

Internal Audit Report



Division of Social Sciences and Life Skills



June 2010

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Superintendent of Schools

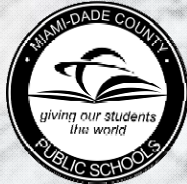
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Miami-Dade County Public Schools

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Superintendent of Schools

Alberto M. Carvalho

Miami-Dade County School Board

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June 21, 2010

Members of The School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

In accordance with the Audit Plan for the 2008-09 Fiscal Year, we have performed an audit of the Division of Social Sciences and Life Skills for the period July 1, 2007 to June 30, 2009. Prior to November 2008, Social Sciences, Life Skills, and Physical Education/Health Literacy were separate departments that were then combined to form the Division of Social Sciences and Life Skills. The objectives of the audit were to evaluate the delivery of services and their effectiveness and to assess the propriety of related expenditures.

Our audit disclosed compliance with board rules and regulations when hiring professional services. These services were performed by vendors that possess specific expertise and experience that otherwise would not be available through the District. In most cases, the Division maintained complete and accurate records substantiating payment to these vendors. However, there was one instance where the services provided was incomplete and two instances where there was no documentation on file to substantiate the payments. There were no evaluations presented for audit for programs serviced by some Community Based Organizations. In addition, the evaluations presented for some of the programs audited disclosed that some of the program's objectives are not being met. Also, efforts should be made to comply with future payment schedules since several late payments were disclosed by our audit.

Our findings and recommendations were discussed with management. Their response along with explanations is included herein. We would like to thank the management for their cooperation and the courtesies extended to our staff during the audit.

Sincerely,

José F. Montes de Oca, CPA, Chief Auditor
Office of Management and Compliance Audits

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EXECUTIVE SUMMARY

The Division of Social Sciences and Life Skills (the Division) supports and drives the curriculum for a diverse range of school-based programs, including social studies, arts, theatre, JROTC, physical education, music, dance, and health literacy. Prior to November 2008, some of these programs were managed in separate departments but were then combined to form the Division of Social Sciences and Life Skills. To achieve a portion of its objectives, the Division contracted with various vendors that possess specific expertise and experience that otherwise would not be available through the District. During the two fiscal years audited, the Division entered into a total of 76 contracts valued at almost \$1.7 million. The grant period for those contracts ranged between September 2005 and August 2011 for a total value of approximately \$12 million.

<u>Program</u>	<u>Contracts Awarded In FY 2007/08</u>		<u>Contracts Awarded In FY 2008/09</u>	
	<u>Count</u>	<u>Value</u>	<u>Count</u>	<u>Value</u>
Social Science	20	\$1,197,577 ¹	20	\$ 83,429
Physical Education and Health Literacy	12	96,600	7	62,300
Visual and Performing Arts	<u>13</u>	<u>188,500</u>	<u>4</u>	<u>53,129</u>
Total	<u>45</u>	<u>\$1,482,677</u>	<u>31</u>	<u>\$198,858</u>

We analyzed 23 of the 76 contracts. The value tested amounted to \$1,345,631. The contracts were reviewed for adequacy of the selection process, clarity of terms, compliance with terms and conditions, effectiveness of outcomes, and delivery of services. Fourteen of these contracts were executed in FY 2007-08, while nine were executed in FY 2008-09.

Our audit disclosed compliance with School Board rules and procurement procedures for hiring professional services in all 23 contracts tested. We found that the nature of the services to be provided were clearly outlined on form FM-2453 (Agreement Form for Contracted Services) or on attachments to this form, if necessary. The amounts billed and paid were also in compliance with contract terms. However, the audit disclosed a pattern of late payments, by the District, on eight of the 23 contracts reviewed.

Performance reports conducted by outside vendors were on file for 19 of the 23 contracts tested. Under the Social Science subject area we tested services that support

¹ This amount includes four contracts totaling \$1,105,698 to support the Teaching American History Program for the period August 27, 2007 and will end July 30, 2010.

the Teaching American History (TAH) Program and the Partnership in Character Education (PCE) Program. The TAH program is a \$1.7 million project funded by the United States Department of Education (USDOE). The TAH program consisted of three objectives divided into multiple parts of which some would not be determined until completion of the program in the fall of 2010. As of the second year one part had been met, three had been partially met, two had not been met and two other parts will be determined upon completion of the program. This program was initially scheduled to end July 30, 2010 but has been extended to December 2010.

The PCE program was a \$1.5 million project also funded by the USDOE. This program had seven objectives with multiple parts. According to the latest performance report submitted by the Division, three of the five quantitative objectives had been partially met and two had not been met. We were not able to determine the success of two qualitative objectives. The program was completed on September 30, 2009 and a final performance report is due September 2010.

There were four contracts under the Arts and Music subject area for which no evaluation reports were on file. These were District-funded projects that totaled \$104,500. In addition, we were unable to corroborate services provided for two of these contracts and for one contract the services provided did not agree with Form FM-2453. The contracts were executed prior to the aforementioned November 2008 merger.

Based on our observations, we made six recommendations. Our detailed findings and recommendations start on page seven. We would like to thank the administration for their cooperation and courtesies extended to our staff during the audit.

INTERNAL CONTROLS

Our overall evaluation of internal controls for the Division of Social Sciences and Life Skills is summarized in the table below.

INTERNAL CONTROLS RATING			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls		X	
Policy & Procedures Compliance		X	
Effect		X	
Information Risk		X	
External Risk		X	

INTERNAL CONTROLS LEGEND			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls	Effective	Opportunities exist to improve effectiveness.	Do not exist or are not reliable.
Policy & Procedures Compliance	In compliance	Non-Compliance Issues exist.	Non-compliance issues are pervasive, significant, or have severe consequences.
Effect	Not likely to impact operations or program outcomes.	Impact on outcomes contained.	Negative impact on outcomes.
Information Risk	Information systems are reliable.	Data systems are mostly accurate but can be improved.	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions.
External Risk	None or low.	Potential for damage.	Severe risk of damage.

BACKGROUND

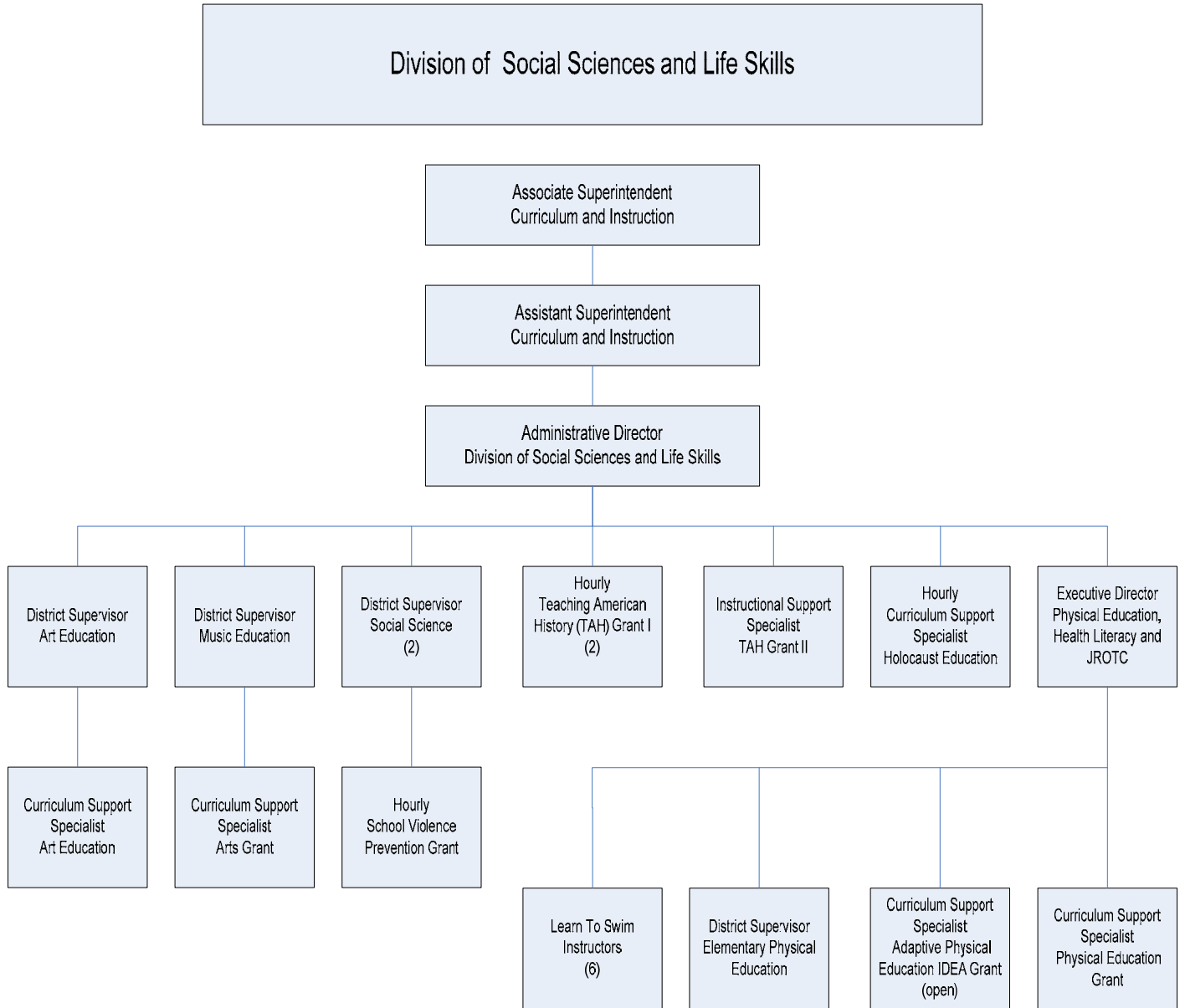
In November 2008, the Visual and Performing Arts program, the Physical Education and Health Literacy program, and the Social Science program at Miami-Dade County Public Schools merged to form the Division of Social Sciences and Life Skills (the Division). The Division supports and drives the curriculum for a diverse range of school-based programs, including social studies, arts, theatre, JROTC, physical education, music, dance, and health literacy. The level of support the Division provides to the schools and teachers includes, but not limited to direct instructional support, curriculum and professional development, and grant-related activities. The Division is organizationally aligned under Curriculum and Instruction, and has 21 staff positions. (See Organizational Chart on the next page.)

