

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
May 12, 2020 (VIRTUAL MEETING)**

The School Board Audit and Budget Advisory Committee (ABAC or Committee) met on Tuesday, May 12, 2020, via the virtual ZOOM webinar platform. This meeting happened during the COVID-19 pandemic.

It is important to note that the part of the meeting related to introductions, attendance and vote-taking differed from the traditional meeting procedures because of the limitations of conducting such procedures under a virtual platform setting. The minutes reflect how these procedures were conducted.

Customarily, the ABAC meeting starts at 12:30 p.m. However, ABAC Chair Mr. Erick Wendelken started the meeting at 12:40 p.m. The extra ten minutes allowed all meeting panelists and attendees to join the meeting virtually, and for the meeting co-host to “lock”¹ the meeting for security purposes.

Call to Order

The ABAC Chair, Mr. Erick Wendelken called the meeting to order at **12:40 p.m.**

1. Welcome and Introductions

The ABAC Chair welcomed the ABAC members to their first virtual meeting. He recognized that the District has previously conducted other virtual meetings successfully and, being the Committee’s first virtual meeting, he hoped that this meeting would be successfully conducted as well. He then turned the meeting over to the Chief Auditor, Ms. Maria T. Gonzalez, so that she would go over the introductory statements to be read for the record.

The Chief Auditor introduced herself and welcomed all those virtually joining the meeting. She recognized this is the first time that the Audit and Budget Advisory Committee holds a virtual meeting (scheduled for today, May 12, 2020). She then proceeded to read the following introductory statement which declared the authority vested in local governments operating under the Sunshine Law to hold public meetings using technology such as video conferencing during an emergency setting (such as the COVID-19 pandemic):

This Regular Meeting conducted by members of the Audit and Budget Advisory Committee and facilitated by the Chief Auditor from the Office of Management and Compliance Audits, is pursuant to the procedures delineated in Board Policy 6840 - Audit and Budget Advisory Committee, and is being held in accordance with Governor DeSantis’ Executive Order 20-69 Emergency Management – COVID-19 – Local Government Public Meetings, suspending certain statutory public meeting requirements that require a quorum to be present in person, or requires a local government body to meet at a specific public place.

Additionally, local government bodies may utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2., Florida Statutes. This Executive Order does not waive any other

¹ “Locking” the meeting is a procedure in ZOOM designed for security purposes. It is done virtually to prevent unauthorized individuals from joining the virtual meeting session and disrupting the meeting deliberations.

requirement under the Florida Constitution and "Florida's Government in the Sunshine Laws," including Chapter 286, Florida Statutes.

2. Attendance of ABAC Members

The Chief Auditor requested that each ABAC member respond "present" after each ABAC member's name is called out to record the member's attendance and ensure that a quorum was achieved for this virtual meeting. Following this procedure, the following ABAC members were present and a quorum for this meeting was achieved:

ABAC Members Present:	
1.	Mr. Erick Wendelken, CPA, ABAC Chair
2.	Mr. Christopher Norwood, J.D., ABAC Vice-Chair
3.	Mr. Jeffrey Codallo, ABAC Member
4.	Mr. Juan del Busto, ABAC Member
5.	Mr. Stephen Hunter Johnson, Esq., ABAC Member
6.	Mr. Jeff Kaufman, ABAC Member
7.	Mr. Albert D. Lopez, CPA, ABAC Member
8.	Mr. Julio C. Miranda, CPA, CFE, ABAC Member
9.	Mr. Rudy Rodriguez, CPA, ABAC Member
10.	Ms. Mari Tere Rojas, School Board Member/ABAC Member
11.	Mr. Isaac Salver, CPA, ABAC Member
12.	Ms. Sharon Watson, Alternate ABAC Member*

*PTA/PTSA President/ABAC member Ms. Beth Edwards did not attend.
Ms. Sharon Watson attended as the PTA/PTSA's alternate ABAC member.

In addition to the ABAC members and following similar attendance-taking procedure, the Chief Auditor recognized **the following meeting panelists that were in attendance**:

13. Mr. Ron Y. Steiger, CFO, Ex Officio (Non-Voting) Member of the ABAC;
14. Ms. Maria T. Gonzalez, Chief Auditor and the ABAC's liaison;
15. Mr. Walter J. Harvey, School Board Attorney;
16. Mr. Alberto M. Carvalho, Superintendent of Schools;
17. Mr. Jaime G. Torrens, Chief of Staff;
18. Mr. Jon Goodman, Assistant Chief Auditor, Office of Management and Compliance Audits;
19. Mr. Luis O. Baluja, Executive Director, Office of Management and Compliance Audits; and
20. Ms. Elsie Berrios-Montijo, Staff Assistant, from the Office of Management and Compliance Audits. Mr. Baluja and Ms. Berrios-Montijo acted as meeting co-hosts/facilitators, in addition to the Chief Auditor.

3. Attendance of District Administration and Other Representatives

The Chief Auditor stated that as a tradition of the ABAC meetings, the room is circulated to have those in attendance each verbally introduce his/her name into the record of attendance; and an attendance log is passed around to collect the signatures of those attending the meeting. In lieu of this attendance-taking/recording procedure, the virtual meeting platform provides a list of the names of those attendees that have joined the meeting via email invitation, and Ms. Gonzalez proceeded to read each entry from the list, which amounted to 30 participants that had joined the meeting; and which consisted of first/last names and titles for the record. She said that although it appears that this list was generated in no particular order, she believed it may be in some sort of alphabetical order of initials. This attendance is reflected in the following table:

Attendees Present:

1. Ms. Marie Izquierdo, Chief Academic Officer	16. Mrs. Perla Tabares Hantman, School Board Chair
2. Ms. Ana Martinez, CFO, Academica	17. Dr. Lawrence S. Feldman, School Board Member/Alternate ABAC Member
3. Mr. Andrew Weidenhamer, National Director, Security, Privacy, Risk Services RSM US LLP	18. Dr. Marta Pérez, School Board Member
4. Mr. Brett Friedman, Partner, RSM US LLP	19. Ms. Susie Castillo, School Board Member
5. Ms. Daisy Naya, Controller	20. Ms. Michele Jones, Esq., Executive Director, CIU
6. Dr. Dorothy Bendross-Mindingall, School Board Member	21. Ms. Mindy McNichols, Assistant School Board Attorney
7. Mr. Eddie McAuliff, Executive Director, ITS	22. Mr. Richard Moreno, Vice-President, Building Hope
8. Mr. Eugene Baker, Chief Information Officer	23. Ms. Sandra West, representing PTA/PTSA
9. Mr. Jose L. Dotres, Chief Human Capital Officer	24. Ms. Tabitha G. Fazzino, Chief Compliance Officer
10. Mr. Joseph Gomez, Interim Chief Procurement Officer	25. Ms. Tamara Wain, CPA, District Director, OMCA
11. Mr. Luis Garcia, Deputy Asst. School Board Attorney	26. Mr. Tom Knigge, Supervisory Special Agent, OIG
12. Dr. Magaly C. Abrahante, Assistant Superintendent	27. Mr. Tony Vu, Treasurer
13. Mr. Mario de Barros, Chief Procurement Officer	28. Mrs. Valtena G. Brown, Dep. Supt./Chief Operating Officer
14. Mr. Michael Fox, Risk and Benefits Officer	29. Mr. Michael Hernandez, CPA, Audit Supervisor
15. Mr. Luis E. Diaz, Assistant Superintendent	30. Ms. Tiffanie Pauline, Asst. Superintendent, Charter Schools

She added that other individuals may be watching the meeting since it is being broadcast live; however, the names of those individuals are not known or captured on any list, and could not be entered into this record of participation/attendance.

4. Instructions for Deliberations During Virtual Meeting

Before proceeding, at the request of the ABAC Chair, the Chief Auditor read the following protocols for ABAC members and participants to follow. This was to ensure that the virtual meeting was conducted smoothly and following/observing proper decorum:

- Kindly direct all statements and comments “through the Chair” and wait to be recognized by the Chair before making comments.
- All ABAC members will be unmuted during the meeting. The Chair asks that ABAC members mute their microphones when not making comments to reduce unnecessary background noise during the meeting.
- An attendee wishing to speak to an item should “raise his/her hand” using the appropriate feature in the ZOOM tool bar. If the attendee is participating via telephone, he/she can “raise his/her hand” by pressing *9 (star and the number 9).
- There may be several attendees wishing to make comments simultaneously. Co-hosts are managing the queue of individuals waiting to make comments. The attendee wishing to make a statement will be brought into the meeting as soon as possible and then returned to his/her previous status at the conclusion of his/her comments.
- Regardless of whether an ABAC member is making a motion, answering a question, or making a comment, please wait to be recognized by the Chair. Once the ABAC member is given the floor, please identify yourself by stating your first and last name prior to

speaking. When you have finished making your statement, please conclude by saying "This concludes my comments."

- When making or seconding a motion, please, clearly state your name so that it can be stated/captured/documentated for the record.

Lastly, all were reminded that this meeting is being video recorded and broadcast live, closed captioned, to the public.

5. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of February 4, 2020 (ACTION)

ABAC Chair Mr. Erick Wendelken presented the item and asked if there were any questions regarding the minutes.

ABAC member Mr. Isaac Salver stated that clarification was needed regarding item 7 of the February agenda that was reflected on page 9 of the minutes. He was referring to a question that he had posed during the meeting regarding negative net positions. Mr. Salver said that although the question was answered at the meeting, he had requested and had received additional information from Ms. Maria Gonzalez (Chief Auditor) regarding the School Board's financial statements. Mr. Salver further stated that although the statements received were not necessarily year-end financial statements, but interim financial statements, they showed a negative net position, and this additional information clarifying his question was not reflected in these minutes. He had also requested from the Chief Auditor to send out a communication with this additional information to the ABAC members; however, the Chief Auditor had decided not to do that.

In response to Mr. Salver's comments and at the request of the Chief Auditor, Chief Financial Officer Mr. Ron Y. Steiger replied that he had provided the additional information to Mr. Salver, and he thought that he and Mr. Salver were in agreement regarding that information; however, he understood now that Mr. Salver's request was a clarification of the minutes themselves, which reflect what was said at the meeting. In response, Ms. Gonzalez replied that the minutes reflected exactly what was discussed at the meeting; therefore, no additional clarification or communication was required. No other follow-up comments were made or questions posed on this issue.

School Board member/ABAC member Ms. Mari Tere Rojas referred her question to information on page 3 regarding the presentation of the Special-Purpose Financial Statements and Report of the Independent Certified Public Accountants Operation of WLRN Television and Radio Stations for the year ended June 30, 2019. This presentation to the ABAC had been made by Ms. Cynthia Borders-Byrd, Managing Member of C Borders-Byrd, CPA LLC. According to the minutes, Ms. Borders-Byrd had stated that the report presented an unmodified opinion, that she was currently working with the Administration on the stations' Annual Financial Report, and that this information was to be filed electronically with the Corporation for Public Broadcasting (CPB) by February 13th as required by CPB's statutory requirements. Ms. Rojas inquired if this report was submitted and if not a report, if the information was submitted in general.

The Chief Auditor replied that after the ABAC meeting, she confirmed with Ms. Borders-Byrd that the information was electronically submitted to the CPB. Ms. Gonzalez explained that the filing of certain financial information required by the CPB is uploaded by the Controller's Office in the CPB's website. Once that information is entered in the website, Ms. Borders-Byrd attaches the stations' financial statements certifying that they are fairly/properly stated; and all that financial

information/statements are accessible to the CPB for review. After submission, the CPB performs a 'desk' review of this information, and once that review is completed, it notifies the District that the report has been received and accepted. According to Ms. Gonzalez, the Controller's Office could confirm her overall description of the process since that office is involved in this process. At the request of the Chief Auditor, the District's Controller Ms. Daisy Naya confirmed that the Chief Auditor was 100 percent correct in her description of the process, and that the filing of what the CPB refers to as the AFR was done either February 12 or February 13 but certainly before February 14, with the approval of the CPB. School Board member/ABAC member Ms. Rojas thanked Ms. Naya for the clarification. No other follow-up was required.

School Board member/ABAC member Ms. Mari Tere Rojas also requested clarification regarding the minutes on page 12 that reflected a request to receive MECA's 3-5 year plan, and plans for MECA to hold a meeting in early May. Her specific questions were: 1) whether a plan was available to the ABAC and; 2) whether a meeting had taken place.

The Chief Auditor replied that she had contacted Mr. William McAuliff, MECA's Executive Director, seeking an update of the plan and information regarding the May meeting. In response, she received email correspondence from Mr. McAuliff stating that MECA members had met in March to discuss the concerns posed by the ABAC members. He also stated that a quorum was reached at the MECA meeting. During that March meeting, he explained that MECA members had agreed to contact their business partners to communicate the need for donations; however, some of those business partners (i.e., hotels/restaurants) had suspended business operations due to the COVID-19 pandemic, and this issue remains pending until business normalcy is regained. The Chief Auditor also confirmed with Mr. McAuliff that the meeting scheduled for May did not take place, and MECA has not drafted a plan so far. Ms. Rojas appreciated the update and said that she would request a follow-up at the proper time. The ABAC Chair requested that follow-up regarding a plan be placed on the ABAC agenda for the meeting in July.

Before making the meeting's first motion, the Chair polled the ABAC members for a decision as to the methodology for polling and documenting the vote during this meeting; whether by requesting a simple show of hands to first identify those in favor and then those against; or by calling each member's name to obtain a person-to-person vote. School Board Attorney Mr. Walter J. Harvey explained that the method for vote-taking was left at the discretion of the Chair. He explained that, depending on whether the Chair felt that there was unanimous agreement, the Chair could request a show of hands and then verbally state all in agreement, or request a person-to-person individual vote. It was agreed that a show of hands to take the vote was best in this case.

A motion was made by ABAC member Mr. Stephen Hunter-Johnson and seconded by School Board Member/ABAC member Ms. Mari Tere Rojas, for the approval of the minutes of the February 4, 2020, ABAC meeting. At the request of the Chair, all ABAC members in favor of the motion were requested to raise their hands. Based on the affirmative show of hands viewed from all the ABAC members, the Chair verbally stated all were in agreement, and the motion carried unanimously to approve the minutes of the ABAC meeting of February 4, 2020.

6. Engagement: Network Security Testing Services (INFORMATIONAL)

The Chief Auditor introduced the subject report and stated that she would first introduce the contents of the memorandum that was included with this report as part of the agenda to put this project into proper context. She also stated that prior to discussion of this item, she would request

a few words from the School Board Attorney regarding this project and report. She also introduced Mr. Andrew Weidenhamer, National Director, Security, Privacy, Risk Services RSM US LLP who oversaw the team that performed this security testing services project.

According to the Chief Auditor, the *Network Security Testing Services* project (otherwise referred to as a PEN test) was included in the 2019-2020 Audit Plan in response to School Board Agenda Item H-9 Revised *Cyber Security In Miami-Dade County Public Schools* that was proffered by School Board Member Ms. Mari Tere Rojas and that was approved by the Board at its meeting of July 25, 2018. Inclusion of this project in the Audit Plan was also in response to concerns voiced by several Audit and Budget Advisory Committee members regarding emerging global cybersecurity issues that were brought to light during some of their meeting discussions.

She added that, subsequent to the School Board's approval of her office's 2019-2020 Audit Plan at its regularly scheduled meeting of July 24, 2019, she and members of her administrative team held various meetings with RSM US LLP, the firm selected to perform this test, to discuss the various details related to this project and its engagement. During interactions and discussions with the vendor, her office sought input from administration from ITS and Risk Management, as well as from the School Board Attorney's Office. The contract for the testing services was executed on January 10, 2020, and the vendor performed the agreed upon services between January and February 2020. The final report was issued in April 2020, once details were discussed and vetted with ITS management. She noted that the detailed report is exempt by Florida Statutes from public access or disclosure due to the confidentiality of the subject matter. Instead, at this meeting, the vendor's transmittal letter is being presented for informational purposes only. She also noted that, based on records available in the Office of Management and Compliance Audits, a similar test had not been engaged by her office since March 2007.

Next, the Chief Auditor asked School Board Attorney Mr. Walter J. Harvey, to explain the issue of confidentiality in regards to this report. Mr. Harvey emphasized that the subject matter of this report is highly sensitive and confidential, and the content of this report is exempt from disclosure pursuant to the Public Records Act, as indicated in the letter from the consultant. This report is also exempt from the Sunshine Law, which is also part of Chapter 286 of the Florida Statutes.

Mr. Harvey stressed that given the sensitive nature of this report, and as he concurs with what is recommended by the security consultant, specific details of this report should not be discussed and/or disseminated at this public meeting due to the possibility of compromising the School Board's informational and security systems. He concluded his comments by stating that pursuant to the consultant, all confidential matters involved in this report have been discussed with appropriate District staff.

School Board member/ABAC member Ms. Mari Tere Rojas thanked both the Chief Auditor and the Board Attorney for their comments, and she said that she fully understood the high level of confidentiality and sensitivity of this information, and that it is not for public consumption. However, she noted that the only time that Board members can address similar confidential issues is through an Executive Session and inquired how soon they could hold this type of session to discuss all of the facts. The Chief Auditor requested from Mr. Harvey if he could go over the proceedings associated with an Executive Session and how such session can be arranged.

Mr. Harvey addressed the specific Board Policy that allows for discussion of safety and security measures of the Board. According to him, the Board members would have to be notified of the desire to discuss confidential security matters. He explained that once the Board is notified, a

meeting must be scheduled according to Board Policy. After the proper instructions are read at that meeting, then the Board can engage in discussion. He said that the content of the discussion, of the meeting remains confidential, and each participating individual is obligated not to disclose the contents outside the meeting, unless the information becomes public at a later date. He explained that during course of the pandemic, it is very difficult if not impossible to have a security meeting of this sort, given that only certain individuals are allowed to observe, information is disseminated at the onset of the meeting and the information is collected at the end of that meeting; and he believes this is not possible under a ZOOM or similar technology meeting platform because confidentiality is not guaranteed. His recommendation is to wait until the Board members can meet face-to-face to conduct such meeting according to Board Policy.

The Chief Auditor thanked Mr. Harvey for this clarification, since she had conferred with his office regarding this confidential matter, and she also believes the correct course of action during this pandemic is to wait for a face-to-face meeting.

ABAC Chair Mr. Wendelken asked Ms. Rojas if she was satisfied with this answer. She replied that she wanted to ensure that the School Board would not be adversely impacted by delaying receipt of this information for a longer period, and was satisfied with the recommendation from the Board Attorney and the Chief Auditor.

ABAC member Mr. Rudy Rodriguez was pleased with the project and stated that this was something needed since it has not been performed for 13 years. He said that consideration should be given to have a time certain review of this area, let it be one, two or three years for this review of the network to take place. ABAC member Mr. Albert Lopez agreed with ABAC member Mr. Rodriguez's comment and said this was a very appropriate project and something to be considered on a time certain schedule. He then noted that he did not see a similar test scheduled in the Annual Plan for 2020-2021 and inquired as to how this Committee would be informed of any issues discovered during a security testing such as this one. The Chief Auditor thanked both Mr. Rodriguez and Mr. Lopez for their comments and reiterated to Mr. Lopez what the School Board Attorney previously stated, namely, that details of this report must be kept confidential from the public for security reasons, and this is in alignment with Florida Statutes that allow for this type of confidentiality and non-disclosure.

ABAC member Mr. Juan del Busto stated that he agreed with both ABAC members Mr. Rodriguez and Mr. Lopez that this type of test was critical given the daily changes and evolving nature of cybersecurity; but he also agreed with School Board Attorney Mr. Walter Harvey and the Chief Auditor that a virtual meeting to discuss cybersecurity issues is neither appropriate nor secure. He added that he is member of a board that deals with cybersecurity issues; and those board members are not conducting any virtual meetings on cybersecurity. He added that such meetings must be conducted face-to-face in a locked environment since unknown individuals can break into these virtual platforms and gain access to the information disclosed during these types of virtual meetings/calls. Therefore, he agrees that a virtual meeting on cybersecurity is not appropriate at this time.

ABAC Chair Mr. Wendelken noted that the representative was ready for his presentation.

At this time, the Chief Auditor introduced the representative responsible for the project, Mr. Andrew Widenhamer to present his transmittal letter to the ABAC members.

Mr. Widenhamer introduced himself as National Director of Security for RSM US LLP. He stated that his team led the security testing efforts for the School Board engagement. They performed a standard but best practices security testing and the focus of these tests was to identify technical issues and vulnerabilities against a number of assets that the District owns and manages. All the tests were completed by February 2020, with the results and report issued in April 2020. He closed by stating that the results are exempt from public disclosure in order not to subject the School Board to additional risk.

ABAC Vice-Chair Mr. Christopher Norwood inquired if the Chief Auditor was aware of the details of the report. Ms. Gonzalez stated that she was aware of the details of the report.

School Board member/ABAC member Ms. Mari Tere Rojas inquired about the actual contract for these services and if the contract could be discussed. School Board Attorney Mr. Harvey replied that the contract is public; however, he cautioned that to the extent that the questions start moving toward addressing specific testing or content details, the questions must steer away from that.

In response to Ms. Rojas' question, the Chief Auditor brought to the attention of the audience that her memorandum included a brief chronology of the meetings/teleconferences held with the potential vendor, and with management to go over the extent of testing, potential liability/legal issues and timelines. She added that the reason for the time invested in the drafting of the contract was to make certain that all "t's were crossed and all i's were dotted"; and to also ensure that in no way, shape or form the execution of this project would hamper scheduled online student testing or the online employee health insurance enrollment process.

Upon a request to bring Mr. Eugene Baker and Mr. Eddie McAuliff into the discussion for possible questions regarding this project, Chief of Staff Mr. Jaime Torrens cautioned the virtual audience that questions to ITS management might expose information that should be maintained confidential. The ABAC Chair agreed not to proceed with the discussion and commented that testing of this nature should be done more frequently. The Chief Auditor agreed.

In closing, the Chief Auditor remarked that this item was presented early in the agenda to facilitate the presentation of the representative from RSM US LLP who is not stationed locally but out-of-state. She thanked Mr. Widenhamer and Mr. Harvey for participating in the presentation and for providing valuable information and advice to the ABAC.

No additional questions were posed by ABAC members. This report was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

7. State of Florida Auditor General Report No. 2020-163 – Miami-Dade County District School Board Financial And Federal Single Audit For The Fiscal Year Ended June 30, 2019 (ACTION)

The Chief Auditor introduced the item and explained that this year, the subject report is the financial statement and Single Audit performed by the State of Florida Auditor General (AG). She added that the AG conducts this audit every three years (on a three-year cycle).

Ms. Gonzalez noted that in this audit report, the State of Florida Auditor General (Auditor General), concluded that, in their opinion, "...the Miami-Dade County District School Board (District's) basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards." This language constitutes an unmodified opinion. In conjunction

with the yearly audit of the school system's financial statements, the Auditor General issued its report, which contains one finding on the reporting of discretely presented component units (charter schools) and corresponding recommendation. It also contains the District's response which does not agree with the finding. According to management's response, their disagreement is based on Governmental Accounting Standards Board literature as well as the independent auditor's opinion, which supports the position of the District that charter schools are not deemed to be component units, and should be excluded from the Comprehensive Annual Financial Report. She also noted that this disagreement between the District and the AG dates back several years, to around 2013, under the tenure of a different CFO.

The Auditor General also conducted the Federal Single Audit of the Miami-Dade County District School Board for the fiscal year ended June 30, 2019. The audit, which encompasses both financial and compliance components, was performed to determine the District's adherence to the requirements described in the United States Office of Management and Budget Compliance Supplement, applicable to each of its major Federal programs. The results of their audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs, except for the Hurricane Education Recovery program where they issued a finding. This represents a qualified opinion on the Hurricane Education Recovery Program and an unmodified opinion on each of the other major Federal programs.

According to the finding, the District had misreported to the Florida Department of Education (FDOE) the count of misplaced students, which resulted in questioned costs totaling approximately \$1.28 million. In the management's response, the District stated that it has refunded this amount to the FDOE, which represents 0.27 percent of total expenditures reported in the District's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2019. The District also stated that procedures regarding the count of displaced students have been enhanced to ensure that this data is accurately reported to the FDOE. This concluded the Chief Auditor's presentation.

School Board member/ABAC member Ms. Mari Tere Rojas thanked the Chief Auditor for the presentation of this comprehensive report and noted that at the end of the day, audits such as these help the District administration move forward and assist improving how the District delivers services and maintains/promotes compliance.

Ms. Rojas pointed to the two issues in this report that gave her concern: 1) the misreported count of misplaced students to the FDOE which resulted in the \$1.28 million questioned costs; and 2) the disagreement on the reporting of discretely presented component units in the CAFR. She first wanted to know if/when the funds were returned to the FDOE; and whether the Board was informed via memorandum or similar correspondence that funds were being returned. At the request of the Chief Auditor, Chief Financial Officer Mr. Ron Y. Steiger responded that the funds were returned in February of this year, and that the Board was informed of this specific issue when this audit report reported the finding. Ms. Rojas further requested clarification as to management's response where it stated that enhanced procedures were in place to prevent the overreporting going forward; and wanted to know who was going to monitor these enhanced procedures. Mr. Steiger replied that this was a brand-new grant received this past year, and the error ensued when the documentation to report its use was completed in a short turnaround time. This year, when the form for this grant was being independently reviewed by the Budget Office, he said that the error was discovered at the same time the audit was being conducted by the AG.

District staff worked with the AG to calculate the amount overreported and the procedures have changed to ensure this overreporting does not happen again.

Regarding the finding on the disagreement on the reporting of component units, Mr. Steiger said that as Ms. Gonzalez briefly stated in her presentation, this is not a new issue. This disagreement dates back several years. He pointed that other school districts to the north of Miami-Dade disagree as well. He added that the external auditor has agreed with the District's position on this issue, the GASB rules are on the District's side, and the District respectfully agrees to disagree with the AG. Ms. Rojas recapitulated that in this case, the District will keep its stance and it will be interesting to see what happens next time the AG audits the District during their next audit cycle.

ABAC member Mr. Albert Lopez inquired as to the internal control breakdown that led to the \$1.28 million overreported expenses under the grant. CFO Mr. Steiger again explained that this was a new grant with a very tight reporting timeline and the control breakdown happened with him, when due to this tight reporting timeline, he filled out the form with the data provided by the Federal & State Compliance Office and ITS without going through the proper checks, and without taking into account those students that had withdrawn earlier before the counts. The following year, because this was no longer a new grant, there was time to go over the proper checks, and upon review of last year's interpretation of the data reported under this grant, this issue came up, a group conversation ensued at the same time the AG was inquiring about the grant and both District staff and the AG staff agreed that the counts had been misreported during the first year of the grant. Mr. Steiger clarified that this reporting error is not a systemic issue, he affirmed that it did not happen under any other grant, and the issue has been corrected. Mr. Lopez understood that there is a control in place now, where others check the information before the CFO receives the information, and that this incident was the result of a timing issue. He thanked Mr. Steiger for his candid response and open explanation.

ABAC member Mr. Juan del Busto said that he completely agrees with the position of the District disagreeing with the AG, and the response provided by the District regarding not including charter schools in the CAFR, especially if the District has no control over the charter schools' financials.

The Superintendent of Schools wanted to thank the efforts of both external and internal audit teams. In this report, he said two issues were reported, and the fact that both the financial and Single audit came up with unmodified opinions, except for the small grant is quite impressive. He said that, regarding the charter school issue, the external auditor sided with the District; and acknowledged that going counter on this issue could result in unwarranted liability. He closed by stating that as School Board member/ABAC member Ms. Rojas previously said, he agreed that the Administration looks at every audit, reflects on the findings/recommendations, embraces recommendations for the most part, and moves forward with executing strategies to improve processes and services. He thanked the ABAC for the opportunity to provide this comment.

Lastly, ABAC member Mr. Rudy Rodriguez gave a brief explanation of GASB Board accounting principles and how they apply to financial statement presentation, and concurred with Mr. del Busto and the Superintendent's comments, both of which support the position of the District that charter schools are not deemed to be component units, and they should not be included in the presentation of the CAFR.

ABAC Chair Mr. Wendelken agreed that in terms of charter schools, District oversight does not mean control.

There being no additional questions or comments, a motion was made by School Board member/ABAC member Ms. Mari Tere Rojas and seconded by ABAC member Mr. Stephen Hunter Johnson, which via a show of hands from all ABAC members, carried unanimously, to recommend that the **State of Florida Auditor General Report No. 2020-163 – Miami-Dade County District School Board Financial And Federal Single Audit For The Fiscal Year Ended June 30, 2019**, be received and filed by the School Board.

8. Presentation of the Audit of the Educational Facilities Impact Fees Agency Funds of Miami-Dade County, Florida, Financial Report as of September 30, 2019 (ACTION)

The Chief Auditor introduced the subject report and explained that a similar audit of the District's Impact Fee Agency Funds for FYE June 30, 2019, had been performed by the external audit firm of Cynthia Borders-Byrd, CPA, and had been brought to the ABAC for discussion in December 2019. This time, she noted that this audit being presented today is that audit's counterpart, namely, the yearly audit of the Educational Facilities Impact Fees Agency Funds of Miami-Dade County, Florida (the County). Regarding the subject report, the basic financial statements of the Educational Facilities Impact Fees Agency Funds (the Agency Funds) of Miami-Dade County, Florida, as of September 30, 2019, were audited by the external audit firm of RSM US LLP.

Ms. Gonzalez noted that this audit is required pursuant to the Interlocal Agreement between the School Board of Miami-Dade County (the School Board) and the Board of County Commissioners of Miami-Dade County (the County). The County accounts for the Agency Funds' activities in separately identifiable funds within its agency funds. Audited financial statements, along with the opinion letter from the external auditors engaged for these audits are to be provided to both the School Board and the County each year.

The Chief Auditor noted that in this report, the external auditors issued an unmodified or clean opinion and stated that "the financial statements...present fairly, in all material respects, the assets and liabilities of the Educational Facilities Impact Fees Agency Funds of Miami-Dade County, Florida as of September 30, 2019, and the changes in assets and liabilities for the year ended in accordance with accounting principles generally accepted in the United States of America". She added that the report does not cite any audit findings.

As of September 30, 2019, the carrying amounts of the Agency Funds' pooled cash and cash equivalents and investments with the County was approximately \$7.4 million. This balance represents an increase of 57 percent when compared to the prior year. Ms. Gonzalez added that last year, the balance was about \$4.7 million. She concluded by stating that Mr. Brett Friedman, partner with RSM US LLP was available for any comments/questions, but in her opinion, this is a very positive and clean report.

Mr. Brett Friedman stated that Ms. Gonzalez summarized the report well, the report provided an unmodified opinion, there were no issues or concerns presented by this audit, and he was available for any questions.

There being no additional questions or comments, a motion was made by ABAC member Mr. Jeffrey Codallo and seconded by ABAC member Mr. Isaac Salver, which via a show of hands from all ABAC members, carried unanimously, to recommend that the **Audit Report of the Educational Facilities Impact Fees Agency Funds of Miami-Dade County, Florida, Financial Report as of September 30, 2019**, be received and filed by the School Board.

9. Follow Up Review Report on the Audit of the District's Self-Insured Healthcare Program and Audit of the District's Procurement Operations: Solicitation, Selection and Award Processes (ACTION)

The Chief Auditor introduced the subject audit report and stated that initially this report was going to be presented at the March 17, 2020, Audit and Budget Advisory Committee (ABAC) meeting that was canceled due to the COVID-19 pandemic and it is being presented at this meeting. As part of the Audit Plan for 2019-2020, this is a follow-up audit to two performance audits conducted by her office last year: 1) the Healthcare audit; and 2) the Procurement Audit.

Regarding the Healthcare audit, internal audit staff found that of the three agreed-upon recommendations/corrective actions, one had been fully implemented, one partially implemented, and one not implemented as of February 2020. The corrective actions not fully implemented relate to the contract for Administrative Services Only (ASO) having not been timely executed. Management indicated the cause of this non-implementation was a delay in the resolution of contract negotiations with various District bargaining units for salaries and benefits. In anticipation of this virtual meeting, her office had contacted Administration who stated the ASO contract with Cigna for the period beginning January 1, 2020, was executed on March 13, 2020. This was verified by her office as well.

Regarding the Procurement audit, four of the five recommendations/corrective actions have been fully implemented and one has been partially implemented as of February 2020. Although the bidder experience and performance verification process was enhanced subsequent to OMCA's audit recommendations, during this follow-up, her office found that the process was not always followed. In anticipation of this virtual meeting, OMCA staff contacted Administration who stated that it has further enhanced the controls over bidder references subsequent to this follow-up report.

At the request of the ABAC Chair, Assistant Chief Mr. Jon Goodman agreed with the Chief Auditor's summary presentation and stated that he was available for any comments/questions regarding this follow-up audit report.

School Board member/ABAC member Ms. Mari Tere Rojas was appreciative of the charts in the report starting on page 5 that delineate the follow-up. She stated they were easy to understand. She inquired if the contract was now fully executed and performance guarantees included in the new contract. Mr. Goodman responded affirmatively to both questions and added that the contract was fully executed on March 13th. Regarding the results of the follow-up to the Procurement Audit, she was very pleased with the results. She closed by thanking CFO Mr. Steiger, Risk Benefits Officer Mr. Fox, Chief Procurement Officer Mr. de Barros and Interim Chief Procurement Officer Mr. Gomez for their fine work performance as reflected in the follow-up audit report.

School Board Chair Mrs. Perla Tabares Hantman posed several inquiries regarding the follow-up audit to the Healthcare audit which was to be presented to the Board on May 20, 2020, under School Board Agenda Item E-88. She explained that these inquiries date back to the time that she received this report, initially to be presented at the Audit and Budget Advisory Committee meeting of March 17, 2020, that was canceled due to the COVID-19 pandemic. She thanked School Board member/ABAC member Ms. Mari Tere Rojas for touching upon some of the issues that the School Board Chair wanted to bring to the table. Her first comment was regarding finding one on page 5 of the report, where it was stated that the Administrative Services Only (ASO) agreement was signed 794 days (approximately 2 years and 2 months) after its effective date.

She remarked that it sounded like an incredible amount of time for a contract not to be signed and further commented that the absence of an executed contract presents a risk to the District. At her request for a response, Mr. Steiger clarified that the contract was executed on March 13, 2020. In addition to her first question, she pointed to the third column on same chart where it stated that the District was working on a new contract with an effective date of January 1, 2020, and inquired about the status of this contract. Mr. Steiger similarly replied that the contract had been executed as of March 13, 2020, and is now implemented.

School Board Chair Mrs. Perla Tabares Hantman thanked Mr. Steiger for the responses provided to her questions, and stated that she wanted to bring these questions to the ABAC for a response and to place the questions as well as the responses on the record. ABAC Chair Mr. Erick Wendelken thanked Board Chair Mrs. Hantman for her participation.

There being no additional questions or comments, a motion was made by School Board member/ABAC member Ms. Mari Tere Rojas and seconded by ABAC member Mr. Juan del Busto, which via a show of hands from all ABAC members, carried unanimously, to recommend that the **Follow Up Review Report on the Audit of the District's Self-Insured Healthcare Program and Audit of the District's Procurement Operations: Solicitation, Selection and Award Processes**, be received and filed by the School Board.

10. Presentation of Internal Audit Report - Selected Schools/Centers (ACTION)

The Chief Auditor introduced the subject report and stated that this report was going to be presented at the March 17, 2020, Audit and Budget Advisory Committee (ABAC) meeting that was canceled due to the COVID-19 pandemic.

This audit report included the audit and property inventory results of 50 schools/centers. These include 20 schools/centers that report to the North Region Office and 30 schools/centers that report to the Central Region Office. For all schools/centers, the audit scope is one fiscal year ended June 30, 2019. At one school/center, there was a change of Principal since the prior audit.

The financial statements were fairly stated for all 50 schools/centers in this report. Audit and property inventory results were mostly satisfactory. At 49 schools, there was compliance with internal funds procedures, while at one school/center, the internal auditor cited certain non-compliance with controls over bookkeeping practices and procedures over the disbursements of internal funds. She pointed to the table on page 1, where the finding and conditions are summarized, showing that the Treasurer during the audit period is no longer at the school and an experienced Treasurer has been hired.

ABAC member Mr. Albert Lopez inquired about the school with findings, and noted that this is the second time that internal controls have failed at this school. He noted that significant weight has been placed on the new Treasurer and inquired whether training was provided to the Principal since the Principal has been the same since the prior audit. Deputy Superintendent/Chief Operating Officer Mrs. Valtena G. Brown stated that both the Principal and Treasurer are provided training. At this school, she explained that there have been different Treasurers during these past two audits, and her office is closely working with the Office of the Controller to provide oversight and additional support to the school. Regarding the Principal, she added that in addition to training, some objectives have been placed on his performance planning and these will be monitored quarterly to ensure progress.

School Board member/ABAC member Ms. Mari Tere Rojas was delighted to see that 49 of 50 schools were compliant and wanted to thank Deputy Superintendent/Chief Operating Officer Mrs. Valtena G. Brown and Chief Human Capital Officer Mr. Jose L. Dotres for providing training and support opportunities to school staff and administration, and especially all the training options available to Treasurers. She also wanted to thank Administrative Director Ms. Cynthia Gracia who recently retired, for her untiring efforts and her pivotal role in promoting and facilitating the quality of training that was afforded to Principals and Treasurers when Ms. Gracia was involved in these training initiatives of school staff and administration. Ms. Rojas also gave kudos to the Region Superintendents, the Principals and Treasurers of those schools who did an outstanding job and who achieved great audit results as reflected in this report.

There being no additional questions or comments, a motion was made by School Board member/ABAC member Ms. Mari Tere Rojas and seconded by ABAC member Mr. Juan del Busto, which via a show of hands from all ABAC members, carried unanimously, to recommend that the **Internal Audit Report - Selected Schools/Centers**, be received and filed by the School Board.

11. Presentation for 59 of 134 Charter Schools Audited Financial Statements and Three (3) Community Based Organizations (CBOs) FYE June 30, 2019 (ACTION)

The Chief Auditor stated that this presentation consists of the review of the certified financial statements of 59 charter schools and three CBOs for the fiscal year ended June 30, 2019. These include 32 charter schools that were ready to be presented at the March ABAC that was canceled due to the COVID-19 pandemic, and an additional 27 charters that were reviewed after March. The 59 charter schools and three CBOs reported herein represent the last group of financial statement reviews to be brought to the ABAC this fiscal year.

The Chief Auditor noted that none of the 59 charter schools in this group met a condition of financial emergency or a deteriorating financial condition as of June 30, 2019, and therefore no formal corrective or oversight action is mandated by Section 1002.345, Florida Statutes. She further detailed that of the 59 charter schools in this group, 37 were free of significant fiscal issues. The certified financial statements of the remaining 22 charter schools disclosed that the external auditor's report indicated one or more findings in the individual charter school's Management Letter. In these instances, charter school management provided corrective actions responsive to the issues. Regarding the three CBOs, her office determined that the certified financials are financially sound.

Ms. Gonzalez stated that at the last ABAC meeting in February, some concerns were voiced regarding charter schools that presented Management Letter findings and Ms. Tiffanie Pauline's office, whose staff is responsible for providing support to these charters, has been working with these charters regarding these issues. Additionally, OMCA staff has been in communication with Ms. Pauline's office regarding this matter. Ms. Gonzalez finalized her presentation by stating that both Mr. Goodman from her office and Ms. Tiffanie Pauline from the District's Charter School Support were in attendance and available for any comments/questions.

At the request of the ABAC Chair, Mr. Goodman replied that he concurred with the summary presentation made by Ms. Gonzalez. He added that some of the charter school representatives were in attendance at this meeting in case of any questions. The Chief Auditor added that they had invited Ms. Ana Martinez, who is the CFO of Academica, and Mr. Richard Moreno, who is the Vice-President of Building Hope.

School Board member/ABAC member Ms. Mari Tere Rojas stated that she was satisfied that the financial statements of the three CBOs and 37 charter schools were fiscally sound and free of fiscal issues. However, 22 charter schools disclosed management letter comments and it appears that the schools have been working diligently to implement corrective action. Her questions were regarding the oversight and the manner in which the District is ensuring that changes in procedures are being implemented. She inquired as to who is monitoring these charters to ensure a win-win for all; and requested clarification from Assistant Superintendent Ms. Tiffanie Pauline from the District's Charter School Support.

According to Ms. Tiffanie Pauline, her office sent out non-compliance letters back in February 20th to all the charter schools that presented issues with capital assets. According to her, the schools have submitted their corrective action plans to her office, and these plans include changes in processes. She added that these are plans that her office will monitor annually, not monthly, since this is more of an annual-monitoring, corrective-action process.

ABAC Vice-Chair Mr. Christopher Norwood reminded the ABAC Chair that he needed to recuse himself from voting on this item because of his consulting work with charter schools. The Chief Auditor replied that Ms. Berrios-Montijo from her office will email the recusal form document and for Mr. Norwood to sign and return the document to the office. Ms. Gonzalez inquired whether there was a need for any other ABAC member to request recusal on this item.

There being no additional questions or comments, a motion was made by ABAC member Mr. Isaac Salver and seconded by School Board member/ABAC member Ms. Mari Tere Rojas, which via a show of hands from ABAC members present, except for Mr. Norwood who recused himself from voting on this item, voted affirmatively on this item. The motion carried by majority vote of 11 'ayes' (and one recusal) to recommend that the **59 of 134 Charter Schools Audited Financial Statements and Three (3) Community Based Organizations FYE June 30, 2019**, be received and filed by the School Board.

12. OMCA Proposed Audit Plan 2020-2021 (INFORMATIONAL)

The Chief Auditor presented the Proposed Audit Plan for this coming year. She brought the ABAC's attention to the two-page letter in front of the Plan that details how the Plan was designed and the adjustments made to the Plan due to the pandemic and related risk factors.

Ms. Gonzalez went over the different sections of the Plan which range from School Audits on page 3, to District Audits, IT Audits, Future Proposed Audits, Investigations, Charter Schools, Non-Audit Services and Other Activities of the OMCA office. She concluded by stating that this is the Plan that is being proposed and she looked forward to the Committee reviewing the Plan and providing their input/feedback and recommendations. She added that, the only caveat is that considering the office's limited resources, anything added to the Plan would require modifying proposed audits for the coming year. She then introduced Assistant Chief Auditor Mr. Jon Goodman for any comments or questions regarding the District Audits proposed in the Plan.

Mr. Goodman again brought to the Committee's attention the two-page letter introducing the Plan that comprehensively outlines some of the issues and considerations that were taken into account when forging this proposed Plan. This included having extensive dialogue with colleagues working in the private and public sectors that related to the pandemic and adjustments to the way in which auditors view and implement the audit function during such major life event.

Ms. Rojas wanted to thank Ms. Gonzalez and her entire team for this very comprehensive Plan for 2020-2021. She stated that she really appreciates everyone involved with these efforts and what they do every day to make this work happen; and she is sure that her colleagues on the Board feel the same and have similar appreciation of this work. She was pleased to see the manner in which the office is handling school and district internal audits, postponing some audits while continuing the application of the audit function. She noted that as a District there is a statutory requirement to perform the audit function and this cannot be relegated. That applies not only to school audits, but to Food and Nutrition, Payroll, and other District offices/activities significantly affected during this time and where the audits have been temporarily postponed. She added that everyone is cognizant of the issues, however, she remarked that it is imperative that the District follows-up accordingly on these issues.

As she is the School Board representative on this Committee, Ms. Rojas wanted to place on the record that on May 4th, she sent an email to the Superintendent regarding these audits after the Board meeting of April 29, 2020, where she raised some questions regarding any upcoming school/center audits which are to be conducted by the Office of Management and Compliance Audits. Her concern was that, based on the schedule that is presented to the ABAC annually, she believed there may be several schools/centers which had pending scheduled audits. Other School Board members had specific questions regarding this matter. She noted that, while it is understandable that the safety and security of District employees is of utmost importance and a top priority for all, her questions were more in line with any statutory requirements that this District will have to address and whether or not any of these had been waived by the State. At this time, she said that she was waiting to hear for a response. She wanted to ensure this was on the record, and Board members who received her correspondence regarding these audit concerns received it for informational purposes only.

ABAC member Mr. Albert Lopez, thanked the Chief Auditor for the proposed plan. However, he had some questions regarding the COVID-19 pandemic currently impacting operations and the CARES Act which he believes will have a significant impact on funding for the District and this may require additional considerations from the internal audit department. As such, he inquired if the Chief Auditor felt that her office has enough personnel to carry out this plan.

Chief Auditor Ms. Gonzalez replied that she, in addition to the supervisors in her office who closely collaborated in the drafting of the proposed plan, and taking into account not only risk assessment issues but personnel issues, believes that there is sufficient personnel in her office to carry out the proposed plan.

In response to School Board member/ABAC member Ms. Rojas regarding the carry out of the internal audit function, Chief of Staff Mr. Jaime Torrens wanted to reassure the Committee that the audits are proceeding, and the District is not seeking any exemptions from statutory requirements. He is aware that audit staff is working in schools right now, and he doesn't anticipate any exemptions from the State. The Chief Auditor confirmed that District staff has been helpful with the coordination of these audits, specifically after the April 29th Board meeting, when Deputy Superintendent/Chief Operating Officer Mrs. Valtena G. Brown facilitated meetings with OMCA and Region Offices to coordinate scheduled audit visits and resume the performance of audits of schools and property. Ms. Gonzalez agreed that at present, there is collaboration with the Region Offices regarding the scheduling of these audit assignments. Regarding District audits, she similarly noted that the OMCA staff has started conversations with District staff. At this juncture, she noted that the year-end inventory audit is on track to be performed, and there are scheduled meetings with District staff regarding additional audit issues.

In addition, she noted that her office has continued its work as audit liaison between the District and the Auditor General (AG) teams. There is an audit coming up from the AG, another being finalized; and currently there is ongoing communication with the AG to finalize these audit projects.

Overall, the Chief Auditor stated that her office continues with the audit work, her job is to ensure the audit function continues during this pandemic; and as Ms. Rojas stated, although it is being handled with sensitivity, is making its way firm and steady, on course, while ensuring that everyone works in a safe environment.

According to Ms. Rojas, for the record, she is cognizant of the fact that audits are now being conducted. Her concern is the time between mid-March when operations closed due to the pandemic to somewhere around mid-April. During that time period when audits were not conducted, and her concern, which she has expressed to numerous administrators, is the possibility that the District may have to look at requesting a waiver from the governor in reference to this situation, because there may be some schools that will not be in audit compliance, particularly, those schools where collections of funds took place that may not have been properly followed-up. She reiterated this concern and the time period in question.

Mr. Torrens replied that the school system shut down on March 13th due to the pandemic, then the Spring Break occurred the following week. He stated that as soon as staff returned from Spring Break, staff went back to the schools, and from the District, the work was facilitated as much as it could possibly be done. Mr. Torrens also said that he understood Ms. Rojas' point and will look into that further.

The Chief Auditor also stated that from her office, although the audit staff was unable to visit schools during those first few weeks because of the pandemic and the Spring Recess (the Spring Recess lasted until March 30, 2020), and although audit visits were delayed, the audit working function never stopped. The office staff was working remotely, and during this whole time, the office was maintaining payroll records, timesheets, call-in/call-out logs, and case work logs, ensuring that the auditor assignments were being completed, supervisors were reviewing folders and staff was selecting audit samples and getting their school files ready for upcoming visits. Ms. Gonzalez emphatically noted that during this time period, her office worked very hard, setting up a fully remote working environment, which was a first for the internal auditors, setting up virtual private network systems to access the information online, becoming familiarized and at the same time holding virtual meetings to keep the working pace ongoing. Additionally, she noted that the first virtual meeting of the ABAC required the investment of audit staff's time and effort to put together, and the ABAC members, mostly volunteer members, can attest to practice runs to ensure that the meeting could be conducted in a successful manner.

Regarding the audit function, Ms. Gonzalez stated that supervisory and audit staff held numerous conversations with professional organizations such as the Association of Local Government Auditors, various audit shops throughout the country, and the Council of Great City Schools, to assess the best way to continue the audit function under this current environment, while affording the administration a little bit of time to organize and settle, so that they would be ready to handle audits and satisfy the request for audit information when audit staff would show up at their doors. Regardless of where the audit staff was located, she reiterated that the audit function of this District never stopped. At the onset of the pandemic, and for those few weeks, what was seen from the OMCA office was a different side of the audit function, which involved a lot of planning and coordination. Last but not least, it took some effort (due to scarcity of products) to equip and

furnish staff with personal protective equipment in order for them to perform the fieldwork in a safe and protected manner.

ABAC member Mr. Juan del Busto said that from the banking side, banks are getting regulatory relief in various areas, and he would assume that there would be some state regulatory relief around the State. If there is regulatory relief provided, then the District could reallocate some of the audits, leave some for next year, and then do those audits considered critical, and only schedule what is needed. He recommended reaching out to the State for this.

Chief of Staff Mr. Jaime Torrens wanted to re-address the concern previously posed by School Board member/ABAC member Ms. Mari Tere Rojas. According to Mr. Torrens, he understands that those audits that are being conducted now at school sites are reviewing timelines that have elapsed. He believes that Ms. Rojas' point relates to those audits that are being performed prospectively where actions may have been taken or not taken, for example, there is the potential concern regarding the cash collections that should have been deposited within certain number of days; however, the sudden closure due to the pandemic prevented this from happening in accordance with the prescribed timelines. These non-compliant issues could result in the possibility that next year they will be audit findings and her point is to obtain some regulatory relief regarding these future audits.

School Board member/ABAC member Ms. Mari Tere Rojas thanked Mr. Torrens for his comments. She said that he is exactly correct that these are her concerns regarding future audits, and that she had that same conversation with CFO Mr. Steiger, specifically on those issues. She said that as the District moves forward, the administration should proactively address issues that may become a problem in the future.

ABAC Chair Mr. Erick Wendelken posed a question regarding the CARES Act and opportunities sought by the school district to receive funding. Assistant Chief Auditor Mr. Jon Goodman replied that as the Administration has outlined, the District is expecting a good amount of funds from the Federal government through the State. This relates to one of the main audit projects listed on the proposed Plan on page 4, where the internal audit office will be working with the Administration to ensure that the District is receiving all eligible funds. He noted that there is the CARES Act, which has a number of components, and overall it is over \$2 trillion, and the Administration has gone through that in their briefings regarding how much will be allocated to the School Board under different scenarios. Also, there are FEMA funds that the District may be eligible to receive. This is what OMCA proposes to do in the audit project on page 4 of the Plan, which in our estimation is a good value-added audit project and it has a very high priority.

Mr. Wendelken stated that his question is more in line with timing. He said that to audit what was done is kind of late; and wanted to know whether the CARES Act has been reviewed to determine eligibility and any steps needed to apply now. Mr. Goodman replied that his office has been reviewing the CARES Act, and is having conversations with CFO Mr. Steiger and his team. Mr. Goodman explained that the intent is to do this in a proactive fashion, in real-time audit, so that we simply do not wait a year and see if everything was done properly a year from now. Therefore, he said, it is more important for us to get on this project right away, making sure that the District receives all the funding that it is entitled to receive, and that mechanisms are in place to account for those funds. This is the focus of this audit project, and our office has started the process. Mr. Goodman added that research has been done on this issue, his office has been looking into it. This is something that is happening now, it's a huge issue that needs our attention.

ABAC Chair Mr. Wendelken posed that there are timelines involved, and inquired if there is anything specifically identified, if there is something that needs to be submitted, or are there any steps that are required considering this is good value-added. Mr. Goodman replied that he is not ready to discuss any of the audit work that is being formulated or the research that is ongoing. At this time, he and his group are in the process of determining the proper audit vehicle for this project, whether it should be formulated as agreed-upon procedures, which represents another form of assurance to the School Board, the ABAC and the Administration.

Mr. Wendelken inquired whether the audit team has engaged outside consultants. The Chief Auditor replied that no consultants have been brought in and her office is in the planning stages of this project. The ABAC Chair said that he is dealing with a lot of these issues in his professional life and it involves quite a lot; therefore, he would be willing to discuss this project with OMCA staff. The Chief Auditor replied that the Chair's input and any advice that he can provide regarding this project is certainly welcome.

Superintendent Mr. Alberto M. Carvalho thanked the ABAC Chair for the conversation generated around this important topic. He wanted to address this issue briefly in order to allay some of the concerns. He also said that he was listening attentively to Mr. Goodman's comments in response to the ABAC Chair's very opportune question.

Mr. Carvalho explained that the federal government has appropriated dollars under its stimulus relief package CARES and two massive such investments have reached the State of Florida. One is to the tune of around \$130 million and those dollars are for education. However, at this time, it is unspecified whether they will be intended for K-12 or for higher education. These funds are at the total discretion of the Governor. He said that the District has submitted a request to Tallahassee advocating for some form of distribution that does not rely singularly on FTE but also considers need, since the need in terms of response and the cost of the response was much more severe in the South Florida community than in other parts of the State and continues to be. Part of that is actually not predictable as the District is to phase into the Summer months and later into the Fall in August of 2020. The other part is \$770 million and that one does come with a number of caveats. Namely, ninety percent of that state allocation from the federal government needs to be distributed to school districts which reduces it to around \$700 million statewide. However, there is a lot of debate nationally because after it was appropriated, it was affected by certain provisions from the federal Department of Education that deviate significantly from the historical precedent for the distribution of funds. Historical precedent, he said, usually follows need as a primary factor. Usually, this follows or mirrors a Title I-like distribution of the funds. Mr. Carvalho proffered that this is important to the District, and a point that Mr. Goodman addressed a bit. It is because if the District were to receive its fair share of \$700 million, Miami-Dade would stand to receive about \$100 million, about \$20 million of which would be a pass-through to charter schools based on an equitable distribution. But he noted that there is regulation of great concern that would distribute dollar for dollar, independently of the socio-economic need of a school or a student to fund private schools. This he said, would be a seismic shift first time ever in the history of the country. Then, the \$100 million allocation from Miami-Dade would be reduced by \$20 million for the appropriate share for charter schools, and further reduced to \$60 million. There would be a 40 percent reduction from what the feds appropriated in terms of through the State that ultimately would get here. At this time, the District has not received a single dollar, nor the District has been informed with any level of certainty what the methodology for distribution will be.

The Superintendent's recommendation is that as the Audit Plan is being contemplated, to ensure that M-DCPS receives its fair share in accordance with the appropriations guidelines at the federal

level, which at this point there are members of the Board that participate in national associations such as Council of Urban Boards of Education, Council of Great City Schools, etc. Mr. Carvalho said that everybody agrees that there is general concern across the country, if what was appropriated, what the intent was and as those funds leave Washington DC, make a stop in Tallahassee and eventually make it to local districts including Miami-Dade, will we get our fair share.

At this point, Mr. Carvalho stated that zero dollars have been earmarked; therefore, there is nothing to audit yet. His assumption is that within the next weeks, there may be yet again another stimulus package that may specifically target local government and school boards, which are the largest employers in every single district/county, and these will be a big part of that. He proffered that this is very murky, but a lot of attention should be whether or not what the intent of the appropriation is, translating into the actual reality of the check that will come to the District. Zero dollars in fact, at present, the District is being forced to balance its budget in the absence of that information when it is obvious that there will be a huge cliff but relying on the information that is available from the State to budget. Then, the governor is being consistent in his message that he does not plan to have a special session until such time as he understands what the complete federal investment is so that he understands what the gap may be.

ABAC Vice-Chair Mr. Christopher Norwood posed a follow-up question to the Superintendent regarding the allocation of funds to both public and private schools under the CARES Act regardless of Title I status.

According to the Superintendent, historically the federal government has funded students even if they are in private schools (non-public Title I allocation) to the extent they meet threshold of poverty according to federal guidelines. The school system receives the Title I allocation which is a federal entitlement. It provides the equitable share to charter schools based on an FTE basis and to private schools, the appropriate share based on the number of qualifying students in that environment. When the appropriation for CARES passed, there was no commentary on the distribution, there was a general assumption across the country that the true/tried historically precedent-setting distribution methodology associated with Title I would be followed. The guidance that has emerged not from Congress but from the Department of Education DC is significantly different. This opens the door to the distribution of federal funds to every single school inclusive of private schools, regardless of consideration or poverty threshold, and independently of how much tuition annually for a student in that school may be. That is why the ongoing concern is a loss to the tune of \$20 million made available to private schools in the community, whether or not schools reflect a socio-economic threshold that under the previous guidelines would have qualified them for. Mr. Norwood was satisfied with the information provided and thanked the Superintendent for this response.

Lastly, School Board member/ABAC member Ms. Rojas wanted to express her sincere gratitude to OMCA's Executive Director of IT Audits Mr. Luis Baluja for having conducted the ZOOM meeting today. She said that it went very well and gave kudos to Mr. Baluja for a job well done.

No additional questions were posed. The Chief Auditor closed by stating that the Plan is for informational purposes of the Committee and voting is not required during this meeting. The Plan will return in July for final vote. This report was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

**13. Office of Management and Compliance Audits' Activity Report
(INFORMATIONAL)**

The Chief Auditor made a brief presentation of the activity report of her office including activities conducted during the COVID-19 pandemic.

Ms. Gonzalez summarized the work that her office has done so far, namely, the school and property audits, district and charter school audits. She also pointed to the work of the Civilian Investigative Unit (CIU), noting that CIU is closing on this year's caseload. Also, she went over the audit projects currently in progress, her office's participation in various meetings, committees, and personnel changes and issues related to the filling of some open positions. This included the hiring of a new IT auditor, Mr. Alejandro Santana Alvarez, whose assistance to the internal audit team regarding IT-related office matters has been instrumental during this remote working environment period. Ms. Gonzalez also pointed to some positions in the Divisions of school and property audits and CIU that are open due to personnel having left the OMCA/CIU office recently to occupy other positions inside and outside Miami-Dade County Public Schools. These included one former school auditor who recently joined the FBI.

Right before conclusion of the meeting, Mr. Goodman pointed out that today was Ms. Gonzalez's birthday. She thanked everyone for the good wishes and stated that the great outcome of this virtual committee meeting was the best gift for her. ABAC Chair Mr. Wendelken concurred that this virtual meeting was a great experience and a great ABAC meeting.

This report was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

OLD BUSINESS/NEW BUSINESS

None was discussed.

ADJOURNMENT

Since there was no further business to come to the Committee, and upon a motion duly made and seconded by the ABAC members, the meeting was adjourned at **3:09 p.m.**

MTG:

Attachment

Recusal Form Mr. Christopher Norwood, ABAC Vice-Chair

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME Norwood, Christopher		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE Audit and Budget Advisory Committee	
MAILING ADDRESS 14844 Breckness Place		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY Miami Lakes, FL 33016	COUNTY Miami-Dade	<input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input checked="" type="checkbox"/> OTHER LOCAL AGENCY	
DATE ON WHICH VOTE OCCURRED May 12, 2020		NAME OF POLITICAL SUBDIVISION: School Board of Miami-Dade County	
		MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which would inure to his or her special private gain or loss. Each elected or appointed local officer also **MUST ABSTAIN** from knowingly voting on a measure which would inure to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent, subsidiary, or sibling organization of a principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies (CRAs) under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you are not prohibited by Section 112.3143 from otherwise participating in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on page 2)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Christopher Norwood, hereby disclose that on May 12th, 20 20:

(a) A measure came or will come before my agency which (check one or more)

inured to my special private gain or loss;

inured to the special gain or loss of my business associate, _____;

inured to the special gain or loss of my relative, _____;

inured to the special gain or loss of The Norwood Consulting Group, Inc., by whom I am retained; or

inured to the special gain or loss of _____, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Audits of: 1) Kipp Miami: Provide Community Affairs Consulting Services

2) Phoenix Academy (North): Provide State Mandated Governance Training

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

5/17/20
Date Filed

[Signature]
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.