<table>
<thead>
<tr>
<th>Agency &amp; Audit Name</th>
<th>Finding</th>
<th>Recommendation</th>
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</thead>
<tbody>
<tr>
<td><strong>OIG</strong>  - Payroll Verification Audit of the District of Columbia Public Schools   (OIG No. 08-2-02GA)</td>
<td>Results of Payroll Verification Audit</td>
<td>1. Recover funds paid to former employees who inappropriately received payments after their employment date.</td>
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<td><strong>OIG</strong>  - Payroll Verification Audit of the District of Columbia Public Schools   (OIG No. 08-2-02GA)</td>
<td>Results of Payroll Verification Audit</td>
<td>2. Determine if the 90 individuals as questionable employees were bona fide employees for the pay period ending November 10, 2007, and take action to recover any funds inappropriately paid to these individuals.</td>
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<td><strong>OIG</strong>  - Payroll Verification Audit of the District of Columbia Public Schools   (OIG No. 08-2-02GA)</td>
<td>Results of Payroll Verification Audit</td>
<td>3. Review the personnel files for the 1,718 individuals who were not validated as bona fide employees for the pay period ending November 10, 2007, and whose personnel files were not included in our sample of reviewed files and: (a) determine if they were bona fide employees for the pay period ending November 10, 2007; and (b) recover funds inappropriately paid to those individuals who were not bona fide employees as of the pay period ending November 10, 2007.</td>
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<td><strong>OIG</strong>  - Payroll Verification Audit of the District of Columbia Public Schools   (OIG No. 08-2-02GA)</td>
<td>Internal Control Deficiencies</td>
<td>4. Develop procedures for updating information in PeopleSoft to prevent former employees from receiving inappropriate payments.</td>
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<td><strong>OIG</strong>  - Payroll Verification Audit of the District of Columbia Public Schools   (OIG No. 08-2-02GA)</td>
<td>Internal Control Deficiencies</td>
<td>5. Implement the PeopleSoft component that enables employees to enter their own time in the payroll system and managers (or other personnel) to approve those entries, and develop controls to ensure that no employee can approve his/her own time in the system.</td>
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<td><strong>OIG</strong>  - Payroll Verification Audit of the District of Columbia Public Schools   (OIG No. 08-2-02GA)</td>
<td>Internal Control Deficiencies</td>
<td>6. Establish procedures to ensure that all employees have complete official personnel files and that essential documents are maintained in the employee's personnel files and on FileNet.</td>
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<td><strong>DC Auditor - Audit of the Fleet Management Administration of the Department of Public Works</strong></td>
<td>There were no HAID calls regarding DCPS drivers because DCPS did not participate in the HAID program.</td>
<td>1. The DCPS Chancellor should ensure that DCPS participates in the “How Am I Driving Program”.</td>
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<tr>
<td><strong>DC Auditor - A-133 FY 2009 Single Audit</strong></td>
<td>The process of monitoring compliance with the Head Start direct funding grant was not functioning as intended.</td>
<td>1. DCPS should institute procedures to ensure indirect costs are properly calculated and charged/recorded in compliance with the maximum amount allowed per the grant award.</td>
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<td>DCPS did not appear to exercise due diligence in requesting federal funds consistent with the CMIA agreement and its actual cash needs.</td>
<td>2. DCPS should comply with the provisions of the CMIA agreement and request federal funds consistent with the finding techniques specified in the CMIA agreement and its actual cash needs. DCPS should also review its current records retention policy to ensure that complete documentation is maintained for all cash drawdown transactions.</td>
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<td>DCPS did not appear to have a policy or procedure in place for meeting the targeted earmark requirement and there appeared to be no review of the requirement during the year.</td>
<td>3. DCPS should improve its enrollment monitoring process by establishing stronger tracking and monitoring systems to ensure that they required percentage of eligible children with disabilities have been enrolled, so that there is compliance with the targeted enrollment requirement.</td>
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<td>DCPS did not properly review the expenditures to ensure that they were charged to appropriate grant award period.</td>
<td>4. DCPS should improve its review and approval process to ensure that expenditures are charged to the correct grant award period.</td>
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It appears that policies and procedures, including review over reporting procedures, were not functioning as intended.

5. DCPS should enforce its policies and procedures to ensure that the required reports are submitted to the governing agency, as requested, and that a copy of the reports are also maintained. DCPS should further enforce its policies covering proper recording, reconciliation, and review procedures to ensure that there is consistency between the accounting system and the reports that are submitted.

It appears that the monitoring procedures were not applied as was intended by the stated policies for subrecipient monitoring.

6. DCPS should improve its policies and procedures to ensure that proper and adequate monitoring is being done of the sub-grantee during the fiscal year.

While DCPS has a governing body in place for the District’s Head Start program, it appears to lack several key requirements.

7. DCPS should take steps to set up a properly functioning governing body and ensure that the members are qualified to conduct and execute the governing body responsibilities for the federal program as required.

