


The School Board of Miami-Dade County, Florida



Report to the Chairperson and Members of
the School Board of Miami-Dade County, Florida and
the Chairperson and Members of the School Board
Audit and Budget Advisory Committee

November 20, 2015



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November 20, 2015

Members of the School Board of Miami-Dade County, Florida
Members of the School Board Audit and Budget Advisory Committee
Mr. Alberto M. Carvalho, Superintendent of Schools
The School Board of Miami-Dade County, Florida
Miami, Florida 33132

Ladies and Gentlemen:

We are pleased to present this report related to our audit of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of Miami-Dade County, Florida (the School Board or the District), as of and for the year ended June 30, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Chairperson and Members of the School Board of Miami-Dade County, Florida, the Chairperson and Members of the School Board Audit and Budget Advisory Committee, and the Superintendent of Schools, and is not intended to be, and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards is to express an opinion on the School Board's financial statements based on our audit, and is further described to you in our arrangement letter dated March 1, 2011.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued separate communication (The Audit Plan) regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District.</p> <p>As discussed in Note 1 to the financial statements, the District adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statements No. 68, <i>Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27</i> and Statement No. 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)</i>, effective July 1, 2014. The net position balance of the governmental activities as of July 1, 2014 has been restated as a result of the implementation these GASB statements. Our opinion is not modified with respect to this matter.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates</p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates section.</p>

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly immaterial.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit
Letter(s) Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	<p>We have issued, under separate cover, the following reports in connection with our audit, as required by the <i>Government Auditing Standards</i> and OMB Circular A-133:</p> <ul style="list-style-type: none"> • Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> • Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance in Accordance with OMB Circular A-133; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the District, including the representation letter provided to us by management, are attached as Exhibit A.

The School Board of Miami-Dade County, Florida

Summary of Accounting Estimates

For the Fiscal Year Ended June 30, 2015

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's June 30, 2015 financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Accounting for Other Post-Employment Benefits	The annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters set by Government Accounting Standards Board.	Management with input from its OPEB actuary developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the OPEB actuarial report.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears reasonable and consistently applied, and have deemed the resulting estimate to be reasonable.
Accounting for Pension Plans and the Related Net Pension Liabilities, including Amounts from the Florida Retirement System	Annual required contributions (ARC), net pension liabilities and related pension amounts are actuarially determined in accordance with the parameters established by the Government Accounting Standards Board.	District management and/or the pension plan's management, with input from its actuary, developed the actuarial assumptions based on relevant criteria. District Management reviewed and approved the financial statement estimates derived from the pension plan's actuarial report.	We have audited the underlying data supporting the estimate and reviewed management's methodology, including evaluating the actuarial report which appears reasonable and was consistently applied, and have deemed the resulting estimate to be reasonable.

Actuarial Assumptions Used for the Self-Insurance Program (Risk Management)	The District is self-insured for general and auto liability, property, workers' compensation, and employees' health claims, subject to stop loss coverages. The accrued liability for estimated claims represents an estimate of the eventual loss on claims including claims incurred but not yet reported.	Management with input from its Risk actuary developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the Risk actuarial report.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied, and have deemed the resulting estimate to be reasonable.
Derivative Instruments	All derivative instruments are recorded at fair value.	Management obtained an analysis of the derivative instruments fair value from a financial expert. The financial expert's fair values were derived from proprietary models based upon well recognized financial principles and reasonable estimates about relevant future market conditions.	We have audited the underlying data supporting the estimate, reviewed the financial experts' valuation, and have deemed the resulting fair value to be reasonable.
Depreciation of Capital Asset	Depreciation on capital assets is provided using the straight-line method. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the assets.	Depreciation of capital assets is determined using the straight-line method of depreciation over the estimated useful lives of the assets, as assigned by management.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.

