

# INTERNAL AUDIT REPORT

## Property and Inventory Audits of Selected Locations 2015-2016

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**BROWARD COUNTY  
PUBLIC SCHOOLS**

*The Nation's Sixth Largest School District.*



**To be presented to the:  
Audit Committee  
on  
November 19, 2015**

**The School Board of Broward County, Florida  
on  
January 20, 2016**

**By**

**The Office of the Chief Auditor**



# *Broward County Public Schools*

## The School Board of Broward County, Florida

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Office of the Chief Auditor  
Patrick Reilly, Chief Auditor  
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**ROBERT W. RUNCIE**  
*Superintendent of Schools*

November 12, 2015

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

Ladies and Gentlemen:

We have performed a Review of the Property and Inventory of selected locations, pursuant to The Rules of the Florida Administrative Code, Section 69I-73, and School Board Policy 1002.1.

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

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

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

This report contained twenty-three (23) property and inventory audits. Our property audits indicated that twenty (20) locations in the report complied with prescribed policies and procedures. There were three (3) locations that contained some audit exceptions consisting of unaccounted for property and the failure to follow some prescribed rules.

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

Sincerely,

Patrick Reilly, CPA  
Chief Auditor

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# PROPERTY AUDIT REPORT

## AUTHORIZATION

The Rules of the Florida Administrative Code, Section 69I-73, require that each custodian shall ensure that a complete physical inventory of all property is taken at least once each fiscal year. Each custodian shall ensure that a complete physical inventory of all property under the control of the custodian or custodian's delegate is taken whenever there is a change of custodian or custodian's delegate. In accordance with School Board Policy 1002.1 and the Audit Plan for The Office of the Chief Auditor, the inventories of the locations in the District that have been audited are presented in Section I of this report. School Board Policy 3204 – Property Accountability and Responsibility states, “The Board designates that Principals shall be the custodians of property at schools. Directors shall be the custodians of property for the County Support Services Departments.” Rule 1 states “**All physical inventories shall be conducted by the Office of the Chief Auditor’s Property Audits Division.**”

## SCOPE, OBJECTIVES AND METHODOLOGY

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

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

## Compliance

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

## Property Control Structure

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

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

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

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

## Property Audit Exceptions

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

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

The Office of the Chief Auditor reports no property exceptions for locations with an aggregate historical value, of items unaccounted for, falling below the designated 1% threshold unless significant process control weaknesses have been identified. As of July 1, 2004, Florida State Statute 274.02, changed the value of capital assets to be recorded and monitored from \$750 to \$1,000. The District administration requires follow-up verification of all items not accounted for during the physical audit with a historical cost of \$1,000 or more. Subsequently, location administrators must designate the location of recovered individual assets by room/fish number or demonstrate activity on the appropriate District approved forms.

### Unaccounted / Found Items

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

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

### Summary of Property and Inventory Review for Fiscal Year 2015-16

The following report discloses the audits for 16 schools and 7 departments. These audits were finalized between **September 30, 2015, and November 5, 2015**. A summary of this report notes that:

- For the 23 locations, 13,186 items were listed in the property records at a historical cost of \$18,857,023.
- **For the 23 locations included in this report, a total of 56 items could not be accounted for with a historical cost of \$84,007.**

**SECTION I: Summary**  
**Property and Inventory Audits Performed**



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

The following table presents a summary of the property and inventory audits that were finalized during the period **September 30, 2015, and November 5, 2015**. For any location that received an exception, we have included a detailed listing of the items that were unaccounted for and the administration's response.

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
Department	9514 Official School Board Records	29	\$42,603	0	0	No Exception	
Department	9603 Facilities Design & Construction	102	\$255,418	1	\$1,095	No Exception	
Department	9615 Administrative Support	101	\$197,894	6	\$10,436	Exception	8-13
Department	9654 Employment Services	64	\$174,076	0	0	No Exception	
Department	9706 Payroll	61	\$100,257	0	0	No Exception	
Department	9812 Innovative Programs	53	\$103,229	0	0	No Exception	
Department	9906 Printing Services	59	\$582,287	1	\$1,708	No Exception	
School	0221 Croissant Park Elementary	475	\$570,880	4	\$5,135	No Exception	
School	0361 Blanche Ely High	2,239	\$3,689,089	0	0	No Exception	
School	0521 North Andrews Gardens Elementary	630	\$1,081,071	0	0	No Exception	
School	0841 McNab Elementary	610	\$898,049	3	\$3,785	No Exception	
Sub Total		4,423	\$7,694,853	15	\$22,159		

