Awards Finding No. 1.

The employee reimbursements for the above purchases were approved after-the-fact by the former Adult Education Coordinator. In the absence of documentation showing prior supervisory approval for purchases which are initially paid for personally by employees and subsequently reimbursed by the District, the risk increases that such purchases may not be made in accordance with the District’s purchasing policies and procedures and good business practices.

**Recommendation: The District should enhance internal control procedures over employee reimbursements to include purchase limits requiring prior approval and to ensure that such purchases are approved of record prior to the time of actual purchase.**

**Finding No. 1C: Expenditures – Purchasing Card Charges and Other Expenditures by the former Adult Education Coordinator**

The District Superintendent and Director of Finance and Accounting Services provided written representations, dated February 24, 2009, which indicated that the District became aware of questionable purchases, totaling approximately \$2,000, made by one employee, using a District purchasing card. Through inquiry, we were informed that the employee was the former Adult Education Coordinator, who resigned on March 3, 2009, and is the wife of the District Superintendent. As a result, our audit procedures were expanded to encompass an additional review of District expenditure transactions, disclosing over \$118,000 of questioned expenditures, as shown in Table 4, below:

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**Table 4**  
**Schedule of Questioned Expenditures - Supporting Documentation did not Demonstrate an Authorized Public Purpose**  
**For the Period July 1, 2007 to February 28, 2009**

TYPE OF VENDOR	Purchasing Card Charges by the Fomer Adult Education Coordinator	Reimbursements to the Former Adult Education Coordinator	Adult and Vocational Education Department Vendor Payments	TOTAL
<b><u>July 1, 2007 to June 30, 2008</u></b>				
DEPARTMENT STORES	\$ 7,138.55	\$ 1,891.25	\$ 4,984.11	\$ 14,013.91
FOOD STORES	6,698.14	1,584.81	4,553.09	12,836.04
HOUSEHOLD / FURNISHING	8,401.95	2,971.86		11,373.81
TRAVEL	7,178.02	642.53	2,514.62	10,335.17
SPECIALTY STORES	3,182.16	1,471.91	307.35	4,961.42
ON-LINE PURCHASES / AMAZON.COM	4,284.07			4,284.07
BUILDING SUPPLIES	1,542.60	2,454.36		3,996.96
BOOKSTORES	1,417.84	685.73		2,103.57
OFFICE SUPPLY STORES	1,036.96	786.68		1,823.64
SHIPPING	1,017.85	819.96		1,837.81
PHARMACIES	1,132.18	474.58		1,606.76
HEALTH / NUTRITION STORES		171.08		171.08
OTHER PAYMENTS	891.43	570.00	2,133.81	3,595.24
SALES TAX REIMBURSEMENTS (1)	(507.91)			(507.91)
<b>Total</b>	<b>43,413.84</b>	<b>14,524.75</b>	<b>14,492.98</b>	<b>72,431.57</b>
<b><u>July 1, 2008 to February 28, 2009</u></b>				
DEPARTMENT STORES	9,888.96	664.79	5,251.01	15,804.76
HOUSEHOLD / FURNISHING	4,521.27	3,880.68		8,401.95
FOOD STORES	4,226.00	2,424.81	268.76	6,919.57
TRAVEL	3,635.63			3,635.63
BUILDING SUPPLIES	2,116.42	993.52		3,109.94
ON-LINE PURCHASES / AMAZON.COM	2,377.54			2,377.54
SPECIALTY STORES	567.18	974.29		1,541.47
SHIPPING	175.81	1,201.92		1,377.73
OFFICE SUPPLY STORES	1,049.40	152.20		1,201.60
PHARMACIES	684.88	267.28		952.16
BOOKSTORES	506.47	224.25		730.72
HEALTH / NUTRITION STORES		134.95		134.95
OTHER PAYMENTS	565.04			565.04
SALES TAX REIMBURSEMENTS (1)	(1,086.53)			(1,086.53)
<b>Total</b>	<b>29,228.07</b>	<b>10,918.69</b>	<b>5,519.77</b>	<b>45,666.53</b>
<b>Total July 1, 2007 to February 28, 2009</b>	<b>\$ 72,641.91</b>	<b>\$ 25,443.44</b>	<b>\$ 20,012.75</b>	<b>\$ 118,098.10</b>

(1) - These negative amounts represent the total reimbursements during the period made by the former Adult Education Coordinator to the District for sales tax costs related to the purchases.



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**Purchasing Card Charges – Former Adult Education Coordinator.** Our review of purchasing card transactions of the former Adult Education Coordinator for the period July 1, 2007, through February 28, 2009, disclosed that, based on the nature of the purchases, \$72,641.91 (See Table 4) of these purchases represent questioned expenditures because they do not appear to correlate to a District and public purpose served, and thereby, appear contrary to Board Policy 6424. The questioned purchases made from these vendors are detailed in Appendix 1.

As also included in Appendix 1, District records show that during the period from July 1, 2007, through February 28, 2009, the former Adult Education Coordinator made purchasing card purchases, totaling \$25,389.46, identified as being for the Monroe Association of Retarded Citizens, Inc. (MARC). Inquiry with District staff and MARC personnel and review of District records disclosed that the District contracted with MARC to provide part-time teachers to instruct MARC clients and to lease facilities to MARC; however, none of the items listed in Appendix 1 for MARC were agreed upon by the Board for payment by the District. Inquiry with MARC personnel further indicated that none of the items listed in Appendix 1 as being for MARC were received by MARC. MARC personnel also indicated that, in addition to the part-time teachers and leased facilities, the only support the District provided to MARC during the period July 1, 2007, through February 28, 2009, was a reimbursement of \$1,796, paid to MARC in August 2007, for computers purchased by MARC for their administration.

In addition to the purchases made by the former Adult Education Coordinator using her purchasing card, we noted other purchases that were made by the former Adult Education Coordinator and a member of her family that were paid for with the purchasing card of the Director, Construction/Maintenance. These purchases, paid for by the District on January 7, 2009, included \$554.75 for plywood purchased by the former Adult Education Coordinator in October 24, 2008, and \$223.22 for lumber (2 X 4's) purchased by a family member of the former Adult Education Coordinator in three separate purchases between October 25, 2008, and October 29, 2008. The public purpose for these purchases of plywood and 2 X 4's was not evident from District records and the January 2009 Payment Request Form for the purchasing card charges of the Director, Construction/Maintenance indicated that the Director's Supervisor would not approve the purchases of the plywood and 2 X 4's; however, the bank was paid for the purchases.

Our review also disclosed that the cardholder bank statements, receipts, and Payment Request Forms were usually not submitted to the Finance Department by the former Adult Education Coordinator on a timely basis, and, as of April 8, 2009, no cardholder bank statements, receipts, or Payment Request Forms had been submitted for

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purchases totaling \$21,400.91. Additionally, receipts totaling \$12,371.94 were missing and not attached to the bank statements and Payment Request Forms that were submitted. A monthly summary of purchases, from July 2007 through February 2009, and dates that documentation was provided to the Finance Department by the former Adult Education Coordinator are shown in Table 5, below:

Table 5

Month	Total Purchases	Date Cardholder Bank Statement, Receipts, and Payment Request Form Received by Finance Department
<u>2007</u>		
July	\$ 4,803.02	(1)
August	4,198.94	September 26, 2007
September	4,690.35	November 1, 2007
October	4,454.44	January 18, 2008
November	5,319.12	(1)
December	3,579.35	February 15, 2008
<u>2008</u>		
January	4,872.87	March 18, 2008
February	4,972.13	(1)
March	4,675.49	July 16, 2008
April	4,091.97	August 7, 2008
May	80.50	(1), (2)
June		(2)
July	3,916.47	March 6, 2009
August	6,045.98	March 3, 2009
September	2,240.85	March 3, 2009
October	4,980.21	March 3, 2009
November	2,470.43	March 3, 2009
December	4,581.81	March 5, 2009
<u>2009</u>		
January	4,289.71	(1)
February	<u>1,936.43</u>	(1)
Total	<u>\$ 76,200.07</u>	

Notes: (1) Cardholder bank statement, receipts, and Payment Request Forms not remitted to Finance Department.

(2) Card use suspended for May and June 2008, due to budget concerns.

We also noted that as of April 10, 2009, the former Adult Education Coordinator's Payment Request Forms for the months of April 2008 and July 2008 through December 2008, had not been reviewed and approved by her Supervisor.

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**Expenditures - Reimbursements to Former Adult Education Coordinator.** Our review of procedures and tests of expenditure reimbursements to the former Adult Education Coordinator, for the period July 1, 2007, through February 28, 2009, disclosed the following significant control deficiencies and questioned expenditures:

- No one independently approved expense reimbursements made to the former Adult Education Coordinator. For the period July 1, 2007, through February 28, 2009, these reimbursements totaled \$27,463. Our review of the supporting documents for these reimbursements indicated that, based on the nature of the purchases, reimbursements totaling \$25,443.44 (See Table 4), represent questioned expenditures because they do not appear to correlate to a District and public purpose served. A detailed listing of these questioned expenditures was provided to the District. Examples of specific questioned reimbursed purchases are shown in Table 6, below:

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**Table 6**  
**Examples of Reimbursements to the Former Adult Education Coordinator - Supporting Documentation Did Not Demonstrate an Authorized Public Purpose**  
**For the Period July 1, 2007 to February 28, 2009**

Vendor	Purchase Date	Amount	Description of Items Purchased as Shown on the Accounting System / Purchase Orders	Description of Items Purchased as Shown on the Receipt or Invoice
<b>Department Stores</b>				
Kmart	08/02/07	\$ 53.22	Supplies needed for start of school year and new program	Dove Lotion, Jewelry, Ladies Pants, Toothpaste, Shampoo, Magazines
Sears	08/04/07	179.99	Supplies for MARC Training	Universal Remote Sal
Sears	03/18/08	669.98	Reimbursement for Mattress and Frame for Group Home	Mat. Fr Imp Sal \$599.99 and Queen Inst Ovr \$69.99
Kmart	10/06/08	162.02	Reimbursement for supplies	Candles, Secret, Razor, Hydragel, Tension Rod, Food Items, Jerky, Soft Drinks, FUJ Water
Ross	12/18/08	139.35	Reimbursement for supplies for MARC and GED	Megaphone, Ice Shot Set 12 pc., Cat Mug, Get Blastes Beer/L, and other items
<b>Food Stores</b>				
Albertsons	03/31/08	97.70	Reimbursement for Supplies	Soft Drinks, Lasagna, Dish Soap, Glade, Milk, Dip N Stick, Water, Ice Cream, Frozen Pie, Fresh Flowers, Vitamins, Utility Lighter, Lunch Meat, Salad Produce, Magazine
Winn-Dixie	08/26/08	258.35	Reimbursement for Supplies	Hot Wheels and Other Toys, Soft Drinks, Three Gift Cards totaling \$125, Birthday Card, Soap, Tissue, Large Happy Birthday Bag, Napkins, Wipes, Magazine, Speed Racer Video, CD
GFS Marketplace	10/18/08	199.56	Reimbursement for Supplies	Soft Drinks, Hot Dogs, Beef Pattys, Water, Condiments, Chips, Cups, Plates, Cheese, Foil Pan
<b>Households/Furnishing</b>				
Hansen/Bringle Cabinets & Millwork	07/13/07	225.00	Supplies for Adult teachers in ESOL, GED, ABE	Millwork - 3 hours
Pier 1 Imports	05/24/08	956.00	Reimbursement for noncap equipment for MARC House	Bookshelf \$229, Chair \$129, Desk \$399, File C \$199
The Bed & Chair Depot, Inc.	06/04/08	633.00	Reimbursement for noncap equipment for MARC House	Sealy Car Coast \$549, Full Frame \$25, Queen Frame \$59
Pier 1 Imports	06/04/08	801.00	Reimbursement for noncap equipment for MARC House	Carpet \$158, Doormat \$15, Tanimbar Sideboard, \$449, Dexter Coffee Table \$179
The Bed & Chair Depot, Inc.	08/20/08	649.93	P.O - Reimbursement for NonCap Equipment	Car Coast Full Mattress
The Bed & Chair Depot, Inc.	11/26/08	1,699.00	Reimbursement for one queen canary set. Bedding needed for new special needs client in MARC Group Home	Queen Canary set
<b>Travel</b>				
Courtyard by Marriot, Key West	07/21/07	499.53	Reimb for Hotel Stay for MARC staff meeting	Four Guests 7-21-07 (Saturday Arrival), 7-23-07 (Monday Depart)
Ft. Laud - Hlwd Int'l Airport	08/17/07	90.00	Reimbursement for Parking	Airport parking 8-10-07 to 8-17-07

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Table 6 (Continued)  
 Examples of Reimbursements to the Former Adult Education Coordinator - Supporting Documentation Did Not Demonstrate an Authorized Public Purpose  
 For the Period July 1, 2007 to February 28, 2009