The Visual and Performing Arts program is responsible for providing leadership, direction, and supervision for the District's K-12 Dance, Music, Theater Arts, and Visual Arts instructional program. The Physical Education and Health Literacy program is responsible for providing direction and assistance to schools, enabling them to develop physical education programs that promote and encourage lifetime fitness for daily living. The Social Sciences program is responsible for providing leadership, direction, and supervision for the District's K-12 Social Studies Instructional program.

In order to accomplish a portion of its varied responsibilities, the Division contracts with outside vendors to provide the needed services. The staff is first required to determine the goals and scope of the work needed. It then chooses from multiple vendors with the specific expertise and experience needed to complete the projects. To ensure that the terms of the contract are met by the vendor, staff must maintain regular contact with the vendor throughout the course of the contract. Staff must also maintain accurate and complete records to demonstrate that the contracted services have been provided by the vendor.

During the 2007-2008 and 2008-2009 fiscal years, the Division entered into in a total of 76 contracts for a total amount of almost \$1.7 million.

ORGANIZATIONAL CHART



OBJECTIVES, SCOPE AND METHODOLOGY

This audit of the Division of Social Sciences and Life Skills was approved by the Audit Plan for the 2008-09 fiscal year. The objectives of the audit were to evaluate the delivery of services and their effectiveness and to assess the propriety of related expenditures. The scope of our audit covered operations during the period of July 1, 2007 through June 30, 2009. The units responsible for providing the services audited underwent an organizational change during the audit period. In November 2008, three programs – Visual and Performing Arts, Physical Education and Health Literacy, and Social Science merged to form the Division of Social Sciences and Life Skills. As such, each program had a different manager prior to the merger.

Procedures performed to satisfy the audit objectives were as follow:

- Interviewed district staff and school site staff.
- Reviewed operating policies, procedures, Florida Statutes, and School Board Rules.
- Reviewed the Division's contracting process.
- Surveyed programs' participants and reviewed attendance records and documentation corroborating receipt of services.
- Reviewed contract compliance with payment schedules and propriety of related expenditures.
- Reviewed evaluations and performance reports for effectiveness of services provided.
- Performed various other audit procedures as deemed necessary

We conducted this performance audit in accordance with generally accepted *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit included an assessment of applicable internal controls and compliance with the requirements of policies, procedures, and rules to satisfy our audit objectives.

FINDINGS AND RECOMMENDATIONS

The Division provides a considerable amount of academic programs that provide students and teachers with the link between theory and real field experience. The range of programs provided to both students and staff is impressive and has the effect of enriching the development of both target groups exponentially.

❖ Delivery of Services ❖

The Division contracts with various outside vendors to execute a portion of its various programs. This service delivery method appears to best meet the Division's goals. The audit found that the Division generally complied with M-DCPS's procurement rules and policies, and applicable state laws. The service contracts reviewed were let and executed in compliance with School Board Rules 6Gx13 – 3F1.021² and 6Gx13 – 3C-1.15³. There is nevertheless room for improvement in paying vendors timely as developed in Finding 3.

The contracting process was generally competitive and geared to achieve the best quality, price, and equity among potential vendors. In most cases, the deliverables outlined in the contracts were received. However, as explained in Finding 1, we found some cases where contracted deliverables were not received and an adequate system to monitor receipt of contracted-services was not in place over some programs.

❖ The Effectiveness of Services ❖

Some of the programs provide teachers professional development opportunity. The feedback we received from a sample of participants of selected programs or initiatives suggest a high level of satisfaction among the participants.

While we believe the wide spectrum of programs the Division provided to both students and staff has the effect of enriching both groups, based on the sample contracts reviewed, the effectiveness of some programs and the effectiveness by which service providers perform are uncertain. Eighty-three percent of the 23 contracts/programs reviewed had some form of an evaluative tool to assess performance. However, 17% did not have such performance assessment tools. Moreover, the measurement criteria were not always well defined. Please refer to Finding 3.

² School Board Rule 6Gx13 – 3F1.021 entitled "Request For Proposals and Professional Services Contracts."

³ School Board Rule 6Gx13 – 3C-1.15 entitled "Purchase and Payment of Certain Commodities and Services in Specified Areas – General Authorization Purchases."

❖ **Propriety of Related Program Expenditures** ❖

Our review of payments revealed that amounts billed complied with contract terms. We found no unusual transactions or duplicate payments, and all payments reviewed were properly supported and approved, with the exception as noted in Finding 1. Notwithstanding the aforementioned, there is a need to improve the internal controls over payments.

1. LACK OF INTERNAL CONTROLS AND POOR RECORDKEEPING DISCLOSED DISCREPANCIES WITH DELIVERY OF SERVICES

For most of the 23 contracts reviewed, the Division provided documentation confirming the services received agreed with those established in the Agreement Form for Contracted Services (contract) (FM-2453). These documents included attendance rosters, program agendas, flyers, study guides, and online instructional modules and manuals. However, for one of the contracts, adequate internal controls to ensure that all contracted deliverables are received were not in place. In addition, poor recordkeeping did not allow the auditors to determine if the services agreed to had been received for two additional contracts. The contracts were executed prior to the aforementioned November 2008 merger.

- In the first instance mentioned above, the Florida Grand Opera (FGO) was contracted to perform a one-act opera at 35 Senior High Schools between October 22 and December 3, 2007 for \$2,143 per performance or \$75,000 in total. In addition, the contract required FGO to perform opera “informances”⁴ at a minimum of 30 Middle Schools, at no additional cost.

According to the FGO’s records we reviewed, the FGO visited only 16 High Schools (19 less than the contract-specified 35 High Schools) and conducted a total of 21 performances (14 less than the contract-specified 35 performances). The value of the 21 performances is \$45,000; however, M-DCPS paid \$75,000, the full contract value. Moreover, of the 16 High Schools we contacted, three indicated the performance had not taken place. Our review of prior years’ payments to this vendor shows four other payments for opera performances since 2004. Due to our audit scope, we only reviewed in detail the above-cited payment made in December 2007.

The records reviewed also indicated that the opera “informances” were performed at 28 middle schools compared to the minimum 30 middle schools required by contract. We contacted 13 of the 28 middle schools and knowledgeable staff at 10 of 13 schools contacted indicated that the opera “informances” did not take place. Although no dollar amount is connected to these performances, they are included as part of the contract deliverables.

⁴ An opera “informance” is a type of performance featuring a soprano, a baritone, and an accompanist.

The Division's staff could not account for the noted discrepancies, but offered the possible explanations for the discrepancies:

- 1) "Sometimes schools are not interested in receiving those services,"
- 2) "Sometimes there are scheduling conflicts,"
- 3) "Some schools do not have the appropriate facilities,"
- 4) "Some schools were being renovated," and
- 5) "The reason for the discrepancies cannot be accurately determined due to poor recordkeeping from the previous administration."

- In the second instance there was no documentation on file to corroborate that services had been provided nor were there evaluation on the effectiveness of those services on file. One contract for \$20,000 was with the Inner City Children's Touring Dance Company for a term lasting between October 30, 2007 and May 1, 2008. Through that contract, 60 underserved/at-risk students were to participate in dance classes from 5:00 p.m. to 9:00 p.m. Monday through Thursday. The other contract was with the Ballet Gamonet for \$8,000. The contracted services purchased was a one hour dance concert at the Gusman Center for the Performing Arts for 1,800 students, grades 6 – 12, and a study guide to help teachers prepare students to attend the event.

In response to the absence of the records, staff from the Division informed us that, "unfortunately, records are either incomplete and in many cases missing from the previous administration."

The noted inconsistency and lack of documentation may have lead to vendor overpayments. Improvement in contract management, monitoring, follow-up, and documentation could limit potential overpayments.

RECOMMENDATIONS

- 1.1 Seek reimbursement or in-kind remuneration from the FGO for services not rendered. In addition, Develop procedures to require the Division of Social Sciences and Life Skills staff to verify that the services were received in the form and quantity being invoiced before payment is made. This should include reviewing documentation from the services provider and the school staff responsible for receiving the services. The procedures should also include provisions by which district staff will pursue reimbursement from service providers or place in default status such providers that fail to fulfill or comply with material terms or conditions of the Agreement.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: The audit report recognizes that the Division of Social Sciences and Life Skills generally provided the audit team with documentation confirming that the services received agreed with the services outlined in the contractual

agreements executed with various vendors. Management again notes that the two contracts cited as problematic in this section of the audit report (i.e., Florida Grand Opera and Inner City Children's Touring Dance Company) were executed by staff in the former Life Skills work location prior to the November 2008 merger of three work locations to form the Division of Social Sciences and Life Skills.

Because of the poor or incomplete record keeping previously noted, the audit team and the current Administrative Director for the Division of Social Sciences and Life Skills could not accurately and completely verify what services were delivered by the Florida Grand Opera (FGO) for the contract executed in 2007. Records obtained by the audit team from the Florida Grand Opera indicate that not all contracted services were rendered. However, requesting reimbursement from the FGO is not likely to produce positive results since the contract was executed in 2007. Instead, Management agrees to work with FGO to seek in-kind services, whenever possible. Management notes that the FGO has been a valued partner with the District for many years.

Records from the former Life Skills work location were missing for the 2007-2008 Community-Based Organization contract with the Inner City Children's Touring Dance Company. As a result, the audit team and the current Administrative Director for the Division of Social Sciences and Life Skills could not accurately and completely verify what services were delivered by the organization.

