



TO: Lamont Jackson, Area Superintendent
FROM: Stephen Carr, Director, Office of Internal Audit *ASC*
DATE: June 26, 2014
RE: San Diego MET – ASB Audit

Our office conducted an audit of the San Diego MET Associated Student Body for the period July 1, 2012 through August 31, 2013. The audit reports contain information regarding the audit findings and recommendations. Enclosed are copies of the audit report and the response.

The current site administrator was responsive to all of our recommendations and corrective actions had been taken or are planned.

If you have any questions concerning the information in this report, please call me at 725-5696.

c: Members, Board of Education
C. Marten
S. Monreal
T. Walter

email: Members, Audit Committee
C. Marten
S. Monreal
M. Hudson



TO: Teresa Walter, Executive Director, Teaching and Learning

FROM: W. Stephen Carr, Director, Office of Internal Audit *WSC*

DATE: June 26, 2014

RE: San Diego Met ASB Rebuttal

The Office of Internal Audit takes exception to the response provided by the San Diego Met's former principal. Omitted from the citations was Stephen Carr's response to the principal's February 28, 2011 email specific to ASB. The following is quoted from the email, a twofold response to the principal's question on the use of the Principal's Discretionary Fund in ASB:

- #5.....Principal's Discretionary Fund is a fund from outside donations that specifies that the money is to be used for the principal's discretion. This fund can only be used for the benefit of the school and the students
- It must not be used for personal use or the benefit of the faculty and staff

A second 3/11/2011 email responded to a Foundation Letter, and was not related to ASB.

The checks issued from ASB, have ASB in their heading. Also, checks written from ASB require an accompanying requisition that authorizes the disbursement. No requisitions were completed for these checks, reported in Audit Finding 6.

The audit is specific to the inappropriate use of ASB for payment of the reported expenses and non-compliance with completion of the required documents needed to authorize making payment.

Carr Stephen

From: Carr Stephen
Sent: Tuesday, March 01, 2011 8:47 AM
To: Phillips Mildred
Cc: Buensuceso Jaime
Subject: RE:

Hello Mildred,
Below are responses to your questions.

Can I include in the grant the **purchase of gifts certificates** for students, parents and staff...to places like Barnes and Nobles?

No. Gift certificates are not permissible for any purpose.

Can I include in the grant the purchase of refreshments/food for students, parents and staff activities?
For students yes.
For parents and staff – only if the activity is directly related to school business/educational purposes.

Can I include in the grant funds to support staff positions?
Staff positions require the approval of Human Resources, Finance Division and the board.

-Professional Development for Met staff - yes

I need an explanation of the purpose for the following. Generally, as long as the expenditure is directly related to the students and for the business of the school – yes. An example of a no would be purchasing a laptop for a teacher who uses the laptop at any point for not 100% related to school business/education purposes.

- Technology
- College Access and Success
- Parent and Community Engagement

Currently, I am the Interim Director and available to help. Jaime Buensuceso (619-725-5694) is assigned ASB responsibility for the Met.

If I can be of further assistance, please let me know.

Stephen
619-725-5696

From: Phillips Mildred
Sent: Monday, February 28, 2011 9:07 AM
To: Carr Stephen
Cc: Jones Yvonne; Komaki Carol
Subject:

Good morning Steven.

I reviewed the "Top 10 ASB Things you Should Know"

I have a **Principal's Discretionary Fund** question.

#5.....Principal's Discretionary Fund is a fund from outside donations that specifies that the money is to be used for the principal's discretion. This fund can only be used for the benefit of the school and the students

It must not be used for personal use or the benefit of the faculty and staff

Attached are three documents: Well Fargo has provided funds and sponsors for three years, Stedman Graham's program Nine Steps to Success-Teens Can Make It Happen.

- Wells Fargo Foundation Letter , September 24, 2009
- Wells Fargo Thank You Letter, December 8, 2009
- Stedman Graham flyer November 10, 2010

I am in the process of writing another grant to submit to Wells Fargo. I want to make sure I am following all San Diego Unified guidelines and procedures concerning the appropriate utilization of outside donations to the San Diego Met.

In the past I have placed the financial needs of the Met in the following categories:

- Professional Development for Met staff
- Technology
- College Access and Success
- Parent and Community Engagement

My questions are:

Can I include in the grant the **purchase of gifts certificates** for students, parents and staff...to places like Barnes and Nobles?

Can I include in the grant the purchase of refreshments/food for students, parents and staff activities?

Can I include in the grant funds to support staff positions?

Your guidance is appreciated.

Thanks.