Vendor	Purchase Date	Amount	Description of Items Purchased as Shown on the Accounting System / Purchase Orders	Description of Items Purchased as Shown on the Receipt or Invoice
<b>Specialty Stores</b>				
Divers Direct/World Watersport	08/24/07	\$ 138.95	Supplies for Careers	Spear Gun Parts and Spear, purchased by the Former Adult Education Coordinator family member
Party Time	07/18/08	46.50	Reimbursement of Supplies	45 Latex (balloons) and 3 bags
Party Time	No Date	124.83	Supplies for ESOL, GED, Literacy, and Civics	Grass Glitter
<b>Building Supplies</b>				
The Home Depot	09/29/07	190.74	Supplies for MARC Training	Plants, Natural Stone, Sanitizer, Skinsation
The Home Depot	05/25/08	228.97	Reimbursement for noncap equip for MARC House	Chandelier \$179, Ceiling Fan \$49.97
The Home Depot	06/28/08	112.80	Reimbursement of Supplies	Eight 12 inch Stepping Stones, Four Dwarf Oleander Plants, Four Allamanda Plants
The Home Depot	07/23/08	168.52	Reimbursement of Supplies	Meat Snacks, Candle Refill, Soft Drink, Nails, 2 X 4's, 2 X 6's
<b>Book Stores</b>				
Borders Express	02/17/08	106.82	Supplies for Career ESOL and Reading	No written description, only item numbers on the receipt
Borders Express	10/24/08	58.84	Supplies for ESOL, GED, Literacy, and Civics	No written description, only item numbers on the receipt
<b>Office Supply Stores</b>				
Office Max	10/13/07	280.68	Noncap equipment for MARC	Six Charcoal Folding Chairs @ \$39.99 each, Certificate Covers
Office Max	09/25/07	164.98	Supplies for MARC Training	Wheeled Computer Case, Microsaver Portable Notebook
Office Max	06/04/08	169.99	Reimb for noncap equip for MARC House	Black Leather EZ Chair
<b>Shipping</b>				
The UPS Store	10/30/07	30.06	Reimbursement for Supplies for MARC	Shipping to Creedmoor, NC, stamps
The UPS Store	12/08/08	113.58	Reimbursement for Supplies for MARC and GED	Ground residential shipping, boxes
The UPS Store	12/10/08	45.75	Reimbursement for Supplies for MARC and GED	Shipping to Creedmoor, NC, stamps, meter mail
The UPS Store	12/10/08	45.75	Reimbursement for Supplies for MARC and GED	Shipping to Creedmoor, NC, stamps, meter mail
<b>Pharmacies</b>				
Walgreens	04/29/08	56.31	Reimbursement for supplies	Vivarin, People Weekly, Evian Water, Soft drinks
CVS Pharmacy	05/31/08	33.97	Reimbursement for supplies	Batteries and FIJI Water
Walgreens	12/21/08	67.22	Reimbursement for supplies	Baby Wipes, Vivarin, Zyrtec, Shampoo, Conditioner
<b>Health/Nutrition Stores</b>				
General Nutrition Center	08/27/07	130.35	Supplies for Careers	Jolt Gum, ZMA (1), Creatine Cap, Nutra-Trim G, Amino Acid 1
General Nutrition Center	08/20/08	29.99	Reimbursement for supplies for MARC	ZMA (1)
General Nutrition Center	12/21/08	29.99	Reimbursement for supplies	ZMA (1)
<b>Other Payments</b>				
Manley Deboer	07/05/07	285.00	Supplies needed for start of school year and new program	10 pieces 2 X 6 X 20 PT Common, Delivery
MARC Plant Stores	12/20/07	96.00	Supplies needed for career classes through MARC	10" Poinsettia, 9 - 10 foot Frasier Christmas Tree, Christmas Tags

Note: (1) Supplement for Bodybuilding

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District records show that during the period July 1, 2007, through February 28, 2009, the former Adult Education Coordinator received reimbursements totaling \$9,847.58 for purchases shown in the District's records as being made for MARC. As also discussed previously, the District contracted with MARC to provide part-time teachers to instruct MARC clients and to lease facilities to MARC; however, none of the items for MARC were agreed upon by the Board for payment by the District. In addition, inquiry of MARC personnel indicated that none of the items were received by MARC.

- The name and home address of the former Adult Education Coordinator was shown as the purchaser and delivery address on the invoice supporting a \$1,699 reimbursement (included in Table 6), for a Queen Canary Set from a furniture store specializing in beds and chairs. Additionally, the delivery date indicated on the invoice was Saturday, November 29, 2008. When purchases are not delivered to District facilities, there is an increased risk that District property may not be adequately safeguarded against possible loss or theft.
- Documentation supporting the following reimbursements to the former Adult Education Coordinator disclosed that some information printed on the invoices for those purchases had been obliterated with white-out and scratched out with a pen:

Date	Check No.	Amount	Invoice Description	Altered Information
7/30/07	17799	\$225.00	Local Cabinet Shop - Millwork	Purchaser information
7/30/07	17799	184.54	Shipping and Stamps	Purchase date
8/23/07	17838	285.00	Purchase of wood 2 X 4's and delivery	Delivery information
6/13/08	93612	633.00	Sealy Car Coast, Full Frame, and Queen Frame	Purchaser address
8/6/08	19030	46.50	45 Laytex and 3 Bags from party supply store	Purchaser information
9/4/08	94776	649.93	Car Coast Full Mattress and Box	Purchaser address

The purchaser address shown on the invoices for the above two bedding purchases (check Nos. 93612 and 94776) had been altered to show the address of the Key West High School. We were advised by Finance Department personnel that the vendor indicated the bedding had been delivered to the home address of the former Adult Education Coordinator.

The alteration of original purchasing documentation increases the risk of errors or fraud.

**Vendor Payments – Former Adult Education Coordinator.** Payments to vendors are to be made in accordance with the approved budget and pursuant to applicable State statutes. For the period from July 1, 2007, through February 28, 2009, the Adult and Vocational Education Program had expenditures totaling \$462,268.38, excluding salaries, benefits, and other personnel services. Of these expenditures, we tested vendor payments totaling \$86,713; however, based on the nature of the purchases, vendor payments approved by the former Adult Education Coordinator for expenses totaling \$20,012.75 (See Table 4) represent questioned expenditures because they do not appear to correlate to a District and public purpose served. A detailed listing of these questioned expenditures was provided to the District. Examples of specific payments are shown in Table 7, below:

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**Table 7**  
**Examples of Adult and Vocational Education Department Questioned Vendor Payments - Supporting Documentation Did Not Demonstrate an Authorized Public Purpose**  
**For the Period July 1, 2007 to February 28, 2009**

Vendor	Purchase Date	Amount	Description of Items Purchased as Shown on the Accounting System / Purchase Orders	Description of Items Purchased as Shown on the Receipt or Invoice
<b>Department Stores</b>				
Kmart	07/28/07	\$ 545.26	Supplies needed for ABE and ESOL classes.	Two \$10 T Mobile Cards, \$25 Gift Card, Men's Bicycle (\$199.99), Clothing, Razor, Laundry Detergent, Soft Drinks, Dog Food, Water, and Food Items.
Kmart	08/13/07	651.28	Supplies needed for ABE and ESOL classes.	Women Clothing, Footwear, Cell Phone (\$99.99), \$25 T Mobile Card, Soft Drinks, Gift Bags, and Other Items.
Kmart	12/22/07	592.84	Supplies for Career Programs Office, Set Up and Retention.	Women's Clothing, Nineteen CD's and DVD's (including Simpsons, Ocean's Thirteen, Shogun, Cars Blue Ray, Ratatouille, Halloween), Fiction Books, and Ice Breakers.
Kmart	05/10/08	346.31	Supplies for GED, Literacy.	Makeup, Frame, Gift Cards, Fiji Water, Chips, etc. Cosmetics, Four Gift Cards totaling \$150, Four Greeting / Occasion Cards, Soft Drinks, Food Snacks, and FIJI Water.
Kmart	06/03/08	180.05	Supplies for ESOL, GED, Literacy.	Posters, \$50 Gift Card, One Greeting / Occasion Card, Pillow, Bedskirt, Comforter, Blanket, Food Items, and FIJI Water.
Kmart	06/13/08	884.65	Supplies for Careers	Cosmetics, Perfume (Obsession, Polo, Keneth Cole, Paul Sebastian), DVD's, CD's, Women's Clothing, Seven Gift Cards totaling \$325, Five Greeting / Occasion Cards, Household and Food Items, Energy Drinks, and FIJI Water.
Kmart	06/28/08	394.57	Supplies	DVD's, CD's, Grill Lighter, Six Gift Cards totaling \$150, Food Items, Deodorant, Excedrin, Advil, and Water.
<b>Food Stores</b>				
Publix Supermarkets	07/30/07	340.68	Supplies needed for ESOL, GED, ABE, Pre-GED, and Adult with Disabilities	Five Gift Cards totaling \$175, Mach3 Razor, Soft Drinks, Energy Drinks, Spring Water, Food Items, VHS Cassettes, and True Indul Wedding (7 @ \$6.49 ea.).
Publix Supermarkets	07/06/07	434.30	Supplies needed for ESOL, GED, ABE, Pre-GED, and Adult with Disabilities	Two \$50 Gift Cards, Household and Food Items, Vitamin and Spring Water, Dog Food, Soft Drinks, DVD Movie, and Paperback Book
Winn-Dixie	01/17/08	369.85	Supplies for MARC.	Soft Drinks, Energy Drinks, Greeting Cards, Household and Food Items, DVD's, and three \$25 Gift Cards
Winn-Dixie	05/05/08	325.51	Supplies for MARC.	Two Gift Cards totaling \$50, Greeting Card, Household and Food Items, and Spring Water.

As similarly noted in other findings, inquiry of MARC personnel indicated that the two purchases of supplies totaling \$695.36, which are listed last in Table 7, were not received by MARC.

**Travel Expenditures.** Section 112.061, Florida Statutes, provides the general travel expense reimbursement guidelines for public officers, employees, and authorized persons. A travel authorization request form is required to be completed by travelers requesting approval for the performance of travel to a convention or conference. In addition, the completion of a travel voucher is required to document, among other things, the purpose of the travel, the truthfulness and correctness of the claim, and that the travel expenses were actually incurred by the traveler as necessary in the performance of official duties. The original copy of the executed travel authorization request form shall be attached to the travel voucher on file with the respective agency. Board Policy 6550, *Travel Expense Reimbursement*, directs the Superintendent to establish uniform procedures to implement the Board policy and to prescribe forms and procedures necessary for maintaining accurate, uniform records.

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Our review and test of vendor payments to a Key West travel agency totaling \$11,458.30, during the period July 1, 2007, through March 10, 2009, disclosed the following significant control deficiencies and questioned expenditures:

- Traveler names printed on invoices for three round trip airline tickets purchased by the Adult Education Department for travel from Key West to Tallahassee; Key West to Orlando; and Raleigh Durham, North Carolina to Key West, at costs of \$669.60, \$700.20, and \$779.60, respectively, had been obliterated with either white-out or written over with a pen. As a result, we could not determine if the traveler names on the supporting documentation were the names in which the tickets were issued. Additionally, the traveler name (former Adult Education Coordinator) written on the invoice for the travel from Key West to Tallahassee was different than the traveler (name of a teacher) shown on the corresponding purchase order.
- The traveler name was not shown on the invoice for an airline ticket purchased by the Adult Education Department at a cost of \$689.20 for travel from Key West to Orlando and return.
- The four airline ticket purchases noted above and four (three employees and one consultant) additional round trip airline ticket purchases, costing \$2,406.20, were not supported by travel vouchers.

Due to the nature of these deficiencies, these items, totaling \$5,244.80, represent questioned expenditures. We were advised by the Board's attorney that additional documentation, including traveler names, had been requested from the Key West travel agency for tickets purchased from the agency during the period from July 1, 2007, through June 30, 2008; however, as May 1, 2009, the agency had not furnished the Board with the additional documentation requested.

We also noted that four purchases made by the former Adult Education Coordinator with her purchasing card on December 2, 2008, December 11, 2008, January 4, 2009, and February 4, 2009, totaling \$2,220.20, from commercial airlines, listed on Appendix 1, for seven round trip tickets were not supported by travel vouchers. Absent travel vouchers and original receipts printed with the traveler's names to support the purpose of the travel, District records did not evidence that such travel expenses were for an authorized public purpose and in accordance with applicable laws and policies governing travel expenses and, therefore, represent questioned expenditures.

Without proper controls and procedures to safeguard District assets, there is an increased risk that fraud may occur, which may not be prevented or detected and corrected promptly. As also noted in Financial Statement



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Finding No. 3, the District had not developed policies for communicating and reporting known or suspected fraud. Without such policies, the risk increases that known or suspected fraud may be identified but not reported timely to the appropriate authority. Further, without sufficient, appropriate supporting documentation and supervisory approval of purchases, the risk increases that such purchases may not be for authorized public purposes.

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**Recommendation:** The District should establish adequate controls over expenditures to ensure that purchases are for valid purposes, sufficiently and appropriately documented, and independently reviewed and approved of record. For example, airline travel expenses should be properly supported with travel vouchers and original invoices showing traveler names, to evidence the propriety and public purpose served by the travel and to comply with applicable laws and Board policies governing travel expenses. Further, delivery of District purchased goods should be made to District-owned locations, and receipt of such goods should be evidenced by someone other than the employee who initiated the order. In addition, the Board should determine the goods and services that it is authorized by law to provide to MARC and such goods and services should be included in a written contract to delineate the responsibilities of the two entities.

The District should review the various questioned expenditures and determine the public purpose served by those expenditures. If such public purpose cannot be determined, the District should pursue reimbursement of these moneys.