Exhibit A—Significant Written Communications between Management and Our Firm



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Alberto M. Carvalho

Miami-Dade County School Board

Perla Tabares Hantman, Chair
Dr. Dorothy Bendross-Mindingall, Vice Chair
Susie V. Castillo
Dr. Lawrence S. Feldman
Dr. Wilbert "Tee" Holloway
Dr. Martin Karp
Lubby Navarro
Raquel A. Regalado
Dr. Marta Pérez Wurtz

November 20, 2015

RSM US LLP
801 Brickell Avenue, Suite 1050
Miami, FL 33131

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of the School Board of Miami-Dade County, Florida (the School Board) as of and for the year ended June 30, 2015, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of our professional services contract dated March 1, 2011, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party relationships and transactions including interfund transactions, interfund account advances, receivables, and payables, sales and purchase transactions as applicable have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All significant events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims beyond those accounted for in the School Board's self-insurance fund, have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no knowledge of any material uncorrected misstatements in the financial statements.
9. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with GASB Statements No.10 and No. 62 beyond those accounted for in the School Board's risk retention liability estimates.

10. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statements.
11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining and have determined that we are subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
12. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The School Board has no significant amounts of idle property or equipment.
 - b. The School Board has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
 - c. Provision has been made to reduce applicable assets that have permanently declined in value, if any, to their realizable values.
 - d. We have reviewed long-lived assets to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
13. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made, if applicable:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. To reduce investments, and other assets which have permanently declined in value to their realizable values.
 - c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2015, and/or for expected retroactive insurance premium adjustments applicable to periods through the date of this letter.
 - d. To record net pension liability and related pension amounts (deferred inflows and outflows) related to the School Board's defined benefit pension plans, based on valuations provided by the pension plans actuaries.
 - e. For post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2015.
14. No provision is required to reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
15. We have properly determined and reported the major governmental funds based on the required quantitative criteria. The Capital Improvement - Local Optional Millage Levy (LOML) Fund did not meet the minimum criteria for major fund determination during fiscal year 2015. However, we will continue to present this as a major fund for public interest purposes.
16. We have satisfactory title to all owned assets.
17. Net position (net investment in capital assets; restricted; and unrestricted) and fund balances are properly classified and, when applicable, approved.

18. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
19. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
20. Capital assets are properly capitalized, reported, and depreciated.
21. We agree with the findings of specialists in evaluating our estimated liability for self insurance, the valuation and effectiveness assessment of our hedged derivatives, the estimated liability for other post employment benefit obligation, and the pension plans net pension liability and related pension amounts, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Information Provided

22. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the School Board and the Audit and Budget Advisory Committee, or summaries of actions of recent meetings for which minutes have not yet been prepared.
23. All transactions have been recorded in the accounting records and are reflected in the financial statements.
24. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
25. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
26. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.
27. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
28. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware (when applicable).
29. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data.

30. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
31. Management has determined that a one-year availability period is appropriate for revenue recognition for all governmental fund revenues except property taxes which is 60 days.
32. The School Board has complied with the provisions of Section 218.415, Florida Statutes regarding the investment of public funds.
33. The School Board is not in a state of emergency based upon the conditions described in Section 218.503(1), Florida Statutes.
34. Management has assessed the financial condition of the School Board and noted no deteriorating financial condition.
35. We have evaluated the requirements of GASB No. 14 and 61 and have determined that the Charter Schools do not meet the "fiscal dependency" criteria for inclusion as a component unit in the School Board's financial statements.
36. We have evaluated the requirements of GASB No. 68 and 71 and have properly implemented the requirement of the standards in the financial statements.
37. We have evaluated the terms and conditions of the forward delivery purchase contracts and put options in connection with the District's certificate of participation series debts and concluded that they are not derivative instruments as defined in GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

Supplementary Information

38. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
39. With respect to the required supplementary information as required by Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

40. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
41. Has identified and disclosed to the auditor all instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance (when applicable).
42. Has identified and disclosed to the auditor all instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives (when applicable).
43. Has identified and disclosed to the auditor all instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives (when applicable).
44. Has a process to track the status of audit findings and recommendations.
45. Has identified for the auditor previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
46. Has provided views on the auditor's reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.