Mildred Phillips
Principal
San Diego Met High School
7250 Mesa College Dr. L-502
San Diego, CA 92111-4998
mphillips@sandi.net
www.Sandi.net/Met
619-388-2299
FAX 619-388-5734

- b. **Principal.** As trustee, shall be directly responsible for the conduct of student financial activities in accordance with this procedure.
- c. **Associated Student Body (ASB) advisor.** Under the principal's direction, shall be responsible for all student body activities.
- d. **Elementary schools.** When an elementary school has developed a student body organization, its complexities and responsibilities should be consistent with the maturity level of elementary school children. The principal may require approval of a principal's advisory committee as a condition for authorizing any expenditure from student body funds.
- e. **Secondary schools**
- (1) **Financial clerk.** Shall be responsible, under the principal's direction, for all student activity funds; shall maintain control records; and shall follow prescribed accounting procedures
 - (2) **Student/faculty budget committee.** Composed of faculty members and elected students, shall recommend budgets, expenditures, and fund-raising activities in conformance with established policies (Procedure 2227).
 - (3) **Student body governing board.** Shall have control of all student body activities and funds, and shall have the power to approve or disapprove budgets, unbudgeted expenditures, and activities.
 - (a) Principal shall have the power to veto any action taken by the student governing board.
 - (b) Expenditures of student body funds shall have approval of all of the following: a representative of the student body organization, the ASB adviser or sponsor, and the principal.
- f. **Operation auditors,** Internal Audit Department, Office of the Superintendent, are responsible for auditing student body funds and accounts.
- g. When a new principal, financial clerk, or elementary school secretary is assigned to a school:
- (1) An audit of ASB financial records shall be made; the principal shall request such an audit.


SUBJECT: **Administration of Student Body Funds**

NO: **2225**

PAGE: **4 OF 5**

EFFECTIVE: **1-29-62**

REVISED: **12-16-02**

- b. **Management.** Student body funds shall be managed in accordance with the best business practices, including sound budgetary and accounting procedures.
- c. **Competition with outside business.** Student body business shall be conducted in a manner that will offer minimum competition to commercial concerns.
- d. **Participation by principals.** Principals or their representatives shall participate in preparation, modification, and interpretation of policies, regulations, and procedures affecting student body financial affairs. Principals shall review the monthly financial reports before they are submitted to the operations auditors, Internal Audit Department, and sign the reports to indicate such review.
-  e. **Expenditures for faculty.** Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. *Under no conditions shall student body money be expended for the benefit of faculty.*
- f. **Capital improvements and equipment.** Student body funds may not be used to make capital improvements or purchase equipment without approval of instructional leader. Such approval is required in order to guard against purchase of substandard equipment which the school district could not maintain at equitable cost and to ascertain that the primary purpose of a purchase is to benefit the student activity program. *Purchase of equipment intended primarily for instructional use shall not be approved.*
- g. **Instructional supplies and equipment.** In secondary schools, student body funds may not be used to purchase instructional supplies and equipment for instructional use.
- h. **Items sold by employees.** Student body funds may not be used to purchase items sold by district employees.
- i. **Medicines.** Purchase of medicines with student body funds is prohibited, except for first aid supplies listed in the district standard stock/nonstock catalog (Procedure 6371).



San Diego Metropolitan Career and Technical (MET) High School

Associated Student Body Audit Report

May 20, 2014

Introduction

The Office of Internal Audit performed an audit of the Associated Student Body (ASB) at San Diego MET High School for the period July 1, 2012 through August 31, 2013, at the request of the current principal.

Student body funds are funds that have been earned or received by the students as a group. These funds are held in the name of the student body organization for the benefit of the student body as a whole. The Superintendent shall have the responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student activity funds in accordance with established policies and regulations of the Board of Education. The Principal, as trustee, is directly responsible for the conduct of student financial activities. The ASB Advisor, under the Principal's direction is responsible for all student activities, clubs, fund-raisers and specific additional duties outlined in district procedures. The Financial Clerk, under the Principal's direction and supervision, is responsible for all handling of cash in connection with these activities.

The former principal, who was in charge of the ASB operations from July 2012 to August 2013, had transferred to another department on 7/1/2013. The current principal assumed the supervision of the ASB operations on 10/21/2013.

The San Diego MET High School ASB checking as of August 31, 2013, had a balance of \$5,180.00. The ASB General Fund constitutes a balance of \$2,236.00 of this total. Approximately \$29,805.00 was deposited and \$30,575.00 was withdrawn between July 1, 2012 and August 31, 2013, through the San Diego MET High School ASB accounts.

