

**MINUTES OF THE SCHOOL BOARD AUDIT COMMITTEE  
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS  
June 24, 2008**

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The School Board Audit Committee met on Tuesday, June 24, 2008 at 12:30 p.m. in the School Board Administration Building, Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

**Members Present:**

Voting:

Mr. Jeffrey B. Shapiro, Chair  
Ms. Betty Amos, Vice Chair  
Ms. Perla Tabares Hantman, Board Member  
Mr. Manuel A. Gonzalez  
Ms. Susan M. Kairalla  
Mr. Willie Kemp  
Mr. Robert Stein  
Mr. Nick Tootle  
Mr. Vidal Marino Velis

Non-Voting:

Mr. Allen M. Vann

**Members Absent:**

Mr. Frank Carollo  
Mr. Robert Schomber

**Call to Order**

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Mr. Shapiro, Chair called the meeting to order at 12:38 p.m.

**Introductions**

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Mr. Shapiro asked everyone present to introduce themselves. The following persons were present:

Ms. Marta Perez, School Board Member	Ms. Ana Lara, Adm. Asst. to Ms. Perla Tabares Hantman
Ms. Ofelia San Pedro, Deputy Supt.	Ms. Vivian Lissabet, Adm. Asst. to Ms. Ana Rivas Logan
Ms. JulieAnn Rico, School Board Atty.	Mr. Carlos Saladrigas, Adm. Asst. to Mr. Agustin J. Barrera
Mr. Luis M. Garcia, Chief, Reg. Comp.	Mr. Jerold Blumstein, Adm. Asst. to Dr. Martin Karp
Mr. John Shuster, Chief Comm. Officer	Ms. Mindy McNichols, Senior Attorney for Academics
Dr. Magaly C. Abrahante, Asst. Supt.	Mr. George A. Nunñez, Regional Supt, Reg. Ctr. III
Ms. Maria Teresa Rojas, Asst. Supt.	Ms. Janet Hupp, Regional Supt., Reg. Ctr. V
Mr. Freddie Woodson, Asst. Supt.	Ms. Bertha Valcarcel, Staff Member - Ms. Hantman's Ofc.
Dr. Grace L. Ali, CFO	Mr. Gerald L. Darling, Chief of Police
Ms. Maria T. Gonzalez, Assistant Chief Auditor-School Audits	Mr. Charles Martin, Asst. Chief of Police
Mr. Trevor Williams, Assistant Chief – OPA	

Ms. Carol Erbs, Asst. Risk/Ben Officer	Ms. Ana Garcia, Ernst & Young, LLP
Mr. Oscar Fragas, Executive Director	Mr. Phillip Slama, Intern, School Board Office
Ms. Deborah Karcher, Executive Director	Mr. James J. Rizzo, GRS
Ms. Marta Montaner, Adm. Dir.	Ms. Tanya Davis, S. Davis & Assoc.
Ms. Penny Parham, Adm. Dir.	Mr. Richie Tandoc, Sanson, Kline, Jacomino
Ms. Mary Lee Snipes, Adm. Dir.	Ms. Sonia Lopez, Cuban American Nat'l Council
Mr. Terrance Ferguson, District Director	Mr. Andres Pazor, Cuban American Nat'l Council
Mr. Jon Goodman, Director	Ms. Claudia Dixon, Ernst & Young, LLP, Sr. Mgr.
Mr. Lander Carn, Director	Mr. Michael Pattillo, Ernst & Young, LLP, Partner
Ms. Tamara Wain, Director	Mr. Carlos M. Trueba, Rodriguez, Trueba & Co.
Mr. Dina Pearlman, IT	Ms. Jordan Melnicle, Reporter, SunPost
Mr. Luis Baluja, Audit Supervisor	
Ms. Dorene C. Baker, MDSPD	
Ms. Oria Duarte, Audit Coordinator	
Ms. Lourdes Amaya, Admin. Aide	
Ms. Elsa Berrios-Montijo, Adm. Secretary	
Ms. Sheryl Ragoo, Adm. Secretary	

### **1. Approval of the Minutes of the Audit Committee meeting of March 18, 2008**

A motion was made by Ms. Hantman and seconded by Ms. Amos to approve the minutes of the March 18, 2008 and May 6, 2008 Audit Committee meetings. The motion was carried unanimously.

### **2. Tentative Audit Committee Dates for the Fiscal Year 2008**

The schedule of dates for the Audit Committee meetings for Fiscal Year 2008-09 were approved.

### **3. Election of Chair and Vice Chair**

Mr. Vann gave a brief summary on the procedures for the election of Chair and Vice Chair for the audit committee. He referred to board rule 6Gx13- 2C-1.142 that the election of Chair and Vice Chair shall be elected annually for no more than four consecutive years for either office from its ten community members. After some discussion from the members, Mr. Shapiro nominated Ms. Amos for Chair, seconded by Mr. Stein to elect Ms. Amos for Chair. Ms. Amos was unanimously voted Chair. Ms. Hantman nominated Mr. Schomber for Vice Chair and by majority vote Mr. Schomber was elected for Vice Chair.

Ms. Amos commended Mr. Shapiro for his service as Chair.

There was no action required, since this item was transmitted for informational purposes.