Area	Name	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	1071 William Dandy Middle	797	\$1,088,271	4	\$8,937	No Exception	
School	1391 Lauderhill 6-12	714	\$1,025,684	5	\$7,233	No Exception	
School	1951 Park Ridge Elementary	330	\$487,840	0	0	No Exception	
School	2551 Coral Springs Elementary	578	\$857,150	0	0	No Exception	
School	2611 Bair Middle	450	\$628,992	1	\$1,161	No Exception	
School	2801 Davie Elementary	509	\$770,365	18	\$27,732	Exception	14-22
School	3001 Walter C. Young Middle	816	\$1,098,840	2	\$2,190	No Exception	
School	3491 Silver Palm Elementary	838	\$765,422	0	0	No Exception	
School	3571 Panther Run Elementary	767	\$1,004,281	0	0	No Exception	
School	3871 Westglades Middle	980	\$1,315,322	0	0	No Exception	
School	3911 New Renaissance Middle	713	\$1,120,736	10	\$13,629	Exception	23-27
School	3941 Community School North	1,271	\$999,267	1	\$966	No Exception	
Sub Total		8,763	\$11,162,170	41	\$61,848		

Area	Total Items	Historical Cost	Items Not Accounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	
<b>GRAND TOTAL (all pages)</b>	13,186	\$18,857,023	56	\$84,007	3 Exceptions 20 No Exceptions	

**Audits Performed by:**

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

**Audits Processed by:**

**Gail Mouzon-Williams**

**Audits Managed by:**

**Ali Arcese**

**SECTION II:**  
**Locations-All Items Accounted for**

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

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

**LOCATION NAME**

**9514 Official School Board Records**

**9603 Facilities Design & Construction**

**9654 Employment Services**

**9706 Payroll**

**9812 Innovative Programs**

**9906 Printing Services**

**0221 Croissant Park Elementary**

**0361 Blanche Ely High**

**0521 North Andrews Gardens Elementary**

**0841 McNab Elementary**

**1071 William Dandy Middle**

**1391 Lauderhill 6-12**

**1951 Park Ridge Elementary**

**2551 Coral Springs Elementary**

**2611 Bair Middle**

**3001 Walter C. Young Middle**

**3491 Silver Palm Elementary**

**3571 Panther Run Elementary**

**3871 Westglades Middle**

**3941 Community School North**

**SECTION III:  
Locations with Exceptions**

**Department Name:** Administrative Support

**Manager:** Israel Canales

**Chief of Staff:** Jeffrey Moquin

**Address:** 600 SE 3<sup>rd</sup> Avenue  
Fort Lauderdale, FL 33301

Total Number of Items in Inventory:	101
Total Dollar Cost of Items in Inventory:	197,894
Total Number of Items Unaccounted for:	6
Total Dollar Cost of Items Unaccounted for:	10,436
Total Net Value of Items Unaccounted for:	719

### **Finding**

During the review of all tangible personal property, several items were unaccounted for. The property custodian was not able to provide an explanation or the location of these items.

### **Recommendation**

The Office of the Chief Auditor suggests reconciliation of all assets be completed as often as needed to ensure an accurate physical accounting of site designated assets by the staff.

Administrators should ensure that semi-annual inventories are performed by the property team members at the location to safeguard all capital assets entrusted to them.

The Office of the Chief Auditor recommends the Administrative Support Manager review Business Practice Bulletin O-100 Procedures for Property and Inventory Control with the property custodian to ensure compliance with the following:

- Semi-annual inventories are conducted to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.
- Any corrections required to the asset record should be promptly reported to Accounting & Financial Reporting - Capital Assets via email to the "Capital

**(Administrative Support continued)**

Assets Conference.” This includes necessary changes to the item description, serial number, or quantities received. Additionally, if the tangible personal property has not been received at the location, and the asset record was mistakenly created for this location, the property custodian should immediately notify Accounting & Financial Reporting - Capital Assets to correct the discrepancy in a timely manner.