Audit Scope

We performed the audit of ASB financial records for the period July 1, 2012 through August 31, 2013 at San Diego MET High School. We examined the procedures being followed, and transactions for cash receipts and disbursements of the ASB funds,

Audit Objectives

- To ensure adequate internal controls are in force.
- To determine if ASB accounts and activities are in accordance with district procedures.
- To determine that expenditures have adequate supporting documentation.
- To determine that record keeping is sufficient to assure efficient and accurate accounting.

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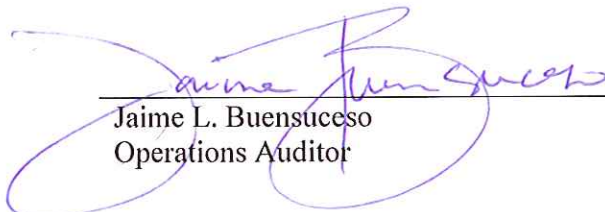
Audit Findings Summary

1. The former principal approved inappropriate expenditures totaling \$5,514.12.
2. Collections totaling \$530.00 were not receipted.
3. Four ASB check stubs and its supporting documentation totaling \$1,342.22 are missing.
4. Two ASB checks totaling \$250.00 were issued without supporting documentation.
5. The proceeds from a fund-raiser totaling \$873.00 were not deposited in the financial office.
6. The ASB requisitions were not completed for expenditures totaling \$10,427.84 charged to the Principal's Fund.
7. The ASB requisitions for expenditures totaling \$1,601.40 were not signed by the student representative.
8. The ASB consultant form was not completed for the payment of services.


Conclusion

In our opinion, the ASB financial activities at San Diego MET High School from July 1, 2012 to August 31, 2013, were not performed in a satisfactory manner and conducted in a manner that violated district policy and procedures. Specifically, the former principal used the Principal's Fund for the former principal's personal benefit and of the staff, and for other expenses that are not in compliance with the use of ASB.

We appreciate the courtesies and cooperation of school personnel during the examination.



Jaime L. Buensuceso
Operations Auditor



W. Stephen Carr
Director, Office of Internal Audit

Audit Findings and Recommendations

1. The former principal approved inappropriate expenditures totaling \$5,514.12.

In 2012, the school received \$10,000.00 donation that was deposited in the ASB Principal's Fund.

District procedure no. 2225, section C.3:

Definition. Student body funds consist of monies collected, contributed, and earned by students through activities such as contests, plays, and sales, including monies given to a particular school for use of students.

District procedure no. 2225, section C.6.e:

Expenditures for faculty. Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. Under no conditions shall student body money be expended for the benefit of faculty.

Review of expenditures from the ASB Principal's Fund showed that the former principal approved expenditures for personal benefit and staff totaling \$5,514.12. This former principal presented that the donation was to be used as the former principal determined needed for providing services at the Met. According to the former principal, the actions behind the check being deposited were not her responsibility, this responsibility belonging to those who were to make the funds available for the former principal's use.

Per the former principal, Met staff presented the check to the district budget office for deposit and that staff in this office instructed to deposit the donation in and use ASB. This would have been inaccurate and instruction that did not fall within the purview of the budget office. Interviews with the budget office staff and Met Administrative Assistant (who managed the check's disposition) did not provide clarity as neither employee remembered the specifics of this check's treatment.

Administrative Procedure 2225, Administration of Student Body Funds C. General 4.

b. Principal. As trustee, shall be directly responsible for the conduct of student financial activities in accordance with this procedure.

To finance expenditures not directly related to the students' benefit and allow expenditures for staff, the correct manner of processing would have the donation deposited into the Met's district discretionary account.

The expenditures were:

Date	Check No.	Description	Amount
09/06/2012	1504	Tuition fee of a teacher – National University	525.00
11/01/2012	1511	Tuition fee of a teacher – National University	525.00
02/19/2013	1539	Conference Registration fee for the former principal and a teacher	425.00
02/26/2013	1541	Conference fee of the former principal	829.80
02/26/2013	1542	Conference expenses of the former principal--	

		taxi 49.50, luggage 50.00, room service 32.58, (Feb. 6-8, 2013)	131.68
02/26/2013	1542	Conference expenses of the former principal—taxi 50.00, luggage 50.00, meals 22.89, (Feb. 21-23, 2013)	122.89
02/14/2013	1538	Dinner at Souplantation of the former principal with staff, parents, and students	185.78
11/29/2012	1516	Laurels for Leaders –luncheon for the former principal and two teachers	90.00
05/10/2013	1558	Teacher Appreciation Day Lunch	150.00
06/20/2013	1576	Day of the Teacher Lunch	28.97
04/26/2013	1556	Remitted to district for hourly budget	500.00
08/22/2013	1577	Remitted to district for teacher’s extra hours	1,500.00
08/22/2013	1578	Remitted to district for substitute Adm. Asst. extra help/training	500.00
		Total	5,514.12