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**Finding No. 1D: Expenditures – Superintendent’s 2008 Election Campaign**

The Superintendent’s campaign treasurer reports, on file with the Monroe County Supervisor of Elections for the 2008 election campaign, show itemized contributions and expenditures of \$57,651 each for the period January 1, 2008, through February 2, 2009. Our comparison of itemized expenditures listed on the treasurer reports for this period and District expenditure records disclosed 27 campaign expenditure transactions, totaling \$3,978.08, which appeared to be paid with District funds, including Federal grant funds, totaling \$1,594.05 (see Federal Awards Finding No. 1), as shown in Table 8, below:

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**TABLE 8**  
**Schedule of District Expenditures Matching Expenditures Reported on the Superintendent's 2008 Election Campaign Treasurer's Reports**  
**For the Period January 1, 2008 through February 2, 2009**

District School Board Expenditures					Campaign Treasurer's Report - Itemized Expenditures				
Purchase Date	Vendor	Description on Receipt	Purpose Shown on District's Records	Expense Amount (1)	Sales Receipt Amount (1)	Purchase Date	Vendor	Purpose Shown on Treasurer's Report	Amount
<b>Purchases Made With Federal Grant Money:</b>									
7/18/2008	Office Supply Store	Three Black Board foam, Nestea drink	Reimbursement of Supplies	\$ 49.36	\$ 52.96	7/18/2008	Office Supply Store	black foam	\$ 52.96
8/8/2008	Office Supply Store	Erasers	Reimbursement for Supplies	31.04	33.37	8/8/2008	Office Supply Store	school supplies	33.37
8/11/2008	Food Store	Notebooks, Portfolios, \$50 Gift Card, Magazine, Birthday Card	Supplies	268.76	268.76	8/11/2008	Food Store	school supplies	268.76
8/12/2008	Pharmacy	Erasers, Wipes, PRLSC 28 BNS.	Reimbursement for Supplies	36.22	37.37	8/12/2008	Pharmacy	school supplies	37.37
8/13/2008	Food Store	25 Pound Paper Bags	Reimbursement for Supplies	60.99	60.99	8/13/2008	Food Store	school supplies	60.99
8/13/2008	Food Store	Poly Reclosable	Reimbursement for Supplies	21.49	21.49	8/13/2008	Food Store	party supplies	21.49
8/13/2008	Office Supply Store	Pens	Reimbursement for Supplies	17.82	19.16	8/13/2008	Office Supply Store	school supplies	19.16
8/15/2008	Department Store	Gift Cards, Bicycle, Tide, Pens, Sodas, etc.	Supplies	465.30	465.30	8/15/2008	Department Store	school supplies	465.30
9/30/2008	Postmaster	Stamps	Reimbursement for Supplies	168.00	168.00	9/30/2008	Postmaster	stamps	168.00
9/30/2008	Office Supply Store	Certificate Covers	Reimbursement for Supplies for MARC	20.97	22.54	9/30/2008	Office Supply Store	paper	22.54
10/1/2008	Office Supply Store	Business Envelopes	Reimbursement for Supplies for MARC	38.99	41.91	10/1/2008	Office Supply Store	envelopes	41.91
10/16/2008	Shipping and Mail Store	Stamps and Meter Mail	Reimbursement for Supplies	192.20	192.20	10/16/2008	Shipping and Mail Store	postage	192.20
10/27/2008	Postmaster	Stamps	Supplies for ESOL, GED, Liter, & Civics	84.00	84.00	10/27/2008	Postmaster	stamps	84.00
10/28/2008	Postmaster	Stamps	Reimbursement for Supplies	126.00	126.00	10/28/2008	Postmaster	stamps	126.00
<b>Total Purchases with Federal Grant Money</b>				<b>1,581.14</b>	<b>1,594.05</b>				
<b>Purchases Made With District General Fund Operating Money:</b>									
8/7/2008	Food Store	Toothpicks, Gum, Tea Bags, Paper Bags	Supplies for MARC	37.43	37.43	8/7/2008	Food Store	school supplies	37.43
8/7/2008	Food Store	Choc Kisses, JJ Bandages	Supplies for Culinary	113.10	119.34	8/7/2008	Food Store	school supplies	119.34
8/7/2008	Food Store	Toothpicks, Gum, Tea Bags, Paper Bags, Lifesavers	Supplies for Culinary	97.45	97.45	8/7/2008	Food Store	school supplies	97.45
8/8/2008	Office Supply Store	Erasers, Rubber Bands, Golf Pencils	Supplies for GED	91.19	91.19	8/8/2008	Office Supply Store	school supplies	91.19
8/12/2008	Office Supply Store	Highlighters, Glue Sticks, Crayons, Spiral Notebooks, Pencils, Anime Studio 5, Soft Drinks, Gum		740.38	740.38	8/12/2008	Office Supply Store	school supplies	740.38
8/13/2008	Food Store	Soft Drinks, Glue Sticks, Highlighters, Erasers	Supplies for Pre-GED	150.89	150.89	8/13/2008	Food Store	school supplies	150.89
8/15/2008	Department Store	Glue, Pens, Highlighters, Erasers, Pencils	Supplies for Citizenship	228.77	228.77	8/15/2008	Department Store	school supplies	228.77
8/15/2008	Pharmacy	Cannot Determine - Inadequate Descriptions	Supplies for Pre-GED	42.61	45.81	8/15/2008	Pharmacy	school supplies	45.81
8/15/2008	Food Store	Franks, Paper Plates, Condiments, Foil Pan, Cookies, Water, Variety Snack Packs	Supplies for Culinary	277.04	277.04	8/15/2008	Food Store	party supplies	277.04
8/15/2008	Department Store	Notebooks, Erasers, Pens, Pencils, Crayons	Supplies for GED	230.20	230.20	8/15/2008	Department Store	school supplies	230.20
8/15/2008	Office Supply Store	Spiral Notebooks	NONCAP Equipment	43.00	43.00	8/15/2008	Office Supply Store	school supplies	43.00
8/16/2008	Food Store	Hot Dogs, Variety Snack Packs, Ketchup, Trash Bags, Spring Water, Charcoal, Lighter Fluid	Supplies for Culinary	226.96	226.96	8/16/2008	Food Store	party supplies	226.96
10/18/2008	Department Store	Ribbon, Candles, Secret, Tylenol Cold, Peacock Mat, Various Household Items, Candy	NONCAP Equipment for Fashion Class, Iron	95.57	95.57	10/18/2008	Department Store	ribbon, candy	95.57
<b>Total Purchases with General Fund Money</b>				<b>2,374.59</b>	<b>2,384.03</b>				
<b>Total</b>				<b>\$ 3,955.73</b>	<b>\$ 3,978.08</b>				

Note: (1) Difference between the Sales Receipt Amount and the Expense Amount is the amount of sales tax shown on the sales receipt.

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District records did not evidence the basis upon which these expenditures were made from District funds and Federal grant funds and, accordingly, these transactions represent questioned expenditures.

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**Recommendation: The Board should obtain documentation to support the allowability of these expenditures or obtain reimbursement for these expenditures.**

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**Finding No. 2: Cash Collections - Adult Education Department**

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Pursuant to Section 1009.22, Florida Statutes, and State Board of Education Rule 6A-6.084, Florida Administrative Code, the District assessed and collected fees from students enrolled in its adult education program. District records indicated that student fees assessed for adult education classes, general educational development and other tests, and textbooks were paid in cash to the Adult Education Department (Department) at three high schools. In addition, the Department at Key West High School collected cash from customers for various cosmetology services provided by the students. Collections for these fees and services ranged from \$6 for shampoo/blow dry services to \$1,956 for student fees charged for the completion of the 1,200-hour cosmetology program.

Written policies and procedures were not in place to properly control the assessment and collection of adult education program fees and the charges for services of the cosmetology program. Although the Department's collections were generally accounted for using prenumbered receipts, our review disclosed the following significant control deficiencies and unaccounted for cash collections:

- Department records of collections showed that from July 1, 2007, to March 18, 2009, collections from students and from customers totaled \$90,408 and \$11,346, respectively. Accounting records disclosed that only \$8,000 was deposited in the District's bank account. Consequently, the difference between the Department's records of collections and actual deposits represent unaccounted for cash collections of \$93,754. Upon audit inquiry, we were informed by Department personnel that cash collections received at the Department (Key West High School) were transferred from the employees receiving the collections at the Department to the former Adult Education Coordinator for delivery to the Finance Department for deposit. We were further informed by Department personnel that instead of delivering the collections for deposit, the former Adult Education Coordinator used the cash to purchase supplies for the adult education program. However, no records of expenditures, invoices, or purchase receipts from vendors were available to support the purchase of adult education program supplies with the cash from collections. To reduce the risk of theft or loss, all collections should be timely deposited intact to establish recorded accountability and appropriate records should be maintained for all expenditures.
- Contrary to Section 1009.22, Florida Statutes, and State Board of Education Rule 6A-6.084, Florida Administrative Code, student fee collections for adult education classes were made without the benefit of a schedule of fees approved by the Board. In addition, the amounts charged for the various cosmetology services were not approved by the Board. As a result, the basis for the amounts charged for student fees

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and cosmetology services was not evident in the District records. In these circumstances, there is an increased risk that fees assessed may be not be appropriate to cover the costs for such classes.

- Records of cash collections maintained by the Department for services provided by the cosmetology, nail specialty, and facial specialty programs indicated that collections totaled \$11,346 from July 1, 2007, to March 18, 2009. Of that amount, receipts were not issued for \$7,815 received between July 1, 2007, and October 1, 2008. Instead, the collections were recorded on a computer-generated excel spreadsheet. Failure to issue prenumbered receipts for all cash collections limits the effectiveness of the controls afforded by the use of prenumbered receipts issued in numerical sequence.
- Collections were transferred between Department employees without written acknowledgement of the amount and transfer of responsibility for the collections. For example, Department personnel indicated that student fees collected by the Registrar at the Department’s Key West High School location were transferred to the former Adult Education Coordinator who was responsible for delivering the collections to the Finance Department for deposit. There was no written acknowledgement to evidence the transfer of collections between these employees. Without such acknowledgment, the District may be limited in its ability to fix responsibility for losses.
- No employee independent of the cash collection function compared the amounts of collections shown on the Department’s records to the amounts of the actual deposits made to the District’s bank account. Such comparisons are necessary to ensure that all collections are properly accounted for and deposited.
- Periodic comparison of manual registration forms and enrollment records to fee collections (fee audits) were not performed. In order to determine that the correct amount of fees have been properly assessed, collected, and deposited, an employee independent of the cash collection and record keeping functions should determine the amounts that should have been collected, based on attendance records and approved fee rates, for comparison to the amounts collected and deposited. Any discrepancies disclosed by such comparison should be investigated as to cause and timely resolved.

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**Recommendation:** The Board should adopt a schedule of fees for its adult education programs, as required by applicable laws and regulations. Additionally, written policies and procedures over decentralized cash collections should be established requiring the use of prenumbered receipts for all collections, periodic fee audits and reconciliations of collections to deposits, the use of written acknowledgements when collections are transferred between employees, and the timely deposit of collections.

**The District should determine the amount of unaccounted for collections and pursue recovery of any such collections not used for a documented authorized public purpose.**

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**Finding No. 3: Policies for Reporting Fraud**

The District had not developed policies for communicating and reporting known or suspected fraud. Such policies should clearly identify actions constituting fraud, incident reporting procedures, responsibility for fraud investigation, and consequences for fraudulent behavior. Fraud policies are necessary to educate employees about proper conduct, create an environment that deters dishonesty, and maintain internal controls that provide

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reasonable assurance of achieving management objectives and detecting dishonest acts. In addition, such policies serve to establish the responsibilities for investigating potential incidents of fraud, taking appropriate action, reporting evidence of such action to the appropriate authorities, and to avoid damaging the reputations of persons suspected of fraud but subsequently found innocent. Further, in the absence of such policies, the risk increases that a known or suspected fraud may be identified but not reported to the appropriate authority. While the District developed a draft policy which describes examples of what constitutes fraud and requires employees to immediately report suspected fraud to personnel responsible for resolution, the Board has not adopted the policy of record. Without Board approval of the policy, the risk increases that management’s intent may not be clearly communicated and known or suspected fraud may not be identified and reported to the appropriate authority. Also, see Financial Statement Finding Nos. 1 and 2, and Federal Awards Finding No. 1, for additional control deficiencies which increase the need for the District to develop policies for communicating and reporting suspected fraud.

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**Recommendation:** To aid in the detection and prevention of fraud, the District should complete the process of developing policies for reporting known or suspected fraud by obtaining Board approval of such policies.

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**Significant Deficiency**

**Finding No. 4: Financial Reporting**

Our review of the District’s 2007-08 fiscal year annual financial report, as presented for audit, disclosed that enhancements in procedures could be made for reporting certain account balances and transactions, as discussed below:

- The District did not properly identify and record encumbrances relating to the outstanding purchase orders and contracts at June 30, 2008, resulting in an understatement of reserved for encumbrances and overstatement of unreserved fund balances by approximately \$6 million in the Capital Projects – Other Fund, and by approximately \$2 million in the Capital Projects – Capital Improvement Section 1011.71(2) Fund.
- Generally accepted accounting principles require that the basic financial statements include notes to financial statements to describe and explain financial statement presentations, and make other required disclosures relating to the District’s activity. However, District personnel did not properly disclose changes in short-term debt activity for a tax anticipation note, totaling \$14 million.
- The Disaster Grants – Public Assistance and Hazard Mitigation Grant programs and related expenditures, totaling \$318,154.50 and \$129,853.00, respectively, were not properly identified and reported on the Schedule of Expenditures of Federal Awards (SEFA), contrary to Office of Management

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and Budget *Circular A-133*, Section 310. Without procedures to accurately report Federal programs and related expenditures on the SEFA, the risk increases that major Federal programs may not be audited, and costs associated with those programs may be subject to disallowance by the grantors.

We extended our audit procedures to determine the necessary adjustments and revisions, and the changes were accepted by the District to properly report the information on the financial statements, related note disclosures, and Schedule of Expenditures of Federal Awards.

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**Recommendation: To facilitate necessary financial reporting, the District should enhance procedures to ensure that information is properly reported on the financial statements, related note disclosures, and Schedule of Expenditures of Federal Awards.**

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**ADDITIONAL MATTERS**

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**Finding No. 5: Property Insurance Coverage**

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Pursuant to Section 1001.42(9)(d), Florida Statutes, the Board is authorized to carry insurance on District school buildings, including contents, boilers, and machinery. Additionally, pursuant to Section 1001.42(10)(k), Florida Statutes, the Board is to provide for adequate protection against any loss or damage to school property. In fulfilling this responsibility, the Board has provided property insurance coverage on a self-insured basis up to specified limits. Agreements have been entered into with various insurance companies to provide specific excess coverage of claim amounts above a stated amount on an individual claim basis and aggregate excess coverage.