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**The Office of the Chief Auditor**  
**Property Division**  
**2015-16**

Items not accounted for : **Administrative Support 9615**

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 09-12146	DELL OPTIPLEX(BASIC)760 W/17" FLAT PANEL	\$ 1,042.00
2 08-07171	DELL LAPTOP D630 W/DVD-RW/14.1"DISPLAY	\$ 1,458.00
3 07-04473	RADIO, MOTOROLA	\$ 3,594.50
4 07-04123	COMPUTER, DELL	\$ 1,782.00
5 04-10088	Computer, Apple	\$ 1,100.30
6 04-02903	APPLE, LAPTOP, IBOOK G3	\$ 1,459.15

<b>Total Historical Cost of Property unaccounted for as of September 10, 2015</b>	<b>\$</b>	<b>10,435.95</b>
<b>[1]Total Accumulated Depreciation as of September 10, 2015</b>	<b>\$</b>	<b>9,717.05</b>
<b>Net Value of Property considered to be unaccounted for as of September 10, 2015</b>	<b>\$</b>	<b>718.90</b>

*[1] Based upon class life used by the Accounting and Financial Reporting Department*

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**JEFFREY S. MOQUIN  
CHIEF OF STAFF**

October 26, 2015

TO: Patrick Reilly  
Chief Auditor

FROM: Jeffrey S. Moquin   
Chief of Staff

SUBJECT: **PROPERTY AUDIT - ADMINISTRATIVE SUPPORT**

The audit response from the Administrative Support Department has been reviewed. The corrective steps on the attached memo are approved to be implemented to address the identified issues. Process and procedures for property control have been reviewed and security of building locations where any property is stored, have been upgraded.

As a result, Administrative Support has identified the following corrective action steps to be implements to prevent any future loss of property assets:

- One staff member (KCW Head Service Facilitiesperson) will now perform department inventory every three months.
- Staff will request an opti-spool report each quarter to verify location of all department inventory.

If you have any questions, or require additional information, please do not hesitate to contact me at 754 321-2650.

JSM/tpo  
Attachment

c. Israel Canales, Manager, Administrative Support

**THE SCHOOL BOARD OF BROWARD COUNTY, FL**  
**ADMINISTRATIVE SUPPORT**

Israel Canales, Manager

Ph: (754) 321-1801

Fax: (754) 321-2179

October 1, 2015

TO: Jeff Moquin  
Chief of Staff

FROM: Israel Canales, Manager  
Administrative Support *IC*

SUBJECT: **AUDIT REPORT ON PROPERTY INVENTORY**  
**Fiscal Year, 2015/16**

As a result of a recent property audit for #9615, Administrative Support, six (6) items have been submitted as "Final Missing-Administrative Support 9615."

Items not accounted for #9615 Administrative Support:

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 09-12146	DELL OPTIPLEX(BASIC)760 W/17" FLAT PANEL	\$ 1,042.00
2 08-07171	DELL LAPTOP D630 W/DVD-RW/14.1"DISPLAY	\$ 1,458.00
3 07-04473	RADIO, MOTOROLA	\$ 3,594.50
4 07-04123	COMPUTER, DELL	\$ 1,782.00
5 04-10088	Computer, Apple	\$ 1,100.30
6 04-02903	APPLE, LAPTOP, IBOOK G3	\$ 1,459.15

Total Historical Cost of Property unaccounted for as of August 18, 2015	\$ 10,435.95
[1]Total Accumulated Depreciation as of August 18, 2015	\$ 9,717.05
Net Value of Property considered to be unaccounted for as of August 18, 2015	<u>\$ 718.90</u>

Following are my comments and corrective action I have taken to ensure this will not happen again.

1. *Dell Optiplex (Basic) 760 w/ 17" Flat Panel* – This was not able to be located. We will continue looking for it.
2. *Dell Laptop D630 W/DVD-RW14.1" Display* – This was not able to be located. We will continue looking for it.

3. *Radio, Motorola*-This was lost during the moves, to date we have not been able to locate it.
4. *Computer, Dell*-This was not able to be located. We will continue to look for it.
5. *Computer, Apple*-This is an 11 year old computer that we have not been able to locate.
6. *Apple, laptop, IBook G3*-This is also an 11 year old computer that we have not been able to locate.