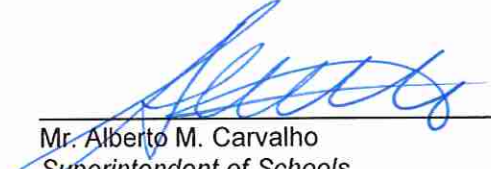
In connection with your audit of federal awards conducted in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, we confirm:

47. Management is responsible for complying, and has complied, with the requirements of Circular A-133.
48. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
49. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs.
50. Management has prepared the schedule of expenditures of federal awards in accordance with Circular A-133 and has included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.


51. Management has identified and disclosed to the auditor the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
52. Management has made available all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
53. We are not aware of any amounts of questioned costs or known noncompliance with the direct and material compliance requirements of federal awards, except as reported in your compliance report.
54. Management believes that the auditee has complied with the direct and material compliance requirements.
55. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
56. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
57. We are not aware of any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
58. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
59. Management is responsible for taking corrective action on audit findings and significant deficiencies reported in the compliance audit.
60. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect compliance during the reporting period.
61. There are no known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
62. There are no changes in internal control over compliance or other factors that might significantly affect internal control that have occurred subsequent to the date as of which compliance is audited.
63. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
64. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

65. If applicable, management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Circular A-133.
66. If applicable, management has issued management decisions timely after their receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and has ensured that subrecipients have taken the appropriate and timely corrective action on findings.
67. If applicable, management has considered the results of subrecipient audits and has made any necessary adjustments to the auditee's own books and records.
68. Management has charged costs to federal awards in accordance with applicable cost principles.
69. Management will accurately complete the appropriate sections of the data collection form.
70. If applicable, management has disclosed all contracts or other agreements with service organizations.
71. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.


School Board of Miami-Dade County, Florida



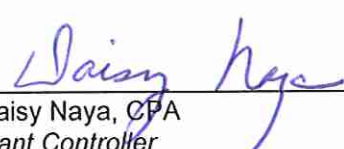
Mr. Alberto M. Carvalho
Superintendent of Schools



Mrs. Judith M. Marte
Chief Financial Officer



Ms. Connie Pou, CPA
Controller



Ms. Daisy Naya, CPA
Assistant Controller

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The School Board of Miami-Dade County, Florida

Management Letter in Accordance
with Chapter 10.800, *Rules of the Auditor
General* of the State of Florida
For the Year Ended June 30, 2015

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**Management Letter in Accordance with
Chapter 10.800 of the Rules of the
Auditor General of the State of Florida**

Chairperson and Members of
the School Board of Miami-Dade County, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The School Board of Miami-Dade County, Florida (hereafter the School Board or District), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 20, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with attestation standards established by the American Institute of Public Accountants, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 20, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as reported in *Appendix B – Status of Prior Year's Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls*.

Financial Condition

Section 10.804(1)(f)2., Rules of the Auditor General, requires a statement be included as to whether or not the School Board has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School Board did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the School Board. It is management's responsibility to monitor the School Board's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Transparency

Section 10.804(l)(f)6., Rules of the Auditor General, requires we report the results of our determination as to whether the School Board maintains on its Web site the information specified in Section 1011.035, Florida Statutes. (Section 1011.035, Florida Statutes, provides that district school boards include a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public). In connection with our audit, we observed that the School Board maintained on its Web site the information specified in Section 1011.035, Florida Statutes.

Other Matters

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. A recommendation is included in *Appendix A – Current Year's Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls*.

Section 10.804(1)(f)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

RSM US LLP

Miami, Florida
November 20, 2015

The School Board of Miami-Dade County, Florida

Appendix A – Current Year’s Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls

CD 2015-01 – Information Technology User Access Reviews

Criteria: General information technology (IT) controls require that an organization establish formal policies and procedures for reviewing IT access rights to relevant applications and systems.