We reviewed the District’s school property costs and replacement values (insured values) and compared those amounts to the commercial insurance coverage purchased. The school property replacement values were approximately \$330.1 million at June 30, 2008, whereas the District’s excess insurance for wind coverage had a wind loss limit of only \$5 million per named windstorm after a deductible of 5 percent of total insured values per location subject to a minimum of \$10 million deductible per occurrence. While the District anticipates that Federal and State government assistance may be necessary to cover losses in excess of its insurance coverage, District records did not evidence a formal plan of action if the District incurs such losses. For example, if the District incurred a \$20 million loss of property with an insured replacement value of \$100 million as a result of a single named windstorm, District records do not evidence what resources would fund the excess loss, totaling \$15 million. Additionally, as of June 30, 2008, the District only had approximately \$7.2 million available as unreserved fund balance in the General Fund to cover losses above the insurance coverage.

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A similar finding was noted in our audit report No. 2008-146. In response to our prior audit finding, the Superintendent stated, in part, that new schools are being built to withstand higher miles per hour windstorm and cited some construction measures, such as concrete and double roofs, that are being utilized to fortify buildings. While these measures may mitigate the amount of losses, the failure to establish a formal plan to fund the significant loss deductible resulting from a named windstorm could create a financial strain on the District’s ability to meet obligations relating to property losses that may occur in the future.

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**Recommendation: The District should establish a formal plan documenting how the loss deductible will be met for wind coverage.**

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**Finding No. 6: Collection of Social Security Numbers**

The Legislature has acknowledged in Section 119.071(5)(a), Florida Statutes, the necessity of collecting social security numbers (SSNs) for certain purposes because of their acceptance over time as a unique numeric identifier for identity verification and other legitimate purposes. The Legislature has also recognized that SSNs can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining such information to ensure its confidential status.

Effective October 1, 2007, Section 119.071(5)(a), Florida Statutes, as amended by Chapter 2007-251, Laws of Florida, provides that the District may not collect an individual's SSN unless the District has stated in writing the purpose for its collection and unless it is specifically authorized by law to do so, or it is imperative for the performance of the District's duties and responsibilities as prescribed by law. Additionally, this section requires that, as the District collects an individual's SSN, it must provide the individual with a copy of the written statement indicating the purpose for collecting the number. Further, this section provides that SSNs collected by the District may not be used by the District for any purpose other than the purpose provided in the written statement. This section also requires that the District review whether its collection of SSNs is in compliance with the above requirements; immediately discontinue the collection of SSNs for purposes that are not in compliance; and certify to the President of the Senate and the Speaker of the House of Representatives its compliance with these requirements no later than January 31, 2008. Further, by this date, the District was also required to file a report with the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives listing the identity of all commercial entities that have requested SSNs during the preceding

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calendar year and the specific purposes stated by each commercial entity regarding its need for SSNs. If no disclosure requests were made, the District was required to so indicate.

District personnel indicated that SSNs were obtained for various purposes such as for employee insurance, withholding taxes, background checks, and citizenship verification; however, District records did not evidence compliance with Section 119.071(5)(a), Florida Statutes (2007). Our review disclosed that, prior to our inquiries, the District had not developed procedures or policies to comply with its record keeping responsibilities relating to the collection of SSNs. As a result, contrary to the above law, the District did not conduct the required review and evaluation of the reasons for its collection of SSNs, or prepare written statements notifying individuals of the purpose for collection of the numbers. Further, the District did not certify to the Legislature that it complied with Section 119.071(5)(a), Florida Statutes, or report to the Governor and Legislature the identity of all commercial entities that requested SSNs during the preceding calendar year. Effective controls to properly monitor the need for and use of SSNs and ensure compliance with statutory requirements reduce the risk that SSNs may be used for unauthorized purposes.

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**Recommendation: The District should take appropriate action to ensure compliance with Section 119.071(5)(a), Florida Statutes. Such action should include an evaluation of the reasons the District collects social security numbers from individuals. In those instances in which the District determines that collection of the social security numbers is not imperative for performance of its duties and responsibilities, the District should discontinue obtaining such numbers.**

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**Finding No. 7: Student Diplomas**

Improvements could be made in controls over high school diplomas. During the 2007-08 fiscal year, the District had three high schools, one of which was the Key West High School and 310 students graduated from that school. Our review of student graduation and diploma processing at that school disclosed there was an inadequate separation of duties over the ordering, receipt, and distribution of diplomas. The principal's administrative assistant submitted orders, containing information such as student names and diploma types, as well as the number of extra (blank) diploma forms, for the printing company to print diplomas. Completed diplomas were received from the printing company by the administrative assistant, who retained possession of the diplomas until graduation at which time the diplomas were distributed by the assistant principals and the administrative assistant. Unissued diplomas were held until the following school year and then shredded. No employee other than the administrative assistant accounted for the number of diplomas ordered, received, and distributed to students or shredded. In these circumstances, one employee had control over the ordering, receipt,



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and distribution of high school diplomas such that errors or irregularities, should they occur, might not be detected in a timely manner.

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**Recommendation: The District should strengthen internal controls over diploma processing by separating, to the extent possible with existing staff, the functions of ordering, receiving, controlling, and distributing high school diplomas to help ensure that diplomas are only prepared for and distributed to those who meet the eligibility requirements for graduation.**

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**Finding No. 8: Adult General Education Courses**

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Section 1004.02(3), Florida Statutes, defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State’s workforce. Chapter 2007-72, Laws of Florida, Specific Appropriation 125, provides that each school district shall report enrollment for adult general education programs identified in Section 1004.02, Florida Statutes, in accordance with the Florida Department of Education (FDOE) instructional hours reporting procedures. Procedures provided by FDOE to the school districts stated that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner.

Our review disclosed that the District needed to improve controls over enrollment reporting. We tested the hours reported to FDOE for 15 students enrolled in 19 adult general education classes, and noted exceptions in the enrollment reporting for 6 of the classes tested, resulting in the overreporting of 796 hours. The overreporting resulted from the District not adjusting the reported hours for two students who withdrew from classes prior to the end-of-class date. Since future funding may be based, in part, on enrollment data submitted to FDOE, it is important that such data be submitted correctly.

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**Recommendation: The District should enhance its controls over the reporting of instructional contact hours for adult general education courses to the Florida Department of Education.**

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**Finding No. 9: Information Technology – Terminated Employee Access**

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Proper access controls include provisions to timely remove employee information technology (IT) access privileges when employment terminations occur. Prompt action is necessary to ensure that a former employee does not retain access privileges that would allow misappropriation or abuse of District assets. Additionally, sound practices for managing system access privileges include maintaining an automated log to document the dates and reasons that access modifications were made.

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District procedures provide that data processing technicians, working at the various sites, generally remove terminated employees' IT access privileges when employees terminate employment. In addition, at the beginning of each school year, the IT Department conducts an annual verification by e-mailing the various sites and asking whether individuals with access to the IT resources still require such access. If an individual has terminated employment or no longer requires this access, the information is provided to the IT Department to remove these privileges.

We examined documentation of the IT Department's annual verification, dated September 2007, and noted 11 former employees who continued to have network and accounting system access from 76 to 314 days after their employment termination dates. While the District indicated that the IT access for these former employees was removed during the annual verification process; adequate documentation, such as hard copy forms or automated logs, was not maintained to evidence this process. Without adequate documentation of IT access modifications, the District may be unable to determine when a user's access was modified and the District's ability to pinpoint accountability for a breach of security, should it occur, may be hindered. Allowing access capabilities to remain active for terminated employees increases the risk of unauthorized disclosure, modification, or loss of data and IT resources by the terminated employees.

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**Recommendation: The District should strengthen its controls to provide for the immediate removal of IT access privileges for terminated employees, including documentation of the process, in order to minimize the risk of compromising the District's data and information resources.**

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**Finding No. 10: Information Technology – Authorization and Approval of Requests**

Formal change management procedures assist IT management in maintaining control over user requests for needed reports and data changes. District IT management stated that users either telephoned or e-mailed requests to the IT department for reports or data changes that required the use of special utilities. Likewise, the IT department notified users by telephone or e-mail when requests had been completed. Users who made requests were not required to provide written approval and acceptance of the reports or data changes provided by the IT department. Although the District Technology Plan mentioned the use of an IT Request form, the form was not being utilized. In response to audit inquiry, District management stated that they are considering using the hardware issues work request system to document all IT-related requests.

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If users are not required to formally request needed reports and data changes and approve the work done, they may not communicate accurately the specification of the reports and changes to be made. Also, it may be difficult to establish accountability for work requests and approvals of work done.

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**Recommendation: The District should formally document user authorization and approval of reports and changes to production data provided by the IT department.**

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**Finding No. 11: Information Technology – Review of Access Capabilities**

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The periodic review and confirmation of access rights helps management control the use of information resources. The District did not periodically review the appropriateness of user access. Our audit disclosed instances of unnecessary access privileges within the District, as of November 12, 2008. Specifically:

- The Director of Information Technology had unlimited update access as a user on the District’s production systems, including the capability of printing purchase orders and accounts payable checks.
- A consultant had the capability of providing project-level approval for requisitions.
- Although the security administrator had reduced the capabilities of most of the consultants using other techniques, consultants from two firms with access to the business systems were given the broadest generic profiles.
- Certain consultants had continuous access to the District’s business systems throughout the contract period, including a consultant who had never signed on to the system and another consultant who had not signed on since October 29, 2004.
- One consultant user ID was identified with a consulting firm instead of an individual consultant.

The District periodically sends each school and department a list of users for verification, primarily of their employment within the school or department and of their continued need for access. In response to audit inquiry, District management indicated plans to spend several months reviewing users’ level of access and to do similar reviews annually.

If users are given greater access than they need to perform their job functions, there is an increased risk that unauthorized transactions may be entered into the District’s business systems. In response to audit inquiry, the District reduced the access capabilities of certain staff and a consultant.

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**Recommendation: The District should periodically review the appropriateness of user access. Also, the Director of Information Technology should have user update access only to the District’s development systems, except for certain transactions in the production systems that relate to the IT department.**

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**Finding No. 12: Information Technology – Security Controls**

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain security controls related to the District’s business systems and surrounding IT infrastructure that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising the District’s data and IT resources. However, we have notified appropriate District management of the specific issues. Without adequate security controls, the confidentiality, integrity, and availability of data and IT resources may be compromised, increasing the risk that District data and IT resources may be subject to improper disclosure, modification, or destruction.

**Recommendation:** The District should improve security controls relating to its business systems and surrounding IT infrastructure to ensure the continued confidentiality, integrity, and availability of District data and IT resources.

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**Federal Awards Finding No. 1:**

**Federal Agency:** United States Department of Education

**Pass-Through Entity:** Florida Department of Education and Miami-Dade County District School Board

**Programs:** Adult Education – Basic Grants to State Program (CFDA No. 84.002); Career and Technical Education – Basic Grants to States (CFDA No. 84.048); and Tech-Prep Education (CFDA No. 84.243)

**Finding Type:** Material Noncompliance and Material Weakness

**Questioned Costs:** CFDA No. 84.002 - \$12,688.46; CFDA No. 84.048 - \$5,608.80; and CFDA No. 84.243 - \$540.17

**Allowable Costs/Cost Principles.** The United States Office of Management and Budget (OMB) *Circular A-87*, Attachment A, Section C.1, provides, in part, to be allowable under Federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards, be authorized or not prohibited under State or local laws or regulations, conform to any limitations or exclusions set forth in the Federal laws and terms and conditions of the Federal award as to types or amounts of cost items, and be adequately documented. Adequate supporting documentation for costs is also necessary for grantees to properly manage and monitor grant operations. Title 34, Section 80.40(a), Code of Federal Regulations, requires the following:

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- Grantees are responsible for managing the day-to-day operations of grant and subgrant activities.
- Grantees must monitor grant and subgrant supporting activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.
- Grantee monitoring must cover each program, function, or activity.

On the Schedule of Expenditures of Federal Awards, the District reported expenditures, totaling approximately \$164,000, \$84,000, and \$40,000, from the Adult Education, Technical Education, and Tech-Prep programs, respectively, which were not considered major Federal programs during the 2007-08 fiscal year. In Financial Statement Finding No. 1, we noted material internal control deficiencies over District expenditure processing which could affect the administration of the above-mentioned Federal programs. Also, included in the Finding are Federal grant questioned costs, totaling \$31,483.16 (CFDA No. 84.002 - \$12,688.46 for 2007-08 fiscal year, and \$12,645.73 for the 2008-09 fiscal year; CFDA No. 84.048 - \$5,608.80; and CFDA No. 84.243 - \$540.17), for which District records did not evidence the basis or authority for such expenditures from Federal grant moneys, resulting in questioned costs subject to disallowance by the grantors. We also noted in Financial Statement Finding No. 1D, that some of these questioned costs, totaling \$1,594.05, appeared to be included as election campaign expenditures on the Superintendent’s campaign treasurer reports provided to the Florida Department of State, Division of Elections.

As disclosed in Financial Statement Finding No. 1B, Federal grant funds totaling \$20,602.31 (CFDA No. 84.048), were expended without prior supervisory approval for building materials for a Habitat for Humanity house being constructed by students of the Marathon High School. The District’s contract with Habitat for Humanity provides that any building materials purchased by the District will be reimbursed by Habitat for Humanity at the time of delivery of the prefabricated dwelling. As of May 4, 2009, the Habitat house was under construction and the District had not yet received any reimbursements for the building materials. Any reimbursements subsequently received by the District must be restored to the Federal Program.

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**Recommendation: The District should document to the grantors (Florida Department of Education and Miami-Dade County District School Board) the allowability of questioned costs totaling \$18,837.43 for the 2007-08 fiscal year (and \$12,645.73 for the 2008-09 fiscal year), or these moneys should be restored to the programs. Further, to help ensure that grant activities are properly managed and monitored and Federal funds are only spent for grant activities, the District should establish and implement procedures for obtaining sufficient, appropriate documentation to support expenditures of grant funds.**

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District Contact Person: Pedro Fraga, Executive Director of Business

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**Federal Awards Finding No. 2:**  
**Federal Agency: United States Department of Education**  
**Pass-Through Entity: Florida Department of Education**  
**Program: Twenty-First Century Community Learning Centers (CFDA No. 84.287)**  
**Finding Type: Significant Deficiency and Noncompliance**  
**Questioned Costs: Not Applicable**

**Allowable Costs/Cost Principles – Documentation of Time and Effort.** United States Office of Management and Budget *Circular A-87* provides that charges to Federal awards for salaries and wages be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official of the governmental unit. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages are to be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semiannually and signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. Where employees are expected to work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. These reports must be prepared at least monthly, reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated and be signed by the employee.

During the 2007-08 fiscal year, the District paid salaries and benefits, totaling approximately \$682,000, to employees from the Twenty-First Century program. Our test of ten employees disclosed that required semiannual certifications were not prepared for two employees paid 100 percent from the program. In addition, periodic personnel activity reports were not prepared for seven employees paid partially from the program. The salary and benefit charges to the program totaled approximately \$94,000 for these nine employees. Although the required certification or periodic personnel activity reports were not prepared and maintained by the District, we were able to satisfy ourselves, by reviewing time records and other documentation, that the effort by the employees was consistent with the costs charged to the program.

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When personnel activity reports and required certifications, accounting for the total activity for which each employee is compensated and disclosing the after-the-fact distribution of actual activities, are not properly maintained, there is an increased risk that salary and benefit costs could be inappropriately charged to a Federal program.

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**Recommendation: The District should enhance procedures to provide for the required semiannual certification for employees who work solely on a single Federal program, and periodic personnel activity reports for employees who work on multiple activities or costs objectives.**

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District Contact Person: Pedro Fraga, Executive Director of Business

**Other Matters**

Due to the circumstances surrounding the questionable expenditures discussed in Financial Statement Finding No. 1, and unaccounted cash collections, discussed in Financial Statement Finding No. 2, the details of these findings were referred to the State Attorney, Sixteenth Judicial Circuit. In addition, the Board contracted with an independent auditing firm to assist with an internal investigation into certain of its accounts and expenditures. On April 30, 2009, the State Attorney arrested and charged the former Adult Education Coordinator with one first degree felony count of theft of property valued at \$100,000 dollars or more, pursuant to Section 812.014(2)(a)1., Florida Statutes, and one first degree felony count of engaging in a scheme to defraud and obtaining property with an aggregate value of \$50,000 or more, pursuant to Section 817.034(4)(a)1., Florida Statutes. As of May 8, 2009, the State Attorney's Office and independent auditing firm were conducting investigations into the questionable expenditures and unaccounted cash collections, and final resolutions of these investigations were pending.

As of May 8, 2009, the State Attorney's Office was also investigating allegations involving irregularities in the handling of funds during the 2008 calendar year for the Key West High School, Freshman Class fundraiser activities that were under the class sponsorship of the District's former Adult Education Coordinator. School fundraising activities are normally accounted for in the school internal funds. The school internal funds were not included in the scope of this audit, as those funds were audited by other auditors.

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**APPENDIX 1**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>July 2007</b>				
June 29	Miami Intl Airport Hot	\$ 205.89		Travel for Model Schools
June 30	Rite Aid Store 3845	40.36		Supplies needed for Model Schools Presentation
	Hilton Hotels Washington	603.40		Travel for Model Schools
	Rite Aid Store 3845	19.36		Supplies needed for Model Schools Presentation
	Barnes & Noble #267Q90	178.61		Books for ESOL
	Barnes & Noble #267Q90	62.37		Books for ESOL
	Miami International	105.00		Travel Model Schools
	Omni Hotels Shoreham	848.93		Travel for Model Schools
	FEDEX	34.28		DOE Mail Out
	Walgreens	36.95		Supplies for ESOL
	Walgreens	19.15		Supplies for ESOL
	Barnes & Noble #267Q90	73.43		ESOL Books
	FEDEX	21.00		DOE Mail Outs
	Avis Rent A Car	197.77		Travel for Reading Conference
	Lowe's Hotels Hard Rock	38.59		Model School Travel
	Lowe's Hotels Hard Rock	2,155.74		Rooms for Reading Conference and Teacher Awards
	Amazon.com	32.85		Supplies for MARC
	FirstStreet Techscout	29.36		Back Brace for MARC Student
	Pottery Barn	99.98		Blanket for MARC Students
	<b>Total Questioned Charges</b>	<b>\$ 4,803.02</b>		
<b>August 2007</b>				
	Amazon.com	\$ 23.90	Dickies work shirt	Supplies for the new ESOL
	Amazon.com	111.87	Dickies pants & shirts - 48W X 32L, XXXX-L shirts	ESOL Supplies
	Kmart	87.02	Five CD's; 300: Special (\$22.99)	Supplies for the ESOL program
	Albertsons	207.13	Mushrooms, potatoes, soft drinks, bottled & vitamin water, fresh flowers (3 bunches), chicken, turkey, sausage, pot roast, top loin steak, pork loin, fresh produce, magazine (\$19.46)	Supplies for MARC
	Orbitz.com	5.99		Travel for Citizenship First
	US Airways	268.60		Travel for Citizenship First
	Amazon.com	66.49	Oakley men's shoes split smoke black 12, M	Supplies for Careers
	Amazon.com	294.95	Oakley Polarized Titanium Crosshair sunglasses	Supplies for ESOL
	The UPS Store	21.24	Ground commercial and book of stamps	DOE Mail Out
	Borders Express	50.53	NO DESCRIPTIONS (MAY INCLUDE 3 \$10 GIFT CARDS)	Supplies for Pre-GED
	The Home Depot	461.15	10 in. table saw, showerhead (\$59.97)	NONCAP Equipment for Careers
	Amazon.com	17.97	DVD The Wanderers	Supplies for Careers
	Amazon.com	69.95	Kenneth Cole shoe black 12M	Supplies for Careers ESOL
	Publix	67.11		Supplies for Adult ESOL
	Sam Goody (FYE)	51.56	DVD - Hitch, Resident Evil, etc.	Supplies for Adult Careers
	Albertsons	164.03	Ice, party platters, paper plates, cookies	Supplies for MARC
	Pottery Barn	192.43		Blanket for MARC
	The Home Depot	131.40	Cooker, meat snack (\$3.99), Off, tank gas	NONCAP Equipment for Careers
	The UPS Store	21.45	Ground commercial and book of stamps	DOE Mail Out
	SCI'Sephora.com	198.88		Supplies for Cosmetology
	Bal'Ballard Designs	61.40		Supplies for MARC
	Sam Goody (FYE)	139.69	DVD's - Angel Season I, Alice in Chains, Wild Hogs, Etc.	NONCAP Equipment for Careers
	Ben Franklin Is. Craft	11.64	NOT SHOWN ON RECEIPT	Supplies needed for ESOL
	Amazon.com	30.96	Dickies work pant charcoal, 50W X 32L	Supplies for Careers
	Pottery Barn	92.45		Non Cap Equipment for MARC
	Office Max	2.13	Binders, Coke, Ice Breakers	Supplies for Careers
	The Home Depot	84.40	Trashbags, Tide, Rupex PNS, WDBLDCRAP, etc.	NONCAP Equipment for Careers
	JC Penney Catalog	51.54		NONCAP Equipment for MARC
	Amazon.com	18.35	Dickies industrial work shirt, navy, 4X Large	Supplies for Careers
	The UPS Store	13.40	Ground commercial DOE mail outs	
	Wisteria	457.60		NONCAP Equipment for MARC Move to MAYSANDS, Plant Store Stand
	The UPS Store	22.24	Ground commercial shipping to Creedmoor, NC (\$13.13), & stamps	DOE Mail Outs
	GRC Proactiv Solution	67.90		Supplies for Cosmetology
	Amazon.com	33.90	Dickies work shirt	Supplies for ESOL
	<b>Total Questioned Charges</b>	<b>3,601.25</b>		
	<b>Sales Taxes Reimbursed</b>	<b>(87.98)</b>		
	<b>Net</b>	<b>\$ 3,513.27</b>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.



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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>September 2007</b>				
1	Kmart	\$ 192.41	T Mobile card \$50 (A/C 0567), Listerine, food snacks, soft drinks	Supplies for ESOL
2	Albertsons	24.34		Supplies for MARC
2	Borders Express	158.42	CANNOT DETERMINE FROM DESCRIPTIONS	Supplies for ESOL
2	Sam Goody (FYE)	214.96	DVD's - Big Love - SSN 1, Angel - Season 2, and others	Supplies for MARC
3	Albertsons	44.84	Tide, margarine, ice cream, bleach, limes, Caesar salad kits (2)	Supplies for ESOL
3	The Home Depot	38.61	CANNOT DETERMINE FROM DESCRIPTIONS	Supplies for Careers
3	The Home Depot	7.79	Trim Kit, etc.	Supplies for Careers
4	Pottery Barn	2,714.93		Special Needs Furniture for MARC
7	Ben Franklin Is. Craft	19.71	NOT SHOWN ON RECEIPT	Supplies for MARC
8	Sci*Sephora.com	61.85	Dior 5-colour eyeshadow	Makeup for Cosmetology
9	Amazon.com	33.00	Dickies work pants double knee, 50W X 32L	Supplies for ESOL
9	Borders Express	113.84	CANNOT DETERMINE FROM DESCRIPTIONS	Supplies for ESOL
16	FEDEX	30.74	To FDOE Tallahassee per sender's copy	DOE Mail Out
18	Avis Rent A Car	142.58	Key West, one day 365 miles, 9-17 / 9-18, club van	Travel to Miami for Group Training
22	Amazon.com	14.98	Gloves opera - white, \$5.99, shipping \$8.99	Supplies for Careers
23	Albertsons	128.42		Supplies for MARC
24	Amazon.com	50.00	Satin opera length bridal wedding formal prom glove, \$30, shipping \$20	Supplies for Careers
24	Amazon.com	52.48	23" & 15" opera length satin gloves	Supplies for Careers
26	Amazon.com	55.95	DVD's - The Office Season 3, Knocked Up - Unrated	Supplies for MARC
Total Questioned Charges		4,099.85		
Sales Taxes Reimbursed		(63.74)		
Net		<u>\$ 4,036.11</u>		
<b>October 2007</b>				
1	Amazon.com	\$ 471.12	Jeans, shirts, fragrance, sweatshirt, Nike shoes	Supplies for Careers
2	Amazon.com	(55.20)	Partial refund of 10-01 order	Credit for Supplies
3	Pottery Barn	2,118.91	Outdoor furniture including 4 pillows at \$25 each	NONCAP Furniture for MARC
3	Amazon.com	192.87	DVD's - Entourage, Weeds, Heros, etc.	Supplies for ESOL
3	Amazon.com	190.98	DVD - Six Feet Under, Complete Series	Supplies for ABE
3	Amazon.com	53.95	Ballet style 1000 by Dyeable, 8.5 B, White	Supplies for ABE
21	The Home Depot	107.84	Plants and natural stone	Supplies for MARC
21	Albertsons	35.92	Canned tomatoes, candy, book	Supplies for ESOL
23	Pottery Barn	1,039.76	Outdoor furniture	Furniture for MARC Outdoor Program
24	GRC Proactive Solution	67.90	PA4058 3PC Daily Oil + OF	Supplies for Cosmetology
24	Albertsons	44.04	Body wash, Listerine, tooth paste and brush, deodorant, shampoo, cookies, French bread, book	Supplies for MARC Careers
27	Albertsons	86.88	Dog treats, toilet paper, bleach, snacks, water, coke, fresh flowers, doughnuts	Supplies for ESOL
Total Questioned Charges		4,354.97		
Sales Taxes Reimbursed		(31.24)		
Net		<u>\$ 4,323.73</u>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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**APPENDIX 1 (CONTINUED)**

Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>November 2007</b>				
3	Traffic School	\$ 19.95		Supplies for GED
3	Traffic School	19.95		Supplies for ESOL
7	JC Penny Catalog	907.26		Stools for MARC Program
9	Enterprise Rent A Car	137.60		Travel for Nova Net
10	Albertsons	222.29		Supplies for ESOL Program
10	The UPS Store	39.19		Mail Out for DOE Paperwork
11	Pottery Barn	808.06		Table for MARC Garden Program
11	Albertsons	77.36		Supplies for the ABE Program
12	Winn-Dixie	97.63		Supplies for GED Program
17	The UPS Store	21.51		DOE Mail Outs
18	Kmart	330.26		Supplies for MARC Career Pro
20	Lamonts	66.03		Chef Pants for MARC
21	FEDEX	35.18		DOE Mail Out
22	Mitsukoshi Merchandise	97.99		Books for ESOL
22	La Signature	170.40		Cosmetology Supplies
22	The Puffin's Roost	115.02		Books for ESOL
26	Sheraton WDW Dolphin	1,616.76		Casas and Tabc Training
26	Amazon.com	30.75		Supplies for MARC
26	Sheraton WDW Dolphin	49.96		Casas and Tabc Training
26	Albertsons	88.42		Supplies for ESOL
27	Amazon.com	65.47		Supplies for ESOL
27	Albertsons	128.18		Supplies for MARC
27	Kmart	23.90		Supplies for MARC
29	Amazon.com	128.45		Supplies for ESOL
29	FEDEX	21.55		DOE Mail Out
Total Questioned Charges		<u>\$ 5,319.12</u>		
<b>December 2007</b>				
2	Kmart	\$ 491.28	Big Men jeans (2), gift wrap, ornaments, CD, plaques, gift bags, wart remover, Benadryl, band aid, pant, shirts, and other items including, 1050XL for \$169.99	Supplies for the MARC Program
4	The UPS Store	34.55		DOE Mail Out
5	Albertsons	56.25	Soft drink, bottled water, fresh flowers, magazine	Supplies for Culinary
6	The UPS Store	67.10	Shipping to Creedmoor, NC (\$56.99), stamps (\$9.11), donation (\$1)	DOE Mail Out
6	Kmart	205.28	Ornaments, coffee table, napkin rings, FO Tree WLTS	Supplies for ESOL
7	Kmart	321.21	GE Light Show (\$99.99), six bed pillows, Tide, cookies, water, milk, and other miscellaneous items	Supplies for GED
10	Walgreens	160.79	Snack food, People Weekly, soup, light sets, Red Bull (\$8.99)	Supplies for Culinary
11	Walgreens	18.42	Snack food, People Weekly	Supplies for MARC
13	The UPS Store	21.78	Shipping to Creedmoor, NC (\$12.67), stamps (\$9.11)	DOE Mail Out
13	Borders Express	173.26	NO DESCRIPTIONS ON RECEIPT	Textbooks for GED
15	Albertsons	88.32	Air freshener, Dog treats, fresh flowers, IA Hooks	Supplies for MARC
16	Kmart	167.04	Paper plates, cups, tableware, snack food, soft drinks, other food, milk, and other items	NONCAP Equipment
17	Publix	3.85		Supplies for ESOL
17	Publix	82.38		Supplies for MARC
19	Kmart	177.15	Xmas cards, one \$25 Crackerbrl gift card, six \$25 TGIF gift cards	NONCAP Equipment for MARC
20	The UPS Store	82.10		DOE Mail Out
21	Borders Express	137.23	NO DESCRIPTIONS ON RECEIPT	Textbooks for ESOL
21	Kmart	135.76	Listerine, shampoo, conditioner, hair spray, bath rug, Tide, soft drinks, water, Red Bull	NONCAP Equipment for Careers
23	The Home Depot	153.34	Natural stone, two magazines, gum/mints	NONCAP Equipment for Careers
24	GRC Proactive Solution	67.90		Supplies for Cosmetology
24	Walgreens	52.44	Three \$10 TGIF gift cards, gift snacks, gift bags	Supplies for MARC
24	Kmart	253.07	Wine goblets \$57.96, one Sears \$50 gift card, one TGIF \$50 gift card, two \$50 Cash card, two party trays, juice, basting spn.	NONCAP Equipment for Careers
25	Walgreens	93.39	Two \$30 Visa gift cards, dog food, canned nuts, milk	Supplies for MARC
26	Albertsons	142.82	Sushi, hot dogs, chilli, pizza, water, marshmallows, Pine Mtn firelogs (\$19.99), starter, fruit salad, candy, magazines	Supplies for ESOL
26	Albertsons	75.39		Supplies for MARC
26	The Home Depot	16.11	NO DESCRIPTIONS ON RECEIPT	NONCAP Equipment
27	Winn-Dixie	63.31	Dog snacks, salt, salad kits, water, lasagna, and other items	Supplies for MARC
27	Sam Goody (FYE)	36.95		Supplies for Careers
28	The UPS Store	11.89	Shipping to Creedmoor, NC	DOE Mailouts
29	Borders Express	11.28		Textbooks for GED
30	Publix	46.68		Supplies for MARC
30	Albertsons	10.70		Supplies for MARC
Total Questioned Charges		<u>3,459.02</u>		
Sales Taxes Reimbursed		<u>(148.82)</u>		
Net		<u>\$ 3,310.20</u>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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PRELIMINARY AND TENTATIVE  
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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>January 2008</b>				
Dec 30	Shell Oil	\$ 1.06		Supplies
Dec 31	Sears	214.98	Pan Phn, KX MDS \$99.99; Pre, AM2 Mo MDS \$99.99	NONCAP Equipment for Careers
1	Sears	80.62	1.7' Compa MDS	NONCAP Equipment for MARC
1	Sears	75.23	Girls clothing 4-6X and other items	NONCAP Equipment for MARC
1	Albertsons	176.68	Soft drinks, pizza, pizza sauce, pasta sauce, fresh flowers, sushi (4), two snack trays, choc meringue pie	Supplies for ESOL
2	Winn-Dixie	121.31	Two \$10 T Mobile cards, one AT&T \$25 card, cheese, Evian water, mixed nuts, Tide, and other food items	Supplies for MARC
2	Sam Goody (FYE)	63.83	Viscious Circle; Play Station 3, Lego SW Comp Saga	Supplies for ABE
3	Albertsons	44.96	Diet Mountain Dew, rolls, GG White Corn, water, tampons, pantliners, cards, Tyson nuggets, candy	Supplies for MARC
5	Walgreens	78.89	Water, paperback book, Coastal Living, T Mobile \$50 card, milk, bread, bacon	Supplies for MARC
5	Sears	302.63	Valance, shower curtain, rug, tissue cover, toothbrush holder, soap dish, F Bed Set (\$149.99)	NONCAP Equipment for Careers
5	The Home Depot	83.67	Panel, drape hardware, fan glass	NONCAP Equipment for Careers
6	Kmart	305.74	Lanterns, Eiffel Tower, push pins, thongs, towels, grocery items	NONCAP Equipment for MARC
6	Kmart	150.00	Three TGIF \$50 gift cards	NONCAP Equipment for MARC
7	Borders Express	20.76	NO DESCRIPTIONS ON RECEIPT	Textbook for GED
8	Publix	166.75	Tropical Bouq, paper towels, Charmin, Evian water, dog snacks, soft drink, iced tea, napkins, meats, magazine	Supplies for ESOL
9	Avantgarde Gadgets	146.95	Compact refrigerator \$105.00, shipping \$41.95	NONCAP Equipment MARC
10	The UPS Store	48.78	Meter mail, stamps, ground commercial to Creedmoor, NC (\$12.87)	DOE Mail Outs
11	Amazon.com	58.21	Levis jeans	Supplies for Careers
11	Amazon.com	154.90	Two pairs Von Zipper sunglasses	Supplies for GED Program
11	Amazon.com	73.59	Two large t-shirts per order summary	Supplies MARC
11	Office Max	103.10		NONCAP Equipment
12	Amazon.com	52.00	Reef Men's Fanning sz 9, Green	Supplies MARC
12	Kmart	155.59	Soap, mascara, Vass Bra, Listerine, water, cookies, snack food, milk, Red Bull	NONCAP Equipment
13	Ben Franklin Is.	43.65	DESCRIPTION NOT SHOWN ON RECEIPT	Supplies for GED
14	Amazon.com	21.75	T-Shirt	Textbooks
14	Amazon.com	40.49	American Apparel fleece zip hoody purple, M	Supplies for MARC
14	Albertsons	79.06	Trash bags, Tide, cherry coke, choc milk, water, Red Bull, candy	Supplies for ESOL
17	Kmart	166.62	Three \$50 TGIF gift cards, Tylenol Cold 24, Vivar 40 BNS	NONCAP Equipment for MARC
20	Hampton Inn Jax	235.04	1-18 / 1-20 two nights, Jacksonville	Career Training
21	The Home Depot	31.27	Bleach, plastic bags, knob, fastener, and other items	NONCAP Equipment
22	Borders Express	100.89	DESCRIPTIONS NOT SHOWN	Textbook
22	FYE	134.31	Six DVD's	Supplies for GED
23	Amazon.com	39.96	Wrangler cowboy shirt, 4X Big	Textbook
23	Walgreens	35.07	FIJI Art, cough drops, Airbrn Tabs, Vicks Nyquil, Vicks Dayquil	Supplies for ESOL
25	Amazon.com	32.98	Lee men's jeans, 48W X 32L and Russell athletic t shirt, 4X	Supplies for GED
25	Amazon.com	39.00	Wrangler casual pant 48 X 32 Black	Textbooks for GED
25	The UPS Store	27.71	Shipping to Creedmoor, NC , meter mail	DOE Mail Out
25	Albertsons	120.27	Plastic cups, dog treats, air freshener, food items, water, Red Bull fresh flowers, Listerine, Zest soap	Supplies for GED
26	Walgreens	23.77	Calbee, People SIP/Extra, Biore Nose Strips, Airbrn Tabs	Supplies for ESOL
26	Albertsons	45.10	Food items, Pine Mtn logs, sushi (3), lunchmeat, fresh fruit, deli food tray, cupcakes	Supplies for ESOL
26	Kmart	185.78	Picture frames, card, Tylenol Cold, Advil, slacks, boxers, pocket t, magazine, Bounce, Tide, napkins, water, coke, candy, Red Bull	NONCAP Equipment
27	Winn-Dixie	61.68	Ice cream, food snacks, other food items	Supplies for ESOL MARC
28	Amazon.com	37.95	Bowling Shirt 4X	Textbooks
29	The UPS Store	23.00		DOE Mail Outs
29	Office Max	279.48		NONCAP Equipment, Shredder
29	Keys Technology	80.54		NONCAP Equipment, Camera Adapt
30	Amazon.com	91.08	Steve Madden women's shoes, 9M; Steve Madden women's Sannibel Thong, Red Leather, 9M	Textbooks
30	Amazon.com	191.87	Nine West women's Sandal, Navy 9M; Steve Madden slingback sandal black 9M; Nine West Flat Sandal grey, 9M	Supplies
<b>Total Questioned Charges</b>		<b>\$ 4,848.55</b>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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PRELIMINARY AND TENTATIVE  
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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>February 2008</b>				
Jan 31	CVS Pharmacy	\$ 49.43		Supplies for MARC Clinic
1	Albertsons	201.14		Supplies for MARC Culinary
1	Walgreens	215.00		Supplies for MARC
2	The UPS Store	25.38		DOE Mail Out
2	Borders Express	116.80		Supplies for ESOL
2	Winn-Dixie	220.71		Supplies for ESOL Culinary
2	The Home Depot	34.32		NONCAP Equipment for Career
5	Winn-Dixie	190.56		Supplies for GED/ABE Culinary
6	FEDEX	112.99		DOE Mailout
6	FEDEX	79.11		DOE Mailout
6	Kmart	42.98		NONCAP Equipment
6	Borders Express	10.74		GED Textbook
7	FYE	59.11		Supplies for ESOL
7	Kmart	558.13		NONCAP Equipment, Electric Broom, Iron, Hair Dryer, Shop Vac
8	Target	90.10		NONCAP Equipment, VAC for MARC
8	FEDEX	24.11		DOE Mail Out
9	FEDEX	24.11		DOE Mail Out
10	Target	342.73		NONCAP Equipment, MARC, Blender, Clippers, Mixer
11	Crowne Plaza/Six Contine	316.11		Travel for Career ESOL Reading
12	The UPS Store	22.21		DOE Mail Out
13	Albertsons	66.33		Supplies for GED
13	Borders Express	19.34		Textbook for ESOL
13	ORB AP	4.99		Travel for ESOL
13	Jet Blue	249.00		Travel for ESOL Meeting
14	Radio Shack	295.52		NONCAP Equipment Careers
14	Publix	85.62		NONCAP Supplies for GED
14	Radio Shack	542.87		NONCAP Equipment Career
14	FYE	262.22		NONCAP Equipment Career
15	Publix	184.13		Supplies for the Career ESOL
16	FEDEX	24.11		DOE Mail Out
16	Publix	50.18		Supplies for ESOL
16	Albertsons	157.78		Supplies for ESOL
17	Winn-Dixie	191.53		Supplies for GED/ABE Career
18	GRC Proactiv Solution	67.90		Supplies for Cosmetology
20	FEDEX	34.84		DOE Mail Out for Grants
<b>Total Questioned Charges</b>		<b>\$ 4,972.13</b>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>March 2008</b>				
1	The UPS Store	\$ 21.33	Shipping to Creedmoor, NC \$12.22, stamps \$9.11	DOE Mail Out
1	Borders Express	31.14	DESCRIPTIONS NOT SHOWN	Textbooks for Career
1	Albertsons	190.94	Air freshener, marinade, Pam, bread, buns, water, Red Bull, fresh flowers, pine mtm logs, wood chips, t-bone steak, sushi (2), lunch meat, fresh produce, French bread, cookies	Supplies for Career
2	Albertsons	135.64	Air freshener, marinade, Tide, paper products, juice, cookies, milk soft drinks, dog treats, chicken breast, sushi (4), fresh produce, two magazines	Supplies for ESOL
2	Sears	266.47	Two pairs shoes, towels, finger tips, rug, five bath towels	NONCAP Equipment
2	The Home Depot	151.84	Six 1 X 4, 14 in bowl, throw pom, screws, liquid nails, pillows, tongs	NONCAP Equipment
2	FYE	145.59	CD's, DVD's	Ordered Text for MARC
3	Winn-Dixie	205.20	Paper products, mojo, sauce, magazine, Applebees \$25 gift card, FIJI and Evian water, spareribs, chicken, ribeye steaks, and other items	Supplies for Careers
3	Sears	177.96	Shoes, shorts, jacket, and other items	NONCAP Equipment
3	Borders Express	82.74	DESCRIPTIONS NOT SHOWN	Supplies for MARC
6	Kmart	117.19	Jeans, shell, towels, and other items	NONCAP Cosmetology Equipment
7	Office Max	650.31	WD Passport 320GB, WD My Book Essential 1TB, Phillips Docking Cradle, hard drive cases	NONCAP Equipment
7	The Home Depot	211.32		NONCAP Equipment
7	Bluehost.com	166.80		NONCAP Computer Equipment
8	Disc Makers	596.20	Computer Equipment per TERMS - <b>Returned 4-17-08, see below</b>	NONCAP Computer Equipment
8	Albertsons	167.54	Air freshener, juice drinks, Nuk Pacifier, Huggies Baby Wipes, Huggies Diapers, Pine Mtn logs, FYR First Rattle, ointment, sushi (4), fresh produce, cupcakes, magazine, book	Supplies for Career
10	Borders Express	51.52	DESCRIPTIONS NOT SHOWN	Textbook, ESOL
10	Kmart	215.29	Ice bucket, soft drinks, Red Bull and many items illegible	NONCAP Equipment for Cosmetology
11	The UPS Store	13.07	Shipping to Creedmoor, NC	DOE Mail Out
12	Albertsons	105.67		Supplies for Culinary ESOL
12	Albertsons	68.60		Supplies for Culinary ESOL
12	Albertsons	155.95		Supplies for GED
13	FYE	96.73	Two DVD's, Beverly Hills and One Tree Hill	Supplies for ESOL
15	Winn-Dixie	136.26	Bread, milk, dish soap, Tampax, Longhorn Steakhouse \$25 gift card soft drinks, lunch meat, Red Bull, other food items, produce	Suppliers for Careers
16	The Home Depot	29.54	Trash bags, light bulbs, pillow	NONCAP Equipment
20	Ironcompany.com inc	61.00	Aeromat Dual Surface Exercise Mat	Mat for MARC
21	Kmart	45.14	Danielle 1.7 perfume (\$29.99), Tampax, NR Stress	NONCAP Equipment
24	Albertsons	158.19	Snack food, soft drinks, cereal, milk, Red Bull, fresh flowers, deodorant, Listerine, toothpaste shave gel, razors, sushi (4), lunch meat, fresh produce, magazine, water	Supplies for MARC
<b>Total Questioned Charges</b>		<u>4,455.17</u>		
<b>Sales Taxes Reimbursed</b>		<u>(121.13)</u>		
<b>Net</b>		<u>\$ 4,334.04</u>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>April 2008</b>				
1	Jansen Medical Supply	\$ 84.84		Scale
1	Albertsons	267.47	Rolls, snack food, chicken, sour cream, canned nuts, paper products, soft drinks, canned foods, water, fresh flowers, baby wipes, Crest rinse, deodorant, sushi (4), produce, cookies, magazine, book	Supplies for MARC
1	Kmart	302.19	Cosmetics, cologne (\$39.99), car briefs, Sears \$25 gift card, Brinkernew \$25 gift card, two TGIF \$25 gift cards, cards, Excedrin, Advil, magazine	NONCAP Equipment for Cosmetology
2	Albertsons	49.80	Canned nuts, soft drink, cooking oil, corn, pretzels, Tyson chicken, taco tray, bakery items, magazine	Supplies for Culinary
3	Pottery Barn	1,335.43		Rockers for MARC Garden Project
4	Walgreens	110.28	Sam-E mood enhancing pills (\$49.99), soft drinks, Evian water, food snacks, magazine	Supplies for MARC
4	Borders Express	24.94	DESCRIPTIONS NOT SHOWN	Supplies for GED
5	Amazon.com	118.00	Firado men's wool suit, charcoal, 54 long	Supplies for Career
7	Amazon.com	56.94	Savane pant expandable waistband	NONCAP Equipment
7	Amazon.com	27.99		NONCAP Equipment
7	Albertsons	88.60	Tide, water, soft drink, tissues, sushi (3), lunch meat, produce, gum, mints, magazines	Supplies for ESOL
8	Amazon.com	68.75	Enro dress shirt, neck 20, 35/36 Tall, blue stripe	NONCAP Equipment
10	Amazon.com	19.99	Van Heusen dress shirt, neck 20, 35-36	Supplies
11	Albertsons	48.85	Ice, juice, deodorant, soap, CA Cooler, Bayer aspirin, Vivarin tablets, disposable razors, magazine	Supplies for MARC
13	Albertsons	80.78	Candy, juice, soft drinks, cookies, water, Red Bull, sushi (6), deli meat and cheese, brownies, book	Supplies for MARC
14	GRC Proactive Solution	67.90	PA4058 3PC Daily Oil+Of	Facial Tool
14	Amazon.com	122.00	Italian Super men suit, 54 L	MARC Uniform Rack
14	Winn-Dixie	181.61	Blockbuster \$25 gift card, Papa Johns \$25 gift card, magazine, soft drinks, food items including fried chicken, Tide	Supplies for ESOL
15	Amazon.com	23.99	Four silk ties, extra long	NONCAP Equipment
16	FEDEX	39.84		DOE Grant Mail Outs
16	Walgreens	30.58	Sam-E mood enhancing pills (\$21.99), OB Super 40's (\$7.99)	Supplies for MARC
17	Winn-Dixie	190.95	Bounce, meats, Vivarin caplets, canned nuts, various food and paper items, soft drinks, Fiji water, water, Red Bull, shampoo	Supplies for MARC
17	Disc Makers	(596.20)	<b>Items returned, see 3-8-08 above</b>	Return of NONCAP Equipment
18	Walgreens	100.00	Ten \$10 TGIF gift cards	Supplies for Literacy Awards
20	Albertsons	73.57	Snack foods, paper products, water, lunchmeat, brownies, book, magazine	Supplies for ESOL
22	Winn-Dixie	209.28	Juice, Tide, pie, lunch meats, soft drinks, eggs, magazines, Red Bull, paper products, various food items, water, canned nuts	Supplies for ESOL
23	Amazon.com	(6.00)		Return of Supplies
25	Amazon.com	109.94	Five silk Ties, extra long	NONCAP Equipment for ESOL/MARC
25	Amazon.com	236.30	Three mens wool feel, 3 button dress suits, 54 Long	NONCAP Equipment for ESOL/MARC
26	Amazon.com	29.31	Van Heusen Men's shirt 20, 35/36	Supplies Careers
26	Amazon.com	32.94	Falcon Bay big man dress shirt	NONCAP Equipment for GED
27	Publix	33.16	Batteries, iced tea, deli swiss, choc hersey	Supplies for ESOL/Literacy
27	Walgreens	48.30		Supplies for GED
28	Amazon.com	57.45	Dress shirt, yellow, 20 - 35	NONCAP Equipment for Literacy/MARC
28	Amazon.com	26.36	Van Heusen dress shirt 20, 34/35	Supplies Literacy
28	Amazon.com	31.50	Big and Tall sport shirt	NONCAP Equipment for GED/Literacy
28	Amazon.com	200.54	Two pairs Kenneth Cole Reaction shoes, size 12M	NONCAP Equipment for Literacy/MARC
Total Questioned Charges		3,928.17		
Sales Taxes Reimbursed		(55.00)		
Net		<u>\$ 3,873.17</u>		
<b>May 2008</b>				
1	Amazon.com	\$ 80.50		NONCAP Equipment Careers
<b>Card turned off, no other May charges</b>				
<b>June 2008</b>				
<b>Card turned off, no June charges</b>				

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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**APPENDIX 1 (CONTINUED)**

Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<u>July 2008, Card Statement was not provided</u>				
2	Borders Express	\$ 66.52	NO DESCRIPTIONS ON RECEIPT	Supplies for ESOL
7	Albertsons	35.86		Supplies for MARC
7	The Home Depot	51.20	Soft drink, marine adhesive, 2 items inadequate description	Supplies for Careers
8	The UPS Store	28.48	Shipping to Creedmoor, NC (\$17.48), stamps, meter mail	Mail Out for DOE
8	Borders Express	86.87	NO DESCRIPTIONS ON RECEIPT	Textbooks for GED
10	Winn-Dixie	190.34	Various food items, lunch meats, Cascade, Dr. Pepper, choc milk, Red Bull, water, Bounce, Zest	Supplies for Culinary
10	The Home Depot	26.30	Soft drink, paint, drip catcher, Halo Neo	Supplies for MARC
11	Brocade Home	19.06	Down Pillow Insert	Fabric for Fashion Design
11	Albertsons	118.98		Supplies for ESOL
11	FYE	420.35	BSP initial fee, \$25; DVD's - West Wing complete (\$269.99), Veronica Mars (\$53.99), CD's, gum	Non Cap Equipment for TV Production
15	Albertsons	132.31	Tide, snack foods, soft drinks, canned foods, water, Red Bull, shampoo and conditioner, sushi (4), produce, deli sandwich and potato wdg, gum, mints, magazine	Supplies for GED, ESOL
15	Borders Express	100.75	NO DESCRIPTIONS ON RECEIPT	Textbook for Citizenship
15	Brocade Home	552.44	Two Hand Carved white Bed Frames, FLFR and FLRL	NONCAP Equipment for Fashion Design
16	Amazon.com	319.80		NONCAP Equipment for Literacy
17	Brocade Home	1,510.52		NONCAP Equipment for Fashion Design
21	Brocade Home	256.69		Fabric for Fashion Design
Total Questioned Charges		3,916.47		
Sales Taxes Reimbursed		(177.40)		
Net		<u>\$ 3,739.07</u>		
<u>August 2008</u>				
2	Walgreens	\$ 35.50	One soft drink, batteries	Supplies for ESOL
2	Albertsons	32.13	Ice \$1.99, Prilosec Antacid \$29.99	Supplies for Culinary
2	The Home Depot	239.69	Fans, roller covers, Downy, Trim Roller, 2 fuel cell, foamer liquid, paint, Roll n go, and other items	NONCAP Equipment for MARC
2	The Home Depot	15.02	4 pc perf set	Supplies for MARC
3	Publix	7.58	Two - butter bread	Supplies for ESOL
3	Winn-Dixie	144.09	Soft drinks, snack food, various food items, Excedrin, ice cream, limes, candy, milk, FIJI water, tomato sauce and paste	Supplies for GED
3	Albertsons	24.23	Deli cheese, deli chicken, minced garlic	Supplies for ESOL
3	The Home Depot	15.23	Hose, washers	Supplies for MARC
7	Brocade Home	630.72	Silhouette desk, white	NONCAP Equipment for Fashion
7	GFS Marketplace	37.43	Toothpicks, gum, tea bags, paper bags	Supplies for MARC
7	GFS Marketplace	97.45	Toothpicks, gum, tea bags, paper bags, Lifesavers	Supplies for Culinary
7	Albertsons	119.34	Choc Kisses, JJ Bandages	Supplies for Culinary
7	Albertsons	6.11		Supplies for ESOL
7	Office Max	91.19	Erasers, rubber bands, golf pencils	Supplies for GED
7	Sears	184.97	Pre Mount; DPI BBOX; ILIVE BBOX	NONCAP Equipment for MARC
12	Office Max	740.38	Highlighters, glue sticks, crayons, spiral notebooks, pencils, Anime Studio 5 \$49.99, \$1.39 lemonade drink, \$1.29 gum, \$1.39 coke	Supplies for ESOL and GED
13	The UPS Store	15.74		DOE Mail Out
13	Kmart	228.77	Glue, pens, highlighters, erasers pencils	Supplies for Citizenship
14	Walgreens	45.81	CANNOT DETERMINE FROM RECEIPT	Supplies for Pre-GED
15	GFS Marketplace	277.04	Franks, paper plates, condiments, foil pan, cookies, water, Variety snack packs	Supplies for Culinary
15	Office Max	150.89	\$1.39 lemonade drink, \$1.39 Nestea drink, glue sticks, highlighters, erasers	Supplies for Pre-GED
15	Office Max	43.00	Spiral notebooks	NONCAP Equipment
15	The Home Depot	79.31		NONCAP Equipment for MARC
15	Kmart	230.20	Notebooks, erasers, pens, pencils, crayons	Supplies for GED
16	Walgreens	53.74	Soft drinks, magazine, CNDL's, Tampax, Fusion RZR Sys, SHV gel, Charmin	Supplies for MARC
16	GFS Marketplace	226.96	Hot dogs, snack variety packs, ketchup, trash bags, spring water, charcoal and lighter fluid	Supplies for Culinary
17	Kmart	543.55	Bed pillows, cosmetics, two flashlights, batteries, pillar candle, Prilosec 14C, Advil, ZYRTEC (\$21.99), Vivarin 40's, magazine, two table lamps, household products, grape juice, snack food, candy, cookies, mixed nuts, soft drinks, various food items	NONCAP Equipment for Culinary, Shop VAC amd Room Vac
22	Brocade Home	392.45	Floral CTN Print Duvet \$129; two Floral Velvet Burnout Shams \$78; Textrd Circles silk Jacq Pilw \$49; two Floral Velvet Burnout Shams \$78	NONCAP Equipment for Fashion Design
24	Winn-Dixie	208.59		Supplies for ESOL Culinary
26	Brocade Home	1,128.87	Two Ruffle Edge Cork Boards HWHT \$298; two Hourglass Bath Cabinets \$598; Petite Moulin Chandelier \$299	NONCAP Equipment for Fashion Design
Total Questioned Charges		6,045.98		
Sales Taxes Reimbursed		(268.44)		
Net		<u>\$ 5,777.54</u>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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PRELIMINARY AND TENTATIVE  
AUDIT FINDINGS  
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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>September 2008</b>				
1	Office Max	\$ 23.94	Pins, notebooks, binders	Supplies needed for GED
1	Kmart	489.50	Table Fan, DYSONDC14AF (\$399.99), candle, Tide, snack food	NONCAP Equipment Needed for MARC Kitchen
1	Kmart	321.20	Soft drinks, FIJI water, snack food, wall plates, Dove soap, clothing, deodorant, DS Back Pain, razors, Tampax Pre Lit, Advil, shampoo, candy	NONCAP Equipment Needed for MARC
8	JC Penny Catalog	563.21	Two Valances, Plumeria Hamper, Pillow Set, Frames, Rug, Lamp, two Basket Sets (\$74.99 each)	NONCAP Equipment Needed for Fashion Design
14	The Home Depot	16.99	Gum, one soft drink, 14UVBLKCB100	NONCAP Equipment Needed for MARC Kitchen
15	Appliance Parts	30.52		NON CAP Part Needed for MARC
19	Walgreens	10.82		Note cards for ESOL
19	CVS Pharmacy	54.95	VISA \$50 gift card and card fee	Note cards for ESOL
19	Kmart	55.37	Regal 20 \$50 gift card (movie theater), Card for \$4.99	Note cards for ESOL
21	The Home Depot	178.95	Blower (\$159), TRNDOTAILLNE	NONCAP Equipment for MARC
25	JC Penny Catalog	495.40	Valance, shower curtain, 3-tier basket stand, rug, antique ivory mirror (\$109), towel rack, 3 pc taupe sto, tissue holder Tbox Allison (\$29.99)	MARC House NON CAP Equipment
Total Questioned Charges		2,240.85		
Sales Taxes Reimbursed		(123.19)		
Net		<u>\$ 2,117.66</u>		
<b>October 2008</b>				
Sept 29	JC Penny Catalog	\$ 148.49	Two Plumeria Basket Sets	NON CAP Equipment, MARC Rainbow Café
2	Amazon.com	61.39	Two silk Neckties extra long	NON CAP Equipment, Employment Training
2	Amazon.com	26.98	3 pk Gold Toe dress socks 10-13	Textbook for GED
2	Amazon.com	93.30	Farouk Flat Iron Hair Straightener	Supplies for ESOL / Citizenship
2	Amazon.com	69.94	Gianni Vironni dress suit double breasted business Navy	NON CAP Equipment, Employment Training
2	Amazon.com	88.48	Two silk Neckties	Supplies for Literacy
3	Amazon.com	121.85	Two single breasted 4 button mens dress suits 54 Long	Supplies for Cosmetology
3	Amazon.com	26.98		Supplies for Cosmetology
3	Amazon.com	256.37	Four Dress Shirts 20 36 Tall	Textbook for Nail Spec
3	JC Penny Catalog	1,337.24	Six Swivel Stools - 30 in.Black Honey	NONCAP Equipment, MARC Rainbow Café, Chairs
6	JC Penny Catalog	1,096.88	Two brown Accent Chairs \$399 each, 3 pillows	NONCAP Equipment MARC Chairs
8	Amazon.com	48.49	One Paul Smith Necktie	Textbook for Facial
9	JC Penny Catalog	509.13	Two Cowhide Rugs MULTI \$229 each	NONCAP Equipment for MARC Rainbow Café, Chairs
11	SB Fun Family Rewards	9.95		Supplies for Family Literacy
11	Kmart	266.86	Laundry basket, Zest soap, cosmetics, batteries, toothpaste ZYRTEC, Vivarin, towels, household items, one soft drink, gatorade, IB ENRGY MNT, Gummy Zone	Supplies for Cosmetology
18	The UPS Store	21.14	Shipping to Creedmoor, NC (\$12.88), meter mail	Mail Out to DOE
18	Kmart	95.57	Ribbon, candles, Secret, Tylenol Cold, peacock mat, household items, candy	NONCAP Equipment for Fashion Class, Iron
19	GFS Marketplace	38.75	Soft drinks and spring water	Supplies for Rainbow Café at MARC
19	The Home Depot	509.38	Paint, plywood, fittings, PVC cement, DWV pipe	NONCAP Equipment
20	The UPS Store	46.65	Five books of stamps	DOE Mail Out
24	Borders Express	63.25		Textbook for GED
25	Albertsons	33.37	Ice, Lysol, air freshener, one Dr. Pepper, two 10" plants, mints	Supplies for MARC Culinary
28	The Home Depot	9.77	Four tubes liquid nails	Supplies for MARC
Total Questioned Charges		4,980.21		
Sales Taxes Reimbursed		(241.12)		
Net		<u>\$ 4,739.09</u>		