Corrective Action:

I have appointed one staff member (KCW Head Custodian) who will now perform department inventory every 3 months, ordering an opti-spool report each quarter to verify equipment is correct on the report.

Should any further information be needed, please contact me at my office.  
Thank you.

IC/br

**School Name:** Davie Elementary 2801

**Principal:** Robert Schneider

**Address:** 7025 S.W. 39<sup>th</sup> Street  
Davie, FL 33314

Total Number of Items in Inventory:	509
Total Dollar Cost of Items in Inventory:	\$770,365
Total Number of Items Unaccounted for:	18
Total Dollar Cost of Items Unaccounted for:	\$27,732
Total Net Value of Items Unaccounted for:	\$0

### **Finding**

A review of all property and inventory was performed. Of the 509 assets recorded at the School, eighteen items could not be found. A thorough search was conducted by the Inventory Audit Specialist; however, the School could not identify the location of the items and/or supporting disposal documentation. The Principal believes that the items were surplus.

Non-compliance with policies and procedures of fixed assets leaves the District vulnerable to undetected employee errors and theft or misuse of assets. The School displayed weaknesses in the controls to safeguard fixed assets.

### **Recommendation**

The Office of the Chief Auditor suggests a reconciliation of all assets be completed as often as needed to ensure an accurate physical accounting of site designated assets by the staff.

Administrators should ensure that semi-annual inventories are performed by the property team members at the location to safeguard all capital assets entrusted to them.

The Office of the Chief Auditor recommends the Principal review Business Practice Bulletin O-100 Procedures for Property and Inventory Control with the property custodian to ensure compliance with the following:

**(Davie Elementary continued)**

- At a minimum, semi-annual inventories should be conducted to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.
- The 3290A Surplus/Transfer Declaration Form should list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being surplus. The 3290A Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation should be provided.
- All obsolete or damaged equipment should be stored in a secure location until it is picked up by the Warehouse Department. The Warehouse Department will issue the property custodian a work order certifying the removal of equipment from their location.
- The School should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent property and inventory audits.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**The Office of the Chief Auditor**  
**Property Division**  
**2015-16**

Items not accounted for : **Davie Elementary 2801**

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 08LA02843	APPLE MacBook 2.4 GHz; 2 GB RAM	\$ 2,769.81
2 07-10276	DELL DESKTOP P4 W/17"FLAT PANEL/DVD+/RW	\$ 1,095.00
3 07-09712	DELL DESKTOP P4 WS380 20" FLAT PANEL/DVD	\$ 1,782.00
7 05LA18749	APPLE-Refresh Laptop	\$ 1,395.62
5 05LA18730	APPLE-Refresh Laptop	\$ 1,395.62
6 05LA18691	APPLE-Refresh Laptop	\$ 1,395.62
7 05LA18679	APPLE-Refresh Laptop	\$ 1,395.62
8 05LA18641	APPLE-Refresh Laptop	\$ 1,395.62
9 05-40653	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
10 05-40651	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
11 05-40648	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
12 05-40643	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
13 05-40641	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
14 05-40635	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
15 05-40630	APPLE IBOOK G4 W/CD-RW/DVD/12.1" DISPLAY	\$ 1,456.50
16 04-83669	APPLE, IBOOK, 12.1	\$ 1,481.86
17 04-83668	APPLE IBOOK, 12.1	\$ 1,481.86
18 04-08082	PROJECTOR, EPSON 730 POWERLITE	\$ 1,948.00

**Total Historical Cost of Property unaccounted for as of October 10, 2015** \$ **27,732.13**

**[1]Total Accumulated Depreciation as of October 10, 2015** \$ **27,732.13**

**Net Value of Property considered to be unaccounted for as of October 10, 2015** \$ **-**

*[1] Based upon class life used by the Accounting and Financial Reporting Department*

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
OFFICE OF SCHOOL PERFORMANCE & ACCOUNTABILITY

**Valerie S. Wanza, Ph.D.**  
*Chief Officer*

Telephone: 754-321-3838

Facsimile: 754-321-3886

November 6, 2015

TO: Patrick M. Reilly  
Chief Auditor

FROM: Valerie S. Wanza, Ph.D.  
Chief School Performance & Accountability Officer

SUBJECT: **PROPERTY AND INVENTORY AUDIT RESPONSE –  
DAVIE ELEMENTARY SCHOOL**

This correspondence acknowledges receipt and review of the finds from the FY 2015-16 property and inventory audit for Davie Elementary School. In addition to the corrective measures that the principal is instituting, the Office of School Performance & Accountability will provide the following support and oversight in assisting the school in this area:

- The cadre director will work with the principal to ensure the individuals who have been identified by the principal to assist with asset management receive the proper training in this area.
- The cadre director will work with the principal to establish, execute and monitor property and inventory controls that are consistent with District policies and business practice bulletins in this area.
- The cadre director will work with the principal during the 2016-17 school budget planning cycle to determine if funds can be allocated for a part or full-time micro-technology specialist at the school.
- The cadre director will review the school's progress in this area during his regularly scheduled school visits.
- Another school that has demonstrated accuracy and efficiency in this area will be identified to work with this principal to share best practices in asset management.

The Office of School Performance & Accountability recognizes the seriousness of this matter. We will work to ensure that this school develops, implements and monitors sound business practices that should prevent further occurrences of this nature. If I may be of additional assistance, please contact me at 754-321-3838.

VSW/DH:ca

cc: Mark Narkier, School Performance & Accountability Director  
Robert Schneider, Principal, Davie Elementary School





## THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

DAVIE ELEMENTARY  
Robert N. Schneider, Principal  
Monica Schlosser, Intern Principal  
7025 S.W. 39<sup>th</sup> Street  
Davie, FL 33314  
Telephone: 754-323-5400  
Facsimile: 754-323-5440

SCHOOL BOARD  
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PATRICIA GOOD  
LAURIE RICH LEVINSON  
ANN MURRAY  
NORA RUPERT

ROBERT W. RUNCIE  
*Superintendent of Schools*

October 28, 2015

TO: Dr. Valerie Wanza  
Chief School Performance & Accountability Officer

FROM: Mr. Robert Schneider, Principal  
Davie Elementary School

SUBJECT: Audit Report on Property & Inventory-  
Fiscal Year 2015-16

Please accept this memo as my response to the Audit Report on Property & Inventory for the Fiscal Year 2015-16. Also, attached please find my original audit response to Ms. Lima, Property & Inventory Auditor.

Listed below are the corrective actions that have been put into place upon notification of the missing items.

- As we currently do not have a Technology Specialist (due to budget) for the 2015-16 school year, I am currently handing all Property & Inventory at our school.
- I have also assigned two staff members to assist in monitoring all technology that has been signed out by staff members. These staff members will check inventory twice a month in their designated rooms.
- A current inventory of all technology will be placed in each classroom and must be initialed by the "owner" of the technology. The designated staff member, upon verification of items that are in the room, will initial the inventory for confirmation.
- All salvage and repair items will be added to the classroom inventory list to verify where the item has been sent.

- Upon review of budget, my intention is to hire a Technology Specialist to oversee the Property & Inventory at our site.

It is my expectation that through these interventions, our school will have a positive Property & Inventory Audit in the future. Thank you for your understanding and support in this matter



## THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

DAVIE ELEMENTARY  
Robert N. Schneider, Principal  
Monica Schlosser, Intern Principal  
7025 S.W. 39<sup>th</sup> Street  
Davie, FL 33314  
Telephone: 754-323-5400  
Facsimile: 754-323-5440


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ROBERT W. RUNCIE  
*Superintendent of Schools*

September 21, 2015

To: M. Ivette Lima, Inventory Audit Specialist  
Office of the Chief Auditor

From: Robert N. Schneider, Principal  
Davie Elementary School 

SUBJECT: PROPERTY & INVENTORY AUDIT

In response to your Property & Inventory Audit on August 11, 2015, please find attached the updated Property Audit Missing List.

Please note that some items have not been accounted for as of this date. We have completed an extensive search for these items without success. In discussing the possibility of where the items might be, our Technology Specialist believes they may have been mistakenly taken with salvage items on a previous list. These items had not been added to the list for pickup but did have a black "x" which is our indication that they should be sent to surplus.