Recommendation

Donations received are accompanied by a donor’s letter specifying the purpose for the donation’s use. Donations not accompanied by a donor’s letter are deposited into the ASB General Fund. Administrative Procedure 2235 *Standard Student Body Receipts*

2. c. Donations of money, unless accompanied by a written statement of the use intended, shall be credited to the general fund; such statement shall be kept on active file. The written statement should contain instructions for disposition of residual funds after the purpose has been accomplished or the purpose for which a donation was made no longer exists.

Donation’s in part for use for staff and district related obligations have a letter specifying the purpose and the donation is deposited in the site’s district discretionary account. Questions related to the conduct of ASB are directed to the Office of Internal Audit.

2. Collections totaling \$530.00 were not receipted.

The verification of written ASB receipts to the funds deposited in the bank revealed that a deposit from 2/26/2013 to 3/1/2013 in the amount of \$530.00 did not have corresponding receipts on file.

As a result, there is limited assurance that the collections deposited in the bank and recorded in the ASB books during that period are accurate. There is also a risk of possible monetary loss since collections were not receipted.

District Administrative Procedure No. 2235, section C.2.e: Receipts. Schools shall issue receipts in triplicate (on receipt machines) for all money collected, except cafeteria funds which are controlled by the cash register. Receipts must be written in sequence. Receipts written after a deposit has been prepared should be dated the following school day.

Recommendation

We require that student body receipt be issued at time money is collected, and enter the activity or fund involved, purpose of collection, and name of person or organization from whom the money was received.

All ASB receipts (used, unused, and voided) must be on file for audit purposes.

3. Four ASB check stubs and its supporting documentation totaling \$1,342.22 are missing.

Four ASB check stubs totaling \$1,342.22 and supporting documentation such as ASB requisitions and invoices are missing as follows.

Date	Check No.	Description	Amount
07/05/12	1502	Yearbook invoice	1,103.54
03/13/13	1548	Snack during CASHEE	60.68
03/18/13	1549	Examination fee	89.00
03/19/13	1550	Examination fee	89.00
		Total	1,342.22

As a result, we were not able to determine the appropriateness of those expenses.

Recommendation

We require that the principal institute practices to assure that all ASB checks have supporting documentation such as invoices and receipts kept on file per district requirements and audit purposes.

4. Two ASB checks totaling \$250.00 were issued without supporting documentation.

Two ASB checks totaling \$250.00 were issued without any supporting documents to support the expenditures as follows.

Date	Check No.	Description	Amount
05/10/13	1558	Teacher Appreciation Day Lunch	150.00
05/10/13	1560	Photography - Prom	100.00
		Total	250.00

As a result, we were not able to determine the appropriateness of those expenses.

Recommendation

We require that the principal institute practices to assure that all ASB checks have supporting documentation such as invoices and receipts kept on file per district requirements and audit purposes.

5. The proceeds from a fund-raiser totaling \$873.00 were not deposited in the financial office.

In December 2012, the Yearbook Club conducted a “Cookie Dough” fundraiser and raised a total amount of \$1,261.00. However, the amount deposited in the financial office was only \$372.00 composed of multiple checks.

The balance of \$873.00, net of \$16.00 shortage (1,261.00 – 372.00 – 16.00) was turned over to the fundraiser representative as payment for the items sold instead of depositing in the financial office as follows.

Cash	\$ 460.00
Money Order	324.00
Check	<u>89.00</u>
Total	<u>\$ 873.00</u>

District Procedure 2235, section C.2.b:

All financial transactions made in any school, except as noted below, must pass through the school office. The principal shall control all collections, deposits, and expenditures of monies made by the school, whether in the form of cash or checks.

Exceptions:

(1) School-initiated responses to requests by nondistrict organizations for collections and drives (Administrative Procedure 9325).

(2) Transactions handled directly for JROTC Brigade Headquarters by JROTC instructors.

(3) PTA collections.

Recommendation

We require that the principal institute methods assuring all collections must be deposited intact in the financial office and all payments paid by an ASB check.

6. The ASB requisitions were not completed for expenditures totaling \$10,427.84 charged to the Principal’s Fund.

We noted that all expenditures (35 checks) charged to the Principal’s Fund totaling \$10,427.84 did not have ASB requisitions.