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PRELIMINARY AND TENTATIVE  
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**APPENDIX 1 (CONTINUED)**

**Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<b>November 2008</b>				
1	Ben Franklin Is.	\$ 89.00		NON Cap Equip for MARC Art Stand
1	The Home Depot	176.72	Paint, painting tools, and other items with inadequate descriptions	NONCAP Equipment for Construction for Disabilities, Pump
2	Ben Franklin Is.	57.83	DESCRIPTION NOT SHOWN ON RECEIPT	Supplies for Art
2	The Home Depot	164.91	Two work lights, three 50 ft elec cords, one soft drink and other items	Supplies for MARC
2	The Home Depot	89.74	Paint, eight 50 foot 'electric cords	NONCAP Equipment for MARC Saw
2	Kmart	307.26	Dove skin products, Nivea, Prilosec (\$21.99), Herpecin, Advil, Abreva, men's pants, shirts, hats, and other items with inadequate descrip.	Supplies for Culinary
9	Kmart	340.38	Clothing, two \$50 TGIF gift cards, pillar candles, Scope, Pepto Bismol Advil, Tums, Vivarin, Tide, household products, snacks, candy, soft drinks, water, gatorade	NONCAP Equipment for Cosmetology
10	Albertsons	76.61	Soft drinks, paper/plastic cups and plates, napkins, two magazines	Supplies for Culinary
11	SB Fun Family Rewards	9.95		Literacy Family Book
13	The UPS Store	17.39	Shipping to Creedmoor, NC (\$15.98), stamps	DOE Mail Out
15	Winn-Dixie	72.82	Ice cream, canned nuts, Prilosec OTC (\$12.99), milk, two magazines, Evian water, soft drinks	Supplies for MARC Culinary
16	Albertsons	152.98	Household products, chips, jerky, cookies firelog, dividers, Tampax, eyeliner, copy paper 3 pkgs, chicken thighs, sushi (3), produce, mints, three magazines	Supplies for GED Food Prep
17	The Home Depot	93.28	Drano, Electric HTR and other items with inadequate descriptions	NONCAP Equipment for MARC
18	Borders Express	36.53		Textbook for GED
19	Kmart	225.59	Clothing (vest, big men jeans, cashmere), candles, snack food, lunch meat, soft drinks, water, milk	Supplies for ESOL, GED, and Literacy
25	Walgreens	117.29	FIJI Art drink 16.9 oz, snack food, cosmetics, Charmin, and other items with inadequate descriptions	Supplies for ESOL
26	The UPS Store	9.09		DOE Mail Out
26	Kmart	433.06	Fan \$49.99, Blue sed Wmn \$19.99, Shania GS \$14.99, Zest, one Sears \$50 gift card, one Regal 20 theater \$50 gift card, one TGIF \$50 gift card, Aqualfresh, Razor, shampoo, Advil liquid, men's shorts, candy, FIJI water, Tide, Bounce, and other items	NONCAP Equipment
<b>Total Questioned Charges</b>		<b>2,470.43</b>		
<b>Sales Taxes Reimbursed</b>		<b>(98.98)</b>		
<b>Net</b>		<b>\$ 2,371.45</b>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

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PRELIMINARY AND TENTATIVE  
 AUDIT FINDINGS  
 NOT AN AUDIT REPORT

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**APPENDIX 1 (CONTINUED)**

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<u>December 2008 - No Bank Credit Card Statement</u>				
Nov 27	Kmart	\$ 94.59	100 Qt. Cooler	NONCAP Equipment for Cosmetology
Nov 27	Kmart	156.93	Makeup, Hannah wig, CD, socks, gift bags, tissue, men's shorts and shirt, soft drinks, water, tea	Supplies for GED
Nov 28	The Home Depot	172.56	Poins 10 in, wax log, pull, six lights	NONCAP Equipment for MARC Garden
Nov 29	Kmart	103.81	RM Clear Box, two packs paper, Old Spice, Prilosec, razor, Bayer, Vivarin, Salvation In (\$19.46)	Supplies for VESOL
Nov 30	Borders Express	73.86	NO DESCRIPTIONS on RECEIPT	Textbook for GED
1	Kmart	188.83	Two pkgs paper, candles, Hydragel, household supplies, snack food, lunch meat, milk, buns	Supplies for MARC Garden
1	The Home Depot	151.44	Poins 10 in, six 150 Lite sets, six lights	NONCAP Equipment for MARC Culinary
2	American Al	319.00		Travel for GED Recertification
2	Sears	204.23	Sampsonite SAL (\$139.99), 250 Series SAL (\$49.99)	NONCAP Equipment for Construction Lab
2	Travelocity	6.99		Travel for GED Recertification
3	Albertsons	136.07	Hamburger Helper, snack food, dog treats, bath tissue, Downy, canned foods, bread, ice cream, soap, Nevea Lotion, two dividers, sushi (3), mints	Supplies for Culinary
3	Sears	95.66		NONCAP Equipment for Construction
4	American Al	15.00		Travel for GED Recertification
5	Harris Teeter	21.32	Jaw clips, J Frieda Glaze, Oprah	Supplies for GED Meeting
8	American Al	15.00		Travel for GED
8	MIA Parking Garage	75.00	Parking 12-04 / 12-08-08	Travel for GED
11	SB Fun Family Rewards	9.95		Family Literacy
11	ORB AP	13.98		Travel for ESOL
11	American Al	444.00		Travel for ESOL
11	American Al	444.00		Travel for ESOL
12	College Board Online	73.50		CO-Enrolled Fee
12	Albertsons	24.14	Plastic bags, candy	Supplies for Workshop
17	Kmart	39.95	Gift bag and box, Divine Evil, and other items	NONCAP Equipment for Cosmetology
18	EF Institute for Cultur	95.00		ESOL Travel Textbook
20	GFS Marketplace	290.66	Soft Drinks, mixed nuts Platter, Tostitos, plastic cups, plates, forks, two Champagne buckets (\$23.49 each)	Supplies for MARC
20	The Home Depot	35.82	150 lite set, ornaments, and other items with inadequate descript.	NONCAP Equipment for MARC
20	Publix	389.15	Nine partyfood platters, 3 lb Holiday Gift, lemons, limes	Supplies for GED and ESOL Culinary
22	Albertsons	25.55	Breadsticks, Durafume Firelog, Excedrin, cheese, dressing	Supplies for Culinary
22	Winn-Dixie	134.39	Milk, canned foods, Bounce, Bayer aspirin, Downy, Tide, Jerky, lasagna, Dixie Cups	Supplies for MARC Culinary
23	Amazon.com	251.08		NONCAP Equipment for MaARC
24	Sears	164.47	EUSMRT VAC vacuum	NONCAP Equipment for MARC
26	Albertsons	94.30		Supplies for GED Culinary
27	Albertsons	160.58	Juice, snacks, Bisquick, household items, other food items, canned nuts, milk, ice cream, firelogs, shampoo and conditioner, lighter, bottle bags, tea lights, produce, mints, magazine	Supplies for ESOL Culinary
28	GFS Marketplace	61.00		NONCAP Equipment for Culinary
Total Questioned Charges		4,581.81		
Unknown Item		(147.29)		
Sales Taxes Reimbursed		(177.40)		
Net		\$ 4,257.12		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted.

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PRELIMINARY AND TENTATIVE  
 AUDIT FINDINGS  
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**APPENDIX 1 (CONTINUED)**

Summary of Questioned Purchasing Card Charges by Former Adult Education Coordinator

Purchase Date	Vendor	Total Amount	Description per Receipt (1)	Description per District's Accounting System
<u>January 2009</u>				
Dec 30	Kmart	\$ 96.79		Supplies for GED
1	Albertsons	40.67		Supplies for Culinary
1	Albertsons	59.57		Supplies for Literacy
2	GFS Marketplace	192.45		Supplies for MARC Culinary
2	Kmart	91.92		NONCAP Equipment for MARC
3	Walgreens	223.12		Supplies for Cosmetology
4	ORB AP	13.98		Travel for Literacy Grant
4	XM Satellite Radio	313.53		Dispute Charge, Service used in 2005 and 2007, No Longer
4	American Al	254.20		Travel for Literacy Grant
4	American Al	254.20		Travel for Literacy Grant
6	Kmart	223.71		Supplies for MARC
6	Kmart	42.99		Supplies for Cosmetology
7	Amazon.com	43.43		Textbook for GED
7	Amazon.com	64.40		Textbook for GED
7	Amazon.com	40.77		Textbook for Literacy Group
7	Amazon.com	112.00		Supplies for Literacy
8	The Ebook Store	10.75		Textbook for Literacy
8	Amazon.com	42.42		Supplies for Literacy
8	Amazon.com	277.36		Textbook for Cosmetology
10	Albertsons	39.21		Supplies for GED
11	Albertsons	143.04		Supplies for MARC
11	Albertsons	27.54		Supplies for GED
11	Albertsons	20.21		Supplies for GED
12	Albertsons	48.27		Supplies for Culinary
12	The UPS Store	18.66		DOE Mail Out for Grants
13	Albertsons	120.23		Supplies for Culinary
13	The UPS Store	18.66		DOE Mail Out
13	SB Fun Family Rewards	9.95		Textbook for Family Literacy
16	American Al	15.00		Travel
16	American Al	15.00		Travel
20	Avis Rent A Car	447.35		Travel for GED
20	American Al	30.00		Travel for GED
20	MIA Parking Garage	72.00		Travel for GED
23	ACT Programs	64.00		Textbook Prep
24	Borders Express	67.94		GED Textbook
25	Amazon.com	22.50		Literacy Textbook for Jail
27	Amazon.com	410.00		Textbooks for ESOL, Jail
27	Walgreens	143.65		Supplies for ESOL
28	SKYMall Akymall.com	158.24		MAP Textbook for Literacy
Total Questioned Charges		<u>\$ 4,289.71</u>		
<u>February 2009</u>				
Jan 31	Hampton Inn Miami Dade	\$ 129.09		Travel for Miami Dade Tab
1	GFS Marketplace	2.79		Supplies
1	GFS Marketplace	183.21		Supplies for MARC
1	Kmart	136.16		Supplies for Cosmetology
1	The Home Depot	90.11		Supplies for ESOL Construction Project
2	JC Penny Catalog	376.29		Supplies for MARC House Group Home
4	US Airways	252.40		Travel for GED Prep
4	ORB AP	13.98		Travel for GED Prep
4	US Airways	252.40		Travel for GED Prep
5	EF Institute for Cultural	500.00		NO DESCRIPTION
Total Questioned Charges		<u>\$ 1,936.43</u>		
<b>Grand Total Questioned Charges</b>		<b><u>\$ 72,641.91</u></b>		

Note (1): No description shown in those instances where no credit card statement, Payment Requisition Form, or receipts were submitted. Amounts were determined from the District's printout of bank transaction records.

**END OF PRELIMINARY AND TENTATIVE AUDIT FINDINGS**