I have contacted B- Stock, Kent Jerding and Ted Skopinski to assist in trying to locate these items. Unfortunately, they do not have any way of tracking the items. As this is the first time that I have encountered such a major problem with my Property & Inventory Audit, I am very concerned and disappointed in the result. If any further information is needed, please contact me at your convenience.

Thank you for assisting in our Property & Inventory Audit.

BROWARD COUNTY PUBLIC SCHOOLS  
OFFICE OF THE CHIEF AUDITOR  
PROPERTY AUDIT MISSING LIST REPORT

School Location # 2801

BPI	Description	Class	Cost	Serial Number	GR Number	Acquired Date	Room #
5-06128	EAGLE SERIES PRESSURE WASHER	014	1,086.93	15-10141	552022	06/30/15	pending invoice
3-03791	APPLE IMAC INTEL W/21.5" LED	044	1,479.00	D25K51V0DNCR	363379	03/14/13	Rm 101 H Invoice Received
19-04204	ACTIVEXPRESSION 32 HANDSET	011	2,195.00	28010005	028900	08/04/08	Rm 110 a
19-80005	ACTIVEXPRESSION	011	1,945.00	28010009	026463	07/24/08	Rm. 118
18LA02840	Apple MacBook 2.4 GHz; 2 GB RAM	044	2,769.81	WQ8128AJ0P1	128211	06/07/08	Rm 207
18LA02843	Apple MacBook 2.4 GHz; 2 GB RAM	044	2,769.81	WQ8128WW0P1	128211	06/07/08	Rm. 144
18LA02849	Apple MacBook 2.4 GHz; 2 GB RAM	044	2,769.81	WQ8128TE0P1	128211	06/07/08	
17-10276	DELL DESKTOP P4 W/17" FLAT	044	1,095.00	5HY1BC1	003422	03/19/07	
17-09712	DELL DESKTOP P4 WS380 20" FLAT	044	1,782.00	DJZNFC1	003310	03/07/07	
16-08500	APPLE DESKTOP IMAC G5 W/20" FLAT	044	2,254.00	QP54100ITMA	127208	01/11/06	Rm. 203
16-00209	APPLE DESKTOP, IMAC G5	044	2,373.00	QP51500USAU	090169	07/25/05	Rm. 203
15LA18641	Apple-Refresh Laptop	044	1,395.62	4H531CBESEB	002005	07/22/05	
15LA18679	Apple-Refresh Laptop	044	1,395.62	4H531FBKSEB	002005	07/22/05	
15LA18691	Apple-Refresh Laptop	044	1,395.62	4H531GQFSEB	002005	07/22/05	
15LA18705	Apple-Refresh Laptop	044	1,395.62	4H531K4XSEB	002005	07/22/05	Rm. 203
15LA18730	Apple-Refresh Laptop	044	1,395.62	4H53253JSEB	002005	07/22/05	
15LA18749	Apple-Refresh Laptop	044	1,395.62	4H53532RSEB	002005	07/22/05	
15LA18751	Apple-Refresh Laptop	044	1,395.62	4H5353J1SEB	002005	07/22/05	Rm 203
15L103292	Lexmark Refresh Printer-T640n	044	1,099.66	790212C	002005	06/17/05	Rm 139
5-40630	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504XPSCZ	023580	01/19/05	
5-40635	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504Y7SCZ	023580	01/19/05	
5-40641	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504XKSCZ	023580	01/19/05	
5-40643	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504VBSCZ	023580	01/19/05	
5-40648	APPLE IBOOK G4 W/CD-	044	1,456.50	UV45100FSCZ	023580	01/19/05	
5-40651	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504Y0SCZ	023580	01/19/05	
5-40653	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504WXSCZ	023580	01/19/05	
5-40655	APPLE IBOOK G4 W/CD-	044	1,456.50	UV4504YJSCZ	023580	01/19/05	Room 215
5-26202	PRINTER, LEXMARK T630N B/W	044	1,208.00	991MKC0	160320	08/24/04	Room 144