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<tr>
<th>DC Auditor: A-133 FY 2008 Single Audit</th>
<th>Internal Deficiency- Assessment of Children</th>
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<tbody>
<tr>
<td>1. If the LEA does not evaluate the child, Head Start is responsible for arranging or providing for an evaluation, using its own resources. Action must be corrected within six months of the receipt of the report.</td>
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<tr>
<th>Area of Non-Compliance-Child Health and Safety</th>
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<tr>
<td>2. Items must be corrected within 120 days of the receipt of the report.</td>
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<tr>
<th>CFO-Mckinley Tech SAF Audit</th>
<th>Inadequate Managerial Oversight and Training</th>
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<tr>
<td>1. DCPS and Mckinley Tech Principal ensure that individuals delegated the functions of SAF Business Manager, SAF Custodian, and bank signatories, receive adequate SAF training immediately after such delegation.</td>
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<tr>
<td>Issue</td>
<td>Recommendation</td>
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<tr>
<td>No evidence of Approval of School Projects and Review of Bank Statements by the School Principal</td>
<td>2. (a) Ensure that the following activities are properly monitored: Collection of funds during fundraising activities; Timely submission of all funds raised to SAF Custodian and the issuance of the required pre-numbered confirming receipt; timely depositing of all funds raised in the bank and the recording in Quicken; Disbursing of funds for allowable activities after the completion and review of required documentation adn accompanied by vendors' invoices; Timely submission of required reports to DCPS-OCFO; and prior review and approval of fundraising activities. (b) Develop a procedure to evidence the review of monthly bank statements and accompanying cancelled checks for irregularities, and document actions taken to correct any irregularities identified. (c) Maintain documentation, and make it available to auditors, evidencing the development of procedures for the allocation of funds deposited in the general fund jointly with McKinley's School Chapter Advisory Committee (SCAC).</td>
</tr>
<tr>
<td>Lack of Segregation of Duties and Bonding of Employees Handling SAF</td>
<td>3. McKinley's Principal should ensure that the delegation of the function of SAF Business Manager is to an individual other than the one delegated the function of SAF Custodian. Also, the McKinley Principal should secure insurance coverage against theft and fidelity bonds for those employees handling SAF activities</td>
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<tr>
<td>Inadequate Resource Allocation by DCPS-OCFO to fulfill its oversight responsibilities</td>
<td>4. (a) DCPS Chancellor should assess the resources allocated to perform oversight responsibilities to schools with SAFs to determine the adequacy of coverage and (b) McKinley's Principal should ensure that individuals managing the SAF possess a basic knowledge of accounting/bookkeeping practices. The Principal can consider, among other options, training offered by the District of Columbia Government.</td>
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<tr>
<td>McKinley Former Business Manager Failed to Administer the SAF in accordance with governing regulations</td>
<td>5. The DCPS Chancellor should evaluate the actions of McKinley's former Business Manager to determine whether any disciplinary measure is warranted, subject to the results of the OIG's investigation.</td>
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<td>Improper and unauthorized disbursement or transfer of funds from SAF account</td>
<td>6. (a) McKinley's Principal should ensure, before signing a request for a check disbursement, that the request is properly completed by the requestor. (b) McKinley's School Principal should issue a directive to remind club sponsors of their responsibility to ensure that a pre-numbered receipt is obtained for the correct amount of cash receipts submitted to the SAF Custodian.</td>
</tr>
<tr>
<td>Missing and unverifiable bank deposits on the bank statements</td>
<td>7. DCPS Chancellor should evaluate the actions of McKinley's former Business Manager to determine whether any disciplinary measure is warranted, subject to the results of the OIG's investigation.</td>
</tr>
<tr>
<td>Untimely submission of SAF reports</td>
<td>8. McKinley Principal should ensure timely preparation and submission of SAF Bank Reconciliation and Summary Report and Financial Report to DCPS-OCFO, by the due date, as stipulated in the SAF SOP manual.</td>
</tr>
<tr>
<td>Failure to establish guidance for processing SAF unrelated activities money received</td>
<td>9. McKinley Principal should ensure that documentation is maintained evidencing that disbursements from the general fund are made only for the purpose(s) for which monies were received, by maintaining subsidiary ledgers for separate and distinct activities. These actions will ensure accountability and provide a clear and proper audit trail.</td>
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<tr>
<td>Documentation supporting disbursements from a $100,000 award is insufficient to determine whether funds were spent in accordance with purpose of the award.</td>
<td>10. McKinley Principal should take action to transfer to the appropriate account in SOAR the balance of $4,910 from the AARP grant that remains in SAF. The Principal should also ensure that deposits in the SAF bank account do not include grant funds.</td>
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<td>McKinley Principal has not established the current school year’s balances for clubs that carried over funds from the prior school year</td>
<td>11. McKinley Principal should (a) coordinate with the DCPS-OCFO for the reimbursement from McKinley’s operating budget for purchases incorrectly made from the SAF totaling $10,769.96. In seeking reimbursement, ensure that purchases are appropriate if they had been originally made from the operating budget. (b) coordinate with club sponsors in establishing the correct clubs’ balances for the current school years (2009-2010) to ensure that clubs have access to their funds to continue their operations.</td>
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</tbody>
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