In response to the recommendation that the Division of Social Sciences and Life Skills develop procedures to require staff to verify that services from vendors are delivered before payment is made, Management notes that these processes are already in place and in practice in the current Division of Social Sciences and Life Skills. Staff maintains regular contact by phone and e-mail regarding the services vendors are contracted to provide. This is especially evident when grant contracts are involved. In addition, staff in the Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. Issues encountered in the delivery of services will also be noted in the report. The staff member(s) will further make a recommendation regarding contracting with the vendor again in the future.

Auditor's Comment

We welcome management's efforts to implement our recommendation to seek in-kind services from the FGO. However, we offer this clarification regarding the accuracy of determining the extent of services delivered. The records maintained and provided by the FGO clearly indicated the number and venue of performances provided through this contract. Therefore, there is no question regarding the number of performances the FGO provided.

- 1.2 Strengthen the process used to identify and accurately quantify program participants to be served through contracted programs. At a minimum, this should include the Division of Social Sciences and Life Skills completing detailed assessment of both the services required and number of participants, prior to executing the service agreements. Targeted schools should be contact to ensure they are interested, appropriate facilities are available, and scheduling conflicts do not exist.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management notes that processes are already in place in the Division of Social Sciences and Life Skills to carefully assess and identify schools and individual participants to be served through contracted services. This is especially evident in grant-related projects where targeted participants are clearly identified in the grant application submitted to the funding agency (e.g., low performing schools, teachers of a particular grade level).

Management agrees that the issues outlined in the audit report regarding the delivery of services by the Florida Grand Opera are unacceptable. However, this instance of poor record keeping is an anomaly and has been addressed by the current administration in the Division of Social Sciences and Life Skills.

As noted before, staff in the Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. Issues encountered in the delivery of services will also be noted in the report. Finally, the staff member(s) will further make a recommendation regarding contracting with the vendor in the future.

- 1.3 Strengthen the program monitoring and recordkeeping functions by requiring the recipients of the contracted services to provide written feedback on the quality of the services received. The Division should also develop a procedure requiring the Division's staff to evaluate the service providers' performance and to consider that performance when contracting for future services.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management agrees that the quality of contractual services provided by vendors must be evaluated by the recipients of the contracted services. Management notes that all contractual services which include professional development for teachers are currently evaluated by the teacher participants as part of the process by

which they receive Master Plan Points toward re-certification. Management also agrees that the quality of past contractual services provided by vendors must be considered when contracting for future services. Management notes that these processes are already in place and in practice in the current Division of Social Sciences and Life Skills. Staff maintains regular contact by phone and e-mail regarding the services vendors are contracted to provide. However, Management agrees that these evaluative practices can be strengthened. The Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. The staff members will further make a recommendation regarding contracting with the vendor in the future.

Staff in the Division of Social Sciences and Life Skills will also consider other measures that can be implemented to secure evaluations from individual schools when services are provided directly to them by a vendor (e.g., a musical performance at a school site).

2. SEVERAL PAYMENTS WERE NOT MADE ACCORDING TO SCHEDULE

According to Florida Statutes 218.74 and 218.73 the payment due date for goods or services, other than construction services, received by a local governmental entity is 45 days after which a proper invoice is received or the date on which the local governmental entity and vendor agree to in a contract that provides a payment schedule. If no invoice is received the due date becomes 45 days after the services are completed.

In addition, an important aspect of being a good business partner is satisfying payment obligations on time. We found that while M-DCPS remitted payments in a timely manner for 11 of the 23 contracts sampled, for eight of the contracts reviewed, there was a total of 11 late payments. One of these payments, for \$39,901, was made 250 days beyond the 45-days grace period allowed by Florida Statute.

Some of the delays in payments were not under the control of the Division. In some instances, the delays were due to delays in other offices. In one instance, the Division was waiting for funds to be re-distributed for the new school year.

Although the Division has a process in place to monitor payment due dates, this process lacks the necessary sophistication and back-up to ensure effectiveness. Not only is it important to adhere to the contract terms to avoid defaulting on contracts, but it is required in order for the District to comply with Florida Statutes. Furthermore, late payments may deter reputable vendors from doing business with Miami-Dade County Public Schools.

RECOMMENDATION

- 2.1 Develop and implement a more effective tracking mechanism to alert staff of upcoming payments due date to prevent delay in vendor payments. The administration should continue their efforts with the other District's departments involved in the contract process to have the contract approved and signed in a timely manner.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management respectfully submits that most late payments discovered during the audit process were beyond the control of the Division of Social Sciences and Life Skills. Staff processes payments and makes every effort to follow up; however, ultimately, payments are processed and made by other District offices. Beginning in 2010-2011, to better ensure that the Division's obligations are met when processing payments for contractual services, an electronic reminder system will be implemented with secretarial staff and the current Administrative Director.

Management respectfully submits that staff in the Division of Social Sciences and Life Skills is already in full compliance with the prescribed routing processes and procedures for both District and grant funded contracts. Staff processes contracts in a timely fashion and makes every effort to follow up on the pending signatures.

3. PROJECTS EFFECTIVENESS

Performance reports⁵ were presented for 19 of the 23 contracts sampled. The Arts and Music subject area was missing this documentation. Performance reports reviewed disclosed that not all program objectives are being met, because not all projects resulted in significant performance differences between those participating in the project and those that were not. Some objectives were not universally measurable; therefore, it could not be determined whether the objective had been met.