BPI	Description	Class	Cost	Serial Number	GR Number	Acquired Date	Room #
14-83668	APPLE IBOOK, 12.1	044	1,481.86	UV40904XPGW	135304	01/14/04	
14-83669	APPLE, IBOOK, 12.1	044	1,481.86	UV40903DPGW	135304	01/14/04	
14-08082	PROJECTOR, EPSON 730 POWERLITE	056	1,948.00	EE20391450C	086235	11/04/03	
13-22605	APPLE, DESKTOP EMAC G4	044	1,100.25	G83214YL.PQL	057912	06/30/03	Room 203
13-84012	PROJECTOR, EPSON POWERLITE	056	1,200.00	EYM0350973K	PC-3	06/17/03	Room 109

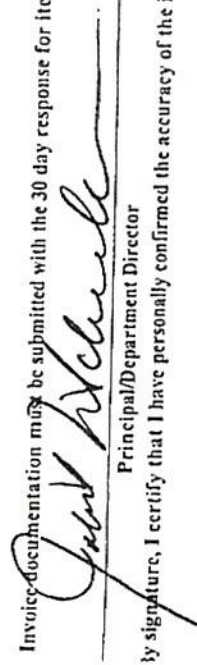
**Audit Review Details**

Items not verified as of: 8/11/2015  
 Total: ~~33~~ Valued at: \$53,460.33

If the item located was allocated by property pass, a copy of that property pass must be forwarded with your response. The item will require physical verification by the Inventory Audit Specialist when a return reconciliation visit is scheduled with the administrator.

If an item is identified as salvaged, a copy of the original signed & dated surplus declaration form (3290a) and the removal authorization form (B-stock / approved vendor) must be forwarded with your response.

Invoice documentation may be submitted with the 30 day response for items requiring serial # corrections/modification.

  
 Principal/Department Director  
 Date: 8/11/15

I certify that I have personally confirmed the accuracy of the information regarding the location of the items included in this response.

**School Name:** New Renaissance Middle 3911

**Principal:** Janet Morales

**Address:** 10701 Miramar Boulevard  
Miramar, FL 33025

Total Number of Items in Inventory:	713
Total Dollar Cost of Items in Inventory:	\$1,120,736
Total Number of Items Unaccounted for:	10
Total Dollar Cost of Items Unaccounted for:	\$13,629
Total Net Value of Items Unaccounted for:	\$0

### **Finding**

A review of all property and inventory was performed. Of the 713 assets recorded at the school, ten items could not be found. The Principal gave a number of reasons why the equipment could not be located.

In several instances, the school could not produce the supporting disposal documentation for equipment that was surplus. In other cases, the equipment was removed by an outside vendor to discard and the proper paperwork was not completed by the school. Finally, the school has equipment that is identified as lost and/or missing.

Non-compliance with policies and procedures of fixed assets leaves the District vulnerable to undetected employee errors and theft or misuse of assets. The school displayed weaknesses in the controls to safeguard fixed assets.

### **Recommendation**

The Office of the Chief Auditor suggests a reconciliation of all assets be completed as often as needed to ensure an accurate physical accounting of site designated assets by the staff.

Administrators should ensure that semi-annual inventories are performed by the property team members at the location to safeguard all capital assets entrusted to them.

The Office of the Chief Auditor recommends the Principal review Business Practice Bulletin O-100 Procedures for Property and Inventory Control with the

**(New Renaissance Middle continued)**

property custodian to ensure compliance with the following:

- At a minimum, semi-annual inventories should be conducted to certify the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.
- The 3290A Surplus/Transfer Declaration Form should list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being surplus. The 3290A Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation should be provided.
- All obsolete or damaged equipment should be stored in a secure location until it is picked up by the Warehouse Department. The Warehouse Department will issue the property custodian a work order certifying the removal of equipment from their location.
- The School should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent property and inventory audits.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**The Office of the Chief Auditor**  
**Property Division**  
**2015-16**

Items not accounted for : **New Renaissance Middle 3911**

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 08-13419	COPIER, TABLETOP PURCHASE TOSHIBA E162D	\$ 1,550.00
2 08-13417	COPIER, TABLETOP PURCHASE TOSHIBA E162D	\$ 1,550.00
3 05LA29691	APPLE-Refresh Laptop	\$ 1,395.62
4 03-13955	BOARD, SUPINE 51 INCH	\$ 1,416.00
5 03-10846	COMPUTER, MAC IMAC G3	\$ 1,005.07
6 03-10806	COMPUTER, MAC IMAC G3	\$ 1,005.07
7 03-10407	COMPUTER, QUICK SILVER MAC G4	\$ 3,085.61
8 03-08025	COMPUTER, MAC EMAC G4	\$ 1,523.00
9 02-81851	SAXOPHONE, TENOR 1244	\$ 1,099.10
10	COMPUTER, Laptop Dell E5430 (Serial number 2kc9w1)	\$ -