District Administrative Procedure No. 2437, Section C.2.a:

Student body requisition: A serially numbered, original internal controls form, must be completed as authorization for drawing a student body checks. Approvals of a representative of the student body organization, the ASB advisor or sponsor, and the principal are required.

Recommendation

To comply with administrative procedure, student body requisition should be completed before issuing an ASB check.

7. The ASB requisitions for expenditures totaling \$1,601.40 were not signed by the student representative.

We examined thirty seven (37) ASB requisitions totaling \$16,446.32. We noted that 6 of the 37 (17%) selected expenditures totaling \$1,601.40 were not signed by a student representative.

District Administrative Procedure No. 2437, Section C.2.a:

Student body requisition: A serially numbered, original internal controls form, must be completed as authorization for drawing a student body checks. Approvals of a representative of the student body organization, the ASB advisor or sponsor, and the principal are required.

Education Code, Section 48933 b:

The funds shall be expended subject to such procedure as may be established by the student body organization subject to the approval of each of the following three persons which shall be obtained each time before any of such funds may be expended: an employee or official of the school district designated by the governing board, the certificated employee who is the designated adviser of the particular student body organization, and a representative of the particular student body organization.

Recommendation

To comply with administrative procedure and education code, approval of the representative of the student body organization, the ASB advisor or club sponsor, and the principal is required before issuing an ASB check.

The principal, having responsibility for the ASB, institutes a process that assures compliance to this Education Code and Administrative procedure.

8. The ASB consultant form was not completed for the payment of services.

The ASB consultant form was not completed for the payment of the following services.

Date	Check No.	Description	Amount
01/31/13	1536	DJ for School Dance	300.00
05/10/13	1559	Entertainment - Prom	300.00
05/10/13	1560	Photography - Prom	100.00
05/28/13	1568	Entertainment – End of the Year picnic	80.00
		Total	780.00

The ASB Consultant Form should be completed by the consultant who was hired to perform the service for the ASB. The completed ASB Consultant Form should be submitted to Accounts Payable Department for preparation of Form 1099 - Miscellaneous Income, required by the Internal Revenue Service.

Recommendation

The ASB Consultant Form must be completed by any individual who was not an employee of the district but hired by the school to perform services on behalf of the students.

MEMORANDUM

TO: W. Stephen Carr, Director, Office of Internal Audit

FROM: Lamont A. Jackson, Area Superintendent

DATE: May 12, 2014

RE: San Diego MET Audit Reports

On April 29, 2014, I received a memo regarding San Diego MET audit reports. Based on the audit there were major findings with the Associated Student Body (ASB) and Time and Labor:

Major findings with Associated Student Body (ASB):

1. The former principal approved inappropriate expenditures totaling \$5,514.12.
2. Collections totaling \$530.00 were not receipted.
3. Four ASB check stubs and its supporting documentation totaling \$1,342.22 are missing.
4. Two ASB checks totaling \$250.00 were issued without supporting documentation.
5. The proceeds from a fund-raiser totaling \$873.00 were not deposited in the financial office.
6. The ASB requisitions were not completed for expenditures totaling \$10,427.84 charged to the Principal's Fund.
7. The ASB requisitions for expenditures totaling \$1,601.40 were not signed by the student representative.
8. The ASB consultant form was not completed for the payment of services.

Major findings with Time and Labor:

1. Absences of several employees totaling 56 hours were not recorded in the Time and Labor system.
2. Supporting documentation for absences of several employees totaling 224 hours were missing. As a result the propriety of the absences could not be determined.
3. An employee submitted "Bereavement Leave" form without explanation and comments such as relationship to the employee and location of the funeral.

I am satisfied with the principal's direction to remedy the audit findings. She will ensure that all district policies and procedures are followed. However, the current principal has no jurisdiction to require the former principal and/or teachers to reimburse the Principal's Fund. I recommend any requirement to reimburse the district should be handled by another district office. Thank you for providing me with the information and I look forward to a positive audit in the future.

LJ:lb

Attachments



To: Lamont Jackson, Area Superintendent
From: Sara Leonard, Principal 
Date: May 14, 2014
Re: Responses to San Diego Met ASB & Payroll Time and Labor Audits

Associated Student Body Audit

Finding #1:

The former Principal approved inappropriate expenditures totaling \$5,514.12.

Recommendation #1:

Donations received are accompanied by a donor's letter specifying the purpose for the donation's use. Donations no accompanied by a donor's letter are deposited into the ASB General Fund. Following Administrative Procedure 2235, Section 2.c.