The Physical Education subject area services contracts were mainly to achieve the objectives set forth in the Shaping the Future IV program. This was a \$1.5 million three-year program funded by the United States Department of Education (USDOE). The performance reports disclosed that all objectives proposed had been accomplished for the first two years. As of the end of our fieldwork, the performance report for the third year had not been completed. The grant period was scheduled to end May 31, 2010.

Services contracted in the Social Sciences subject area were to support the objectives set forth in the Teaching American History (TAH) program and the Partnership in Character Education (PCE) Program. The TAH is a three-year \$1.7 million program funded by the USDOE. The TAH program consisted of three principal objectives divided into multiple sub-objectives, some of which would be determined upon completion of the program. As of the second year, one sub-objective had been met, three had been partially met, two had not been met, and two will be determined upon completion of the program. Of those sub-objectives that are partially met, the differences in performance between participating groups and non-participating groups were insignificant. The grant funding the program was schedule to end July 30, 2010, but has been extended to December 31, 2010.

The PCE Program was a four-year program that concluded September 30, 2009. The \$1.5 million program was funded by the USDOE. The final evaluation report for this program will be available by September 2010. This program had seven primary objectives with multiple sub-objectives, some quantitative and some qualitative in nature. According to the latest performance report submitted by the Division, three of the five quantitative objectives had been partially met and two had not been met. It was not possible to establish if goals had been met for the two qualitative objectives. The department of Program Evaluations is currently working on the final performance analysis for this program.

Performance evaluations were not provided for four contracts in the Arts and Music subject area. These were District funded projects that totaled \$104,500. The Division indicated that evaluations were completed for these vendors; however, those records disappeared when the MDCPS Dance Supervisor retired.

⁵ U.S. Department of Education Grant Performance Report (ED 524B) provided by the Division of Social Sciences and Life Skills.

Contractors should be evaluated upon completion of their services and/or on a yearly basis. Evaluations should be kept on file for future reference to assess the program's effectiveness and to determine whether program's objectives are being met.

RECOMMENDATIONS

- 3.1 Maximization of grant return should be the goal. The Division of Social Sciences and Life Skills should revisit the activities for which goals are not being met. Communicate with vendors to consider the services offered or the approach the services are being delivered.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management respectfully submits that the statements and recommendations made in the audit report regarding the overall effectiveness of grant activities in the Division of Social Sciences and Life Skills fall outside the scope of the internal audit. Recommendations regarding the overall effectiveness of grant activities are provided to the Division of Social Sciences and Life Skills, as appropriate, by Grants Administration, professional grant evaluators, and by the granting agency. Two grants funded by the United States Department of Education (USDOE) - the Partnership in Character Education grant and the Teaching American History Phase I grant - received considerable attention in the audit report. Management notes that the required annual grant performance reports for both grants have been submitted and accepted each year without reservation or concern by the funding agency (USDOE). In all cases, every effort is made by staff in the Division of Social Sciences and Life Skills to monitor grant activities and improve the services provided through grant funds. Staff in the Division of Social Sciences and Life Skills maintains ongoing and regular phone and e-mail communication with administrators from the granting agencies and vendors for the expressed purpose of improving grant services and meeting grant goals. The Division of Social Sciences and Life Skills remains committed to securing new grants and maximizing the returns from grants already funded.

Auditor's Comment

Management's comments regarding their commitment to maximizing the returns from grants and their effort to maintain regular communication with granting agencies to improve grant services and meeting grant goals are welcome, as these are the desired results of our audit. However, we make the following clarification regarding the scope of our audit. Assessing and reporting on the effectiveness of grants that are managed by the Division of Social Sciences and Life Skills is completely within the scope of our audit. Our assessment was based upon the published results from evaluations completed by both contracted and in-house professional program evaluators of the respective grant programs. Our report analyzed these evaluation results and reported them.

3.2 The Division of Social Sciences and Life Skills should also ensure that vendor evaluations are maintained on file. It should also consider maintaining a checklist to ensure reporting requirement and evaluation requirements are on file.

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management agrees that vendor evaluations are an important part of the contractual services process. As stated previously, staff in the Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. The staff member(s) will further make a recommendation regarding contracting with the vendor in the future.

MANAGEMENT'S RESPONSE

MEMORANDUM

June 8, 2010

TO: Mr. Jose Montes de Oca, Chief Auditor

FROM: Milagros R. Fornell, Associate Superintendent
Curriculum and Instruction



SUBJECT: MANAGEMENT'S RESPONSE TO THE DRAFT INTERNAL AUDIT REPORT – THE DIVISION OF SOCIAL SCIENCES AND LIFE SKILLS

Staff from the Division of Social Sciences and Life Skills has completed a review of the Draft Internal Audit Report – The Division of Social Sciences and Life Skills. Responses to the draft audit report are attached and organized into two sections. Key general concerns are first addressed followed by responses to each individual recommendation cited in the audit report. In all cases, the information provided is intended to clarify the draft audit report or give a different perspective to the findings outlined in the report. This information has been presented in this manner so that it may be included in the final report and made available for the Audit Committee's consideration.

Please contact me at 305-995-1451 if you have any questions or concerns about this response to the draft audit report for the Division of Social Sciences and Life Skills.

MRF:jd
M1228

Attachment

cc: Dr. Maria P. de Armas
Mr. John R. Doyle

Management's Responses to the Internal Audit Report Division of Social Sciences and Life Skills

Management's responses to the Internal Audit Report for the Division of Social Sciences and Life Skills are organized into two sections. Several important general concerns are addressed and each individual recommendation cited in the audit report includes a response. In all cases, the information provided by Management is intended to clarify the draft audit report or give a different perspective on the findings outlined in the report.

General Concerns

Management has identified several important general concerns regarding the audit process and the audit report. These concerns were previously shared with the audit team and are included in this response in an effort to reiterate Management's position on several concerns that impacted the audit process and the draft audit report. These concerns are:

1. The audit process only addressed a few of the functions and responsibilities of the Division of Social Sciences and Life Skills. The Division provides K-12 curricular support for a number of subject areas including social sciences, visual arts, performing arts, physical education/health literacy, and Junior Reserve Officer Training Corps. Direct instructional support, curriculum development, grant-related projects, and co-curricular programs are all administered by staff. Only a portion of the services provided by the Division require contractual services; therefore, only a small portion of the services provided by the Division were addressed by the audit.
2. The Division of Social Sciences and Life Skills was established as one work location in the fall of 2008. Prior to that time, Social Sciences, Life Skills (Visual and Performing Arts), and Physical Education/Health Literacy were three separate work locations managed by different administrators. In the former Life Skills work location, record keeping was often poor and incomplete. This negatively impacted the current Administrative Director's ability to respond to requests for information from the audit team. Record keeping in the merged Division of Social Sciences and Life Skills is in keeping with accepted business practice.
3. Management respectfully submits that the statements and recommendations made in the audit report regarding the overall effectiveness of grant activities in the Division of Social Sciences and Life Skills fall outside the scope of the internal audit. Recommendations regarding the overall effectiveness of grant activities are provided to the Division of Social Sciences and Life Skills, as appropriate, by Grants Administration, professional grant evaluators, and by the granting agency. Two grants funded by the United States Department of

Education (USDOE) - the Partnership in Character Education grant and the Teaching American History Phase I grant - received considerable attention in the audit report. Management submits that the required annual grant performance reports for both grants have been submitted and accepted each year without reservation or concern by the funding agency (USDOE). In all cases, every effort is made by staff in the Division of Social Sciences and Life Skills to monitor grant activities and improve the services provided through grant funds.

Responses to Recommendations

- 1.1 Seek reimbursement or in-kind remuneration from the Florida Grand Opera (FGO) for services not rendered. In addition, develop procedures to require the Division of Social Sciences and Life Skills staff to verify that the services were received in the form and quantity being invoiced before payment is made. This should include reviewing documentation from the services provider and the school staff responsible for receiving the services. The procedures should also include provisions by which district staff will pursue reimbursement from service providers or place in default status such providers that fail to fulfill or comply with material terms or conditions of the Agreement.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: The audit report recognizes that the Division of Social Sciences and Life Skills generally provided the audit team with documentation confirming that the services received agreed with the services outlined in the contractual agreements executed with various vendors. Management again notes that the two contracts cited as problematic in this section of the audit report (i.e., Florida Grand Opera and Inner City Children's Touring Dance Company) were executed by staff in the former Life Skills work location prior to the November 2008 merger of three work locations to form the Division of Social Sciences and Life Skills.

Because of the poor or incomplete record keeping previously noted, the audit team and the current Administrative Director for the Division of Social Sciences and Life Skills could not accurately and completely verify what services were delivered by the Florida Grand Opera (FGO) for the contract executed in 2007. Records obtained by the audit team from the Florida Grand Opera indicate that not all contracted services were rendered. However, requesting reimbursement from the FGO is not likely to produce positive results since the contract was executed in 2007. Instead, Management agrees to work with FGO to seek in-kind services, whenever possible. Management notes that the FGO has been a valued partner with the District for many years.

Records from the former Life Skills work location were missing for the 2007-2008 Community-Based Organization contract with the Inner City Children's Touring Dance Company. As a result, the audit team and the current Administrative Director for the Division of Social Sciences and Life Skills could not accurately and completely verify what services were delivered by the organization.

In response to the recommendation that the Division of Social Sciences and Life Skills develop procedures to require staff to verify that services from vendors are delivered before payment is made, Management notes that these processes are already in place and in practice in the current Division of Social Sciences and Life Skills. Staff maintains regular contact by phone and e-mail regarding the services vendors are contracted to provide. This is especially evident when grant contracts are involved. In addition, staff in the Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. Issues encountered in the delivery of services will also be noted in the report. The staff member(s) will further make a recommendation regarding contracting with the vendor again in the future.