<b>Total Historical Cost of Property unaccounted for as of October 10, 2015</b>	<b>\$</b>	<b>13,629.47</b>
<b>[1]Total Accumulated Depreciation as of October 10, 2015</b>	<b>\$</b>	<b>13,629.47</b>
<b>Net Value of Property considered to be unaccounted for as of October 10, 2015</b>	<b>\$</b>	<b>-</b>

*[1] Based upon class life used by the Accounting and Financial Reporting Department*



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
OFFICE OF SCHOOL PERFORMANCE & ACCOUNTABILITY

**Valerie S. Wanza, Ph.D.**  
*Chief Officer*

Telephone: 754-321-3838

Facsimile: 754-321-3886

November 6, 2015

TO: Patrick M. Reilly  
Chief Auditor

FROM: Valerie S. Wanza, Ph.D.  
Chief School Performance & Accountability Officer

SUBJECT: **PROPERTY AND INVENTORY AUDIT RESPONSE –  
NEW RENAISSANCE MIDDLE SCHOOL**

This correspondence acknowledges receipt and review of the finds from the FY 2015-16 property and inventory audit for New Renaissance Middle School. In addition to the corrective measures that the principal is instituting, the Office of School Performance & Accountability will provide the following support and oversight in assisting the school in this area:

- The cadre director will work with the principal to ensure the micro-technology specialist receives the appropriate training and support related to asset management.
- The cadre director will work with the principal to ensure the school has an established asset management team that meets regularly to review the school's compliance with District policies and business practice bulletins related to property and inventory controls, conduct regular site-based audits, and amend the school's property and inventory protocols as needed.
- The cadre director will include a review of the asset management protocols in his regularly scheduled site visits with the principal.
- Another school that has demonstrated accuracy and efficiency in this area will be identified to work with this principal to share best practices in asset management.

The Office of School Performance & Accountability recognizes the seriousness of this matter. We will work to ensure that this school develops, implements and monitors sound business practices that should prevent further occurrences of this nature. If I may be of additional assistance, please contact me at 754-321-3838.

VSW/DH:ca

cc: David Hall, School Performance & Accountability Director  
Janet Morales, Principal, New Renaissance Middle School



## THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

New Renaissance Middle School  
JANET MORALES, Principal  
10701 Miramar Blvd.,  
Miramar, Florida 33025  
754-323-3500 Telephone  
754-323-3585 Facsimile

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ROBERT W. RUNCIE  
*Superintendent of Schools*

October 29, 2015

TO: Dr. Valerie Wanza  
Chief of School Performance and Accountability

FROM: Janet Morales  
Principal, New Renaissance Middle School

SUBJECT: **AUDIT REPORT RESPONSE**

A New Renaissance Middle School Property and Inventory Audit was conducted the week of August 2, 2015. The inventory audit documented ten unaccounted items totaling \$13,629.47.

Several factors impacted the outcome of the audit finding:

- A first year micro-technology specialist new to the position and district who was being trained in school and district procedures regarding property and inventory control.
- A district memo directing the pick-up of Toshiba Copiers that did not state that the copiers needed to be held for inventory. Toshiba provided memo indicating the ID and Serial numbers of the copiers that were picked up and destroyed because they were of no value.
- Missing documentation on an outdated ESE property transfer form for a Supine Board that could not be located by ESE department five months after transfer.

As a result of the latest audit findings the current property and inventory procedures have been updated to include the following:

- Surplus items will not be accumulated. Items will be stored in a central location. The Warehouse Department will be contacted for immediate pick-up of obsolete items.
- Paper work and documentation of Property Transfer items will be maintained and submitted within the designated time period.
- Copies and photographs of all surpluses and/or transferred items will be kept on file.

New Renaissance Middle School Property and Inventory Team will monitor and review quarterly inventory practices and make modifications as needed. Please contact me if additional information is needed. Thank you.