



## MANAGEMENT LETTER

Board of Directors of  
Mater Preparatory Academy  
Miami, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Mater Preparatory Academy, Miami, Florida as of and for the fiscal year ended June 30, 2020 and have issued our report thereon dated September 14, 2020.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 14, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Not applicable since this was the School's first year of operations.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is: Mater Preparatory Academy (W/L# 3003)

## **Financial Condition and Management**

Section 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Mater Preparatory Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Mater Preparatory Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Mater Preparatory Academy. It is management's responsibility to monitor Mater Preparatory Academy's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we have the following recommendations:

### **ML 2020-01 – Internal Account - Deposits**

Criteria: The School has designed and adopted an internal control system to reduce the risk of misappropriation of assets, including cash by establishing policies regarding cash receipts as the described in the School's Internal Account – Policies and Procedures handbook.

Condition: We noted several exceptions during our audit including: (1) unreconciled differences between the Recap of Collections Forms and the actual bank account deposits; (2) Cash collections over \$15 without the required student receipts; (3) inadequate segregation of duties where the same individual that takes deposits to the bank is also in charge of maintaining the books and recordkeeping for the Internal account; and (4) lack of review and supervision by the School's Principal over the person in this accounting function.

Cause: This condition results from the School's personnel not consistently adhering to the established policies and procedures in the School's Internal Accounts – Policies and Procedures handbook.

Effect: Failure to properly perform the procedures described above can result in misappropriation of the School's cash (deposits)

Recom-  
Mendation: We recommend that the School's personnel adhere to its internal control policies and procedures so that all deposits and cash receipts are properly counted, reviewed, and reconciled to the amounts deposited in the bank account. The internal bank account must also be reconciled timely and reviewed by the School's principal. In addition, we recommend that cash deposits be taken to the bank by personnel (or a third-party service) other than the bookkeeper. Finally, we recommend that the School's personnel be properly trained to ensure compliance with these policies.

Views of  
Responsible  
Officials: See attached management response

**ML 2020-02 – Internal Account - Disbursements**

Criteria: The School has designed and adopted an internal control system to reduce the risk of misappropriation of assets by establishing policies regarding cash disbursements as the described in the School’s Internal Account – Policies and Procedures handbook.

Condition: We noted several exceptions during our audit including: (1) not using a purchase orders prior to initiating a requisition for goods or services; and (2) Checks without the required two signatures.

Cause: This condition results from the School’s personnel not consistently adhering to the established policies and procedures in the School’s Internal Accounts – Policies and Procedures handbook.

Effect: Failure to properly perform the procedures described above can result in misappropriation of the School’s funds.

Recom-  
Mendation: We recommend that the School’s personnel adhere to its internal control policies and procedures relating to the Internal account, so that all disbursements are properly procured, documented, reviewed and authorized prior to funds being disbursed. We also recommend that the School’s personnel be properly trained to ensure compliance with these policies.

Views of  
Responsible  
Officials: See attached management response

**Transparency**

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Mater Preparatory Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Mater Preparatory Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

**Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Miami-Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2020

## MATER PREPARATORY ACADEMY

September 10<sup>th</sup>, 2020

HLB Gravier, LLP  
396 Alhambra Circle, 9<sup>th</sup> Floor  
Coral Gables, FL 33134

RE: MANAGEMENT'S RESPONSE TO AUDITOR'S RECOMMENDATION

The following is the response by the School's Administrator to your recommendations:

### **ML 2020-01 – Internal Account- Deposits**

#### **Recommendation**

We recommend that the School's personnel adhere to its internal control policies and procedures so that all deposits and cash receipts are properly counted, reviewed, and reconciled to the amounts deposited in the bank account. The internal bank account must also be reconciled timely and reviewed by the School's principal. In addition, we recommend that cash deposits be taken to the bank by personnel (or a third-party service) other than the bookkeeper.

#### **Management Response**

Management will adhere to the auditor's recommendation. Continuous oversight of deposits will be performed by the Principal, ensuring that all deposits and cash receipts are properly counted, reviewed and reconciled to the amount deposited in the appropriate bank account. The school Principal will provide continuous oversight of the bank reconciliation and ensure that deposits are taken to the bank by personnel other than the bookkeeper. The school has a new Treasurer that has received training in order to ensure compliance with these policies and procedures.

### **ML 2020-02- Internal Account- Disbursements**

#### **Recommendation**


We recommend that the School's personnel adhere to its internal control policies and procedures relating to the Internal account, so that all disbursements are properly procured, documented, reviewed and authorized prior to funds being disbursed. We also recommend that the School's personnel be properly trained to ensure compliance with these policies.

**Management Response**

Management will adhere to the auditor's recommendation. Continuous oversight of disbursements will be performed by the Principal, ensuring that all disbursements are properly procured, documented, reviewed and authorized prior to funds being disbursed. Additional training will be provided for school personnel to ensure compliance with policies. The school has a new Treasurer that has received training in order to ensure compliance with these policies and procedures.

Sincerely,

X   
\_\_\_\_\_  
Helga Chalas  
Principal, Mater Preparatory Academy

X   
\_\_\_\_\_  
Roberto Blanch  
President, Mater Academy, Inc.