- 1.2 Strengthen the process used to identify and accurately quantify program participants to be served through contracted programs. At a minimum, this should include the Division of Social Sciences and Life Skills completing detailed assessment of both the services required and number of participants, prior to executing the service agreements. Targeted schools should be contacted to ensure they are interested, appropriate facilities are available, and scheduling conflicts do not exist.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management notes that processes are already in place in the Division of Social Sciences and Life Skills to carefully assess and identify schools and individual participants to be served through contracted services. This is especially evident in grant-related projects where targeted participants are clearly identified in the grant application submitted to the funding agency (e.g., low performing schools, teachers of a particular grade level).

Management agrees that the issues outlined in the audit report regarding the delivery of services by the Florida Grand Opera are unacceptable. However, this instance of poor record keeping is an anomaly and has been addressed by the current administration in the Division of Social Sciences and Life Skills.

As noted before, staff in the Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. Issues encountered in the delivery of services will also be noted in the report. Finally, the staff member(s) will further make a recommendation regarding contracting with the vendor in the future.

- 1.3 Strengthen the program monitoring and recordkeeping functions by requiring the recipients of the contracted services to provide written feedback on the quality of the services received. The Division should also develop a procedure requiring the Division's staff to evaluate the service providers' performance and to consider that performance when contracting for future services.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management agrees that the quality of contractual services provided by vendors must be evaluated by the recipients of the contracted services. Management notes that all contractual services which include professional development for teachers are currently evaluated by the teacher participants as part of the process by which they receive Master Plan Points toward re-certification. Management also agrees that the quality of past contractual services provided by vendors must be considered when contracting for future services. Management notes that these processes are already in place and in practice in the current Division of Social Sciences and Life Skills. Staff maintains regular contact by phone and e-mail regarding the services vendors are contracted to provide. However, Management agrees that these evaluative practices can be strengthened. The Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. The staff members will further make a recommendation regarding contracting with the vendor in the future.

Staff in the Division of Social Sciences and Life Skills will also consider other measures that can be implemented to secure evaluations from individual schools when services are provided directly to them by a vendor (e.g., a musical performance at a school site).

- 2.1 Develop and implement a more effective tracking mechanism to alert staff of upcoming payments due date to prevent delay in vendor payments. The administration should continue their efforts with the other District's**

departments involved in the contract process to have the contract approved and signed in a timely manner.

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management respectfully submits that most late payments discovered during the audit process were beyond the control of the Division of Social Sciences and Life Skills. Staff processes payments and makes every effort to follow up; however, ultimately, payments are processed and made by other District offices. Beginning in 2010-2011, to better ensure that the Division's obligations are met when processing payments for contractual services, an electronic reminder system will be implemented with secretarial staff and the current Administrative Director.

Management respectfully submits that staff in the Division of Social Sciences and Life Skills is already in full compliance with the prescribed routing processes and procedures for both District and grant funded contracts. Staff processes contracts in a timely fashion and makes every effort to follow up on the pending signatures.

3.1 Maximization of grant return should be the goal. The Division of Social Sciences and Life Skills should revisit the activities for which goals are not being met. Communicate with vendors to consider the services offered or the approach the services are being delivered.

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management respectfully submits that the statements and recommendations made in the audit report regarding the overall effectiveness of grant activities in the Division of Social Sciences and Life Skills fall outside the scope of the internal audit. Recommendations regarding the overall effectiveness of grant activities are provided to the Division of Social Sciences and Life Skills, as appropriate, by Grants Administration, professional grant evaluators, and by the granting agency. Two grants funded by the United States Department of Education (USDOE) - the Partnership in Character Education grant and the Teaching American History Phase I grant - received considerable attention in the audit report. Management notes that the required annual grant performance reports for both grants have been submitted and accepted each year without reservation or concern by the funding agency (USDOE). In all cases, every effort is made by staff in the Division of Social Sciences and Life Skills to monitor grant activities and improve the services provided through grant funds. Staff in the Division of Social Sciences and Life Skills maintains ongoing and regular phone and e-mail communication with administrators from the granting agencies and vendors for the expressed purpose of improving grant services and meeting grant goals. The Division of

Social Sciences and Life Skills remains committed to securing new grants and maximizing the returns from grants already funded.

- 3.2 The Division of Social Sciences and Life Skills should also ensure that vendor evaluations are maintained on file. It should also consider maintaining a checklist to ensure reporting requirement and evaluation requirements are on file.**

Responsible Department: Division of Social Sciences and Life Skills

Management's Response: Management agrees that vendor evaluations are an important part of the contractual services process. As stated previously, staff in the Division of Social Sciences and Life Skills is implementing new contractual safeguards to strengthen current practice. The staff member(s) responsible for executing a contract will also be responsible for submitting to the current Administrative Director a report which specifically lists the services rendered by the vendor and an evaluation of the value/strength of the services provided. The staff member(s) will further make a recommendation regarding contracting with the vendor in the future.

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964, as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA), as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963, as amended - prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

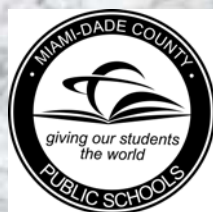
Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.

INTERNAL AUDIT REPORT
Division of Social Sciences and Life Skills



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