Donation's in part for use for staff and district related obligations have a letter specifying the purpose and the donation is deposited into the site's district discretionary account. Questions related to the conduct of ASB are directed to the Office of Internal Audit.

Response #1:

The current Principal has put in place practices to ensure district procedures are followed in regards to donations received.

Finding #2:

Collections totaling \$530.00 were not receipted.

Recommendation #2:

We require that student body receipts be issued at the time money is collected, and enter the activity or fund involved, purpose of collection, and name of person or organization from whom the money was received.

All ASB receipts (used, unused, and voided) must be on file for audit purposes.

Response #2:

The current Principal has put in place practices to ensure district procedures are met. Student body receipts have been issued at the time money is collected documenting the collection accordingly.

The current Principal has put in place practices to ensure district procedures are met and all ASB receipts (used, unused, and voided) be kept on file for audit purposes.

Finding #3:

Four ASB check stubs and its supporting documentation totaling \$1,342.22 are missing.

Recommendation #3:

We require that the principal institute practices to assure that all ASB checks have supporting documentation such as invoices and receipts kept on file per district requirements and audit purposes.

Response #3:

The current Principal has instituted practices to assure that all ASB checks have supporting documentation such as invoices and receipts kept on file per district requirements and audit purposes.

Finding #4:

Two ASB checks totaling \$250.00 were issued without supporting documentation.

Recommendation #4:

We require that the principal institute practices to assure that all ASB checks have supporting documentation such as invoices and receipts be kept on file per district requirements and audit purposes.

Response #4:

The current Principal has instituted practices to assure that all ASB checks have supporting documentation such as invoices and receipts on file per district requirements and audit purposes.

Finding #5:

The proceeds from a fundraiser totaling \$873.00 were not deposited in the financial office.

Recommendation #5:

We require that the principal institute methods assuring all collections must be deposited intact in the financial office and all payments paid by an ASB check.

Response #5:

The current Principal has instituted methods assuring all collections are deposited intact in the financial office and all payments are paid by an ASB check.

Finding #6:

The ASB requisitions were not completed for expenditures totaling \$10,427.84 charged to the Principal's Fund.

Recommendation #6:

To comply with administrative procedure, student body requisitions should be completed before issuing an ASB check.

Response #6:

The current Principal has instituted practices to comply with administrative procedure ensuring student body requisitions are completed prior to issuing an ASB check.

Finding #7:

The ASB requisitions for expenditures totaling \$1,601.40 were not signed by the student representative.

Recommendation #7:

To comply with Administrative Procedure and Education Code, approval of the representative of the student body organization, the ASB advisor or club sponsor, and the principal is required before issuing an ASB check.

The principal, having responsibility for the ASB, institutes a process that assures compliance to this Education Code and Administrative Procedure.

Response #7:

The current Principal has instituted practices in compliance with Administrative Procedure and Education Code requiring the representative of the student body organization, the ASB advisor or club sponsor, and principal to approve requisitions prior to issuing an ASB check.

The current Principal has instituted a process that assures compliance to this Education Code and Administrative Procedure.

Finding #8:

The ASB consultant form was not completed for the payment of services.

Recommendation #8:

The ASB Consultant Form must be completed by any individual who is not an employee of the district but hired by the school to perform services on behalf of the students.

Response #8:

The current Principal has instituted practices to ensure the ASB Consultant Form is completed by an individual who is not an employee of the district but hired by the school to perform services on behalf of the students.

Conclusion Response:

Since Interim appointment in October 2013 and permanent appointment in December 2013, practices have been instituted by the current Principal to ensure compliance with Administrative Procedures and Education Code.

Payroll Time and Labor Audit

Finding #1:

Absences of several employees totaling 56 hours were not recorded in the Time and Labor system.

Recommendation #1:

We recommend that the principal require the timekeeper to make the corrections by submitting Time Error Correction Notices to payroll.

The principal has the responsibility to institute practices that assures the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

Response #1:

The timekeeper submitted Time Error Correction Notices to payroll on April 30, 2014 to make corrections identified by the auditor.

The current Principal has instituted practices to assure the accuracy and completeness of payroll records and data prior to processing and reporting payroll.

Finding #2:

Supporting documentation for absences of several employees totaling 224 hours were missing. As a result the propriety of the absences could not be determined.

Recommendation #2:

We recommend that the principal require responsible staff to complete an absence request form and that the timekeeper should ensure all absence requests' supporting documentation are on file.

The principal has the responsibility to institute practices that assures the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

Response #2:

The current Principal has instituted practices requiring responsible staff to complete an absence request form and that the timekeeper ensures all absence requests' supporting documentation are kept on file.