**EXTERNAL AUDITS:**

**4. Evaluation of External Auditors for the Audit of the Fiscal Year Ended June 30, 2007**

Mr. Vann provided the committee the results of the Evaluation of the External Auditors survey. He explained that the survey is a 3 part questionnaire, which is completed by the 1)Audit Committee, 2)Senior Financial Staff (Deputy Superintendent-Business Operations, CFO, Controller and Deputy Controller and 3)Chief Auditor. The survey reflected satisfaction with the performance of the External Auditors.

Mr. Shapiro commended the External Auditors for a job well done.

There was no action required, since this item was transmitted for informational purposes.

**5. Audit Plan for Annual Financial Statements for Fiscal Year 2008**

Mr. Patillo presented the plan for the 2008 financial audit and expressed his firm's appreciation for the confidence of the Audit Committee in renewing their engagement for another 3-5 year term.

**6. Other Post Employment Benefits (OPEB) Actuarial Report as of October 1, 2006 (Implementation of GASB Statement No. 45)**

Dr. Ali introduced the topic and gave an update

Mr. Rizzo made an informative presentation detailing the latest requirements under GASB.

There was no action required, since this item was transmitted for informational purposes.

**7. Financial Statements on the Annual Educational Facilities Impact Fees Agency Funds of Miami-Dade County Florida as of September 30, 2007**

Dr. Ali reported on the financial statements audited by KPMG LLP. She noted that the audit opinion was a clean opinion and the statements were fairly stated. She also noted that the County has remitted all the monies they have collected on a cash basis except for the 1% administrative fee that they withhold. She mentioned that the revenue for this fiscal year is \$12 million of which \$9.8 million has already been collected. She concluded that the auditors

reported that there were no deficiencies in internal controls and there were no instances of non-compliance reported.

There was no further discussion and a motion was made by Ms. Amos, seconded by Mr. Stein, which carried unanimously, to accept the Financial Statements of the Annual Educational Facilities Impact Fees Agency Funds of Miami-Dade County Florida as of September 30, 2007.

#### **8. Review of two Community Based Organizations Financial Statements – December 31, 2007 – Cuban American National Council, Inc., and Affiliates and Lincoln Marti Community Agency, Inc.**

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Mr. Vann introduced the reports and noted that the audited financial statements and related analysis for Cuban American National Council, Inc., and Lincoln Marti Community Agency, Inc. were reviewed by the Office of Management and Compliance Audits and found no issues to report.

Mr. Trueba, former Audit Committee member, expressed to the committee that he took more out of the leadership and quality of the professionalism that the committee carries for itself than what he contributed. He also expressed his sincere thanks for the plaque he received on his departure from the Audit Committee.

There was no further discussion and a motion was made by Mr. Gonzalez, seconded by Mr. Stein, which carried unanimously, to recommend that the Review of two Community Based Organizations Financial Statements – December 31, 2007 be received and filed by the School Board.

#### **9. Office of Management and Compliance Audits Activity Report**

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Mr. Vann summarized the activity report and noted the audit projects that are currently in progress. He expressed concern about the delay of the Audit of Award and Administration of Construction Projects due to the delay in obtaining the management response. Mr. Vann briefly highlighted the areas of concern that are noted in the report.

Dr. Perez referred to the Advisory Review of the ERP System Implementation mentioned in the activity report and wanted to know the difference between this and the one the outside auditors will be conducting.

Ms. San Pedro responded that a Request for Proposal (RFP) will be submitted to the Board for KPMG LLP to provide operational oversight services reviewing the ERP implementation and further explained that Mr. Vann will have staff performing ongoing reviews of the design and other related areas. Ms. San Pedro pointed out that it is two separate functions.

Dr. Perez commented that she is pleased that finally the process of hiring an oversight body is on its way, even though E&Y had recommended this function eight months ago, so that means that it will take 2 to 3 more months to get this put into practice.

There was no action required, since this item was transmitted for informational purposes.

#### **10. Proposed Fiscal Year '09 Audit Plan and Budget**

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Mr. Vann made a power point presentation on the Proposed Fiscal Year '09 Audit Plan and Budget. The Audit Committee approved the plan.

#### **11. Internal Audit Report – Selected Schools, June 2008**

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Ms. Gonzalez presented the committee 85 school audits.

The Audit Committee approved the report.

There was no further discussion and a motion was made by Mr. Gonzalez, seconded by Mr. Stein, which carried unanimously, to recommend that the Internal Audit Report – Selected Schools, June 2008 be received and filed by the School Board.

#### **12. Internal Audit Report and Follow-Ups**

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##### **a. Audit of Miami-Dade School Police Department Overtime Payroll**

##### **b. Follow-Up Review Audit of Food Service Operations**

##### **c. Follow-Up Audit of District Fleet Utilization**

Mr. Williams presented these reports. After some discussion, particularly on the Overtime audit where Chief Darling responded to numerous questions. The committee voted to approve and forward these reports to the School Board.

There was no further discussion and a motion was made by Mr. Stein, seconded by Ms. Amos, which carried unanimously, to recommend that the above mention reports be received and filed by the School Board.

#### **Adjournment**

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Mr. Shapiro adjourned the meeting at 3:15 p.m.