Condition: We noted that the District does not have a formalized procedure to review IT access rights and privileges for SAP (Systems, Applications, and Products) database and operating system users.

Cause: Formal policies and procedures have not been established to require the review of SAP database and operating system users.

Effect: Risks include unauthorized use, disclosure of proprietary information, modification, damage, or loss of data.

Recommendation: We recommend that management implement internal control policies and procedures to expand the user access review process to include SAP database and operating system users. All reviews should be standardized and performed at least annually. In addition, as part of this process, management should formally document the reviews being performed and such documentation should include when the review was performed, who performed the review, and changes that were required.

Views of Responsible Officials and Planned Corrective Actions:

Information Technology Services will develop and implement a process to perform an annual review of authorizations pertaining to SAP database and OS access.

The School Board of Miami-Dade County, Florida

**Appendix B – Status of Prior Year’s Recommendations to Improve Financial Management,
Accounting Procedures and Internal Control**

No.	Prior Year's Observations	Observation No Longer Relevant	Observation is Still Relevant
CD 2013-01	Information Technology Periodic Review of User Access Rights	X	
CD 2014-01	Information Technology Provisioning of Access	X	
CD 2014-02	Information Technology User Access Reviews		X, certain corrective action taken
CD 2014-03	Self-Insurance	X	

The School Board of Miami-Dade County, Florida

Appendix B – Status of Prior Year’s Recommendations to Improve Financial Management, Accounting Procedures and Internal Control

CD 2014-02 – Information Technology User Access Reviews

Criteria: General information technology (IT) controls require that an organization establish formal policies and procedures for reviewing IT access rights to relevant financial applications and systems.

Condition: The IT department is charged with the responsibility of performing user access reviews. This function is designed to evaluate employees IT application access privileges. We noted the user access reviews for the SAP resource management system is not performed in a standardized manner for each location/department. We also noted that reviews are not being formally documented to provide written evidence.

Cause: Formal policies and procedures have not been established to standardize the review process at each District location/department and to require formal documentation of such reviews.

Effect: Risks include unauthorized use, disclosure of proprietary information, modification, damage, or loss of data.

Recommendation: We recommend that management establish formal policies and procedures to standardize the user access review process at each District location/department, and to require formal documentation of such reviews. The formal documentation should include who performed the review, date of review, any access changes that are required, and any other relevant findings.

Prior Year’s Views of Responsible Officials and Planned Corrective Actions:

As stated in our response in section CD 2014-01 of this document, Miami-Dade County Public Schools (M-DCPS) is in the process of creating a role assignment report that will be reviewed on a timely basis by all locations/departments within M-DCPS. ITS and other high risk departments will be required to follow the same policy that other units are obligated to follow. We believe that a consistent policy that is equally enforced throughout the District provides greatest safeguards against unauthorized use, disclosure of proprietary information, modification, damage, or loss of data. Furthermore, by following this policy, all locations/departments in M-DCPS will be in compliance with Paragraph 13 of section 5.0 (Staff Security Responsibilities) of the M-DCPS Network Security Standards. We are of the understanding that ITS and other high risk departments may be required to retain additional supporting documentation as to attest why actions were taken.

Current Year’s Views of Responsible Officials and Planned Corrective Actions:

In order to mitigate issues with excessive authorizations in the ERP system, Information Technology Services (ITS) has developed a report similar to the one used to review Mainframe access highlighting sensitive roles that site administrators will be required to review as policy.



RSM US LLP

Independent Accountant's Report

Chairperson and Members of
the School Board of Miami-Dade County, Florida

We have examined the School Board of Miami-Dade County, Florida's (the School Board) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the year ended June 30, 2015. Management is responsible for the School Board's compliance with those requirements. Our responsibility is to express an opinion on the School Board's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the School Board's compliance with specified requirements.

In our opinion, the School Board complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2015.

This report is intended solely for the information and use of the Florida Auditor General, the Superintendent of Schools, Members of the School Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
November 20, 2015