The current Principal has instituted practices to assure the accuracy and completeness of payroll records and data prior to processing and reporting payroll.

Finding #3:

An employee submitted "Bereavement Leave" form without explanation and comments such as relationship to the employee and location of the funeral.

Recommendation #3:

We require the bereavement leave form submitted by employees adhere to district requirement and indicate the relationship of the employee to the deceased and the location of the funeral.

Response #3:

The current Principal has instituted practices requiring the bereavement forms submitted by employees adhere to the district requirement indicating the relationship of the employee to the deceased and the location of the funeral.

Conclusion Response:

Since Interim appointment in October 2013 and permanent appointment in December 2013, practices were instituted by the current Principal to ensure compliance with Administrative Procedures and Education Code.

May 21, 2014.

Additional response to the audit information Stephen Carr presented to me May 21, 2014.

community member and supporter of the San Diego Met donated \$10,000 to the Met High School principal November 15, 2012. The funds were for Principal Mildred Phillips to support staff, students, and parents. See attached email from J [redacted] to Mildred Phillips asking her to put the money to good use. The email did not state that the donation was to go into the ASB account.

Fact: Mildred Phillips, former principal of the Met had emailed Stephen Carr February 28, 2011 to get clarification of how donated funds could be utilized. Stephen responded back March 1, 2011. The purpose in contacting Stephen Carr was to make sure donations were placed in correct budgets and utilized appropriately. (See below communication from Stephen Carr) The check from J [redacted] arrived 10-15-12. I had already gotten clarification. I would not have placed the donation in ASB.

Fact: I disagree with the finding in the audit report prepared by Stephen Carr and his staff. I find the report to be inaccurate. Slanderous and not investigated thoroughly.

FACT: The check from J [redacted] was given to Administrative Assistant J [redacted] Principal Mildred Phillips directed J [redacted] to contact budget and Fiscal Control. District staff was to guide J [redacted] with placing the \$10,000 donation in the appropriate budget category. Mildred Phillips utilized the donation in the listed categories: Professional Development, College Access and Success and Parent and Community Engagement.

Fact: J [redacted] took the check to budget and fiscal Control. The departments gave the check back to J [redacted] with directions on how and where to deposit the donation. The \$10,000 check being deposited into the ASB account was obviously at the direction of the budget office, Fiscal Control or at the discretion of J [redacted].

FACT: J [redacted] District budget office and Fiscal Control were aware that the \$10,000 donation from J [redacted] was not to be placed in ASB. Funds were for the principal to utilize at her discretion to support staff, students, and parents.

Fact: Mildred Phillips never directed J [redacted] to place the \$10,000 donation in the Met's ASB account.

Fact: According to Stephen Carr, J [redacted], budget, and fiscal control do not remember how the \$10,000 donation was placed in the Met' ASB account.

Fact: As principal of the Met during the time the \$10,000 check was deposited, I take responsibility for not checking to make sure Administrative Assistant, J [redacted], budget office, and Fiscal Control had deposited the check in the appropriate budget.

Respectfully,

Mildred Phillips

To Stephen Carr: Response to ASB Audit at the San Diego Metropolitan Career and Technical High School

From: Mildred Phillips

Director Secondary Schools Redesign

FACT:

- Mildred Phillips former principal of the Met has never utilized donated funds for personal benefit for herself or Met staff as stated by Stephen Carr-Auditor
- Funds from Wells Fargo Bank and _____ were always utilized to support the Met school and educational needs of staff, students and parents, as written in the grant.

Mildred Phillips, former principal of the Met emailed Stephen Carr February 28, 2011, to get clarification of how donated funds could be utilized. Stephen responded back March 1, 2011. Listed are question from Mildred Phillips and responses from Stephen Carr-Auditor

- **Question from Mildred Phillips:** Can I include in the grant the purchase of gift cards?
- **Response from Stephen Carr:** No. Gift cards are not permissible for any purpose
- **Question from Mildred Phillips:** Can I include in the grant the purchase of refreshments/food for students, parents, and staff activities?
- **Response from Stephen Carr:** For students yes....and for parents and staff-only if the activity is directly related to school business/educational purposes.
- **Question from Mildred Phillips:** Can I include in the grant funds to support staff positions?
- **Response from Stephen Carr:** Staff positions require the approval of Human Resources, Finance Division and the board.
- **Question from Mildred Phillips:** Can I include in the grant Professional Development for Met staff?
- **Response from Stephen Carr:** Yes
- (See attached February 28, 2011 and March 1, 2011 email exchanges from Mildred Phillips and Stephen Carr.

FACT: Principal's Discretionary Fund Account was established by the San Diego Unified School District to place dollars given the San Diego Met to support staff, students and parents. Mildred Phillips-former principal of the Met wrote and submitted a grant to Wells Fargo Bank. The grant specified dollars for the listed categories:

- Professional Development for Met Staff
- Technology
- College Access and Success
- Parent and Community Engagement

FACT: The listed agencies dollar donated to the Met during Mildred Phillips tenure as principal. The checks were immediately given to San Diego Unified Fiscal Control/Budget department to place in the Met High School Principal Account. An account that the district established.

Donations were from:

- Wells Fargo Bank (\$30,000 for Consultant Stedman Graham, staff, students, parents)
- Individual Supporter of the Met and Big Picture (\$10,000 dollars) for staff, students, and parent)

FACT: ASB Funds

- Principal Mildred Phillips has never utilized ASB funds to support any Met High School Activities
- ASB Advisor N and ASB students never raise over \$3,000
- Yearbook Advisor never had over 3,000 for yearbook
- Dollars from Well Fargo and Individual Met supporter; were utilized according to the grant written by Mildred Phillips former principal to support staff, students, and parents
- Mildred Phillips never utilized district dollars are account to support any activity listed by Stephen Carr in his audit of ASB.

FACT: During the time period listed (July 1, 2013-February 28, 2014) in Stephen Carr audit of ASB the 5 Administrative Assistants processed the day to day financial needs of the school. ASB Advisor N and Yearbook Advisor T were on campus during the audit. No one spoke to N or T former Administrative Assistants or Mildred Phillips-former principal.

- (bumped out of the Met to Assessment Services)
- J (promoted to Labor Relations)
- (a sub for a few months)
- (a sub for a few months)
- assigned to the Met Fall 2014

Fact: Recommendation by Stephen Carr page 4 of the ASB audit report

- **Stephen Carr's recommendation:** We require the former principal reimburse the Principal's fund the cost of conference registration fee, hotel accommodations, food and transportation totaling \$1,296.87
- **Mildred Phillips response:** The grant was written and funded by Wells Fargo and Professional Development and conference fees for Met staff was included in the grand and emailed to Stephen Carr for clarification. Stephen Carr in his March 1, 2011 response email to Mildred Philips stated yes for professional development.
- Attending conferences and becoming more knowledgeable of educational best practices is part of professional development. I do not feel I am obligated to reimburse the Principal's fund \$1,296.87

As former principal of the Met and current Director of Secondary, I am part of a network of organizations dedicated to educational issues and high school redesign. I attend present, and serve on panels at conferences sponsored by the listed organizations.

- National Associations of Secondary School Principals
 - Center for Secondary School Redesign
 - National College Board
 - Hewlett Education Foundation
 - Big Picture Learning
-
- **Stephen Carr's recommendation:** We require the former principal reimburse the Principal's Fund the cost of dinner with staff, parents and students, Teacher Appreciation Day, and Day of the teacher
 - **Mildred Phillips response:** Dinner with staff, parents and students-There was a student exchange with students from the Met School in Providence, Rhode Island. The students from Providence attended the Met for three days to learn about the structure of the San Diego Met. Parents and ASB and Yearbook students from the San Diego Met were host families for the students. ASB Advisor and Yearbook Advisor attended the dinner for exchange students, parents, and Met staff. Stephen Carr in his March 1, 2011 response email to Mildred Phillips stated **yes** for food for students and staff if the activity was school related. Engaging students, parents, and Met staff in the exchange of best practiced of the San Diego Met and the Providence Met School is educational and school related. Teacher Appreciation Day and Day of the teacher are most school activities to celebrate teacher dedication to the Met High School and students. I do not feel I am obligated to reimburse the Principal's fund \$364.75 as the activity was school related.
 - **Stephen Carr's recommendation:** We require the former principal and the two teachers reimburse the Principal's Fund the Laurels for Leaders Luncheon totaling \$90.00.
 - **Mildred Phillips response:** Laurels for Leaders is a luncheon held annually for all high school ASB presidents. Met Highs ASB president, ASB Advisor, Internship Coordinator, and Principals Mildred Phillips attended the luncheon to celebrate the success of the ASB president and ASB Advisor. Stephen Carr in his March 1, 2011 response email to Mildred Phillips stated **yes** for food for students and staff if the activity was school related. Laurels for Leaders most certainty is a school related activity. I do not feel obligated to reimburse the Principal's Fund \$90.00.