

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE  
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS  
September 17, 2019**

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The School Board Audit and Budget Advisory Committee (ABAC or Committee) met on Tuesday, September 17, 2019, in the School Board Administration Building, Conference Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

**Members Present:**

**Voting:**

Mr. Erick Wendelken, CPA, Chair  
Mr. Christopher Norwood, J.D., Vice Chair  
Mr. Juan del Busto  
Mr. Jeffrey Codallo  
Mr. Stephen Hunter Johnson, Esq.  
Mr. Jeffrey Kaufman  
Mr. Julio C. Miranda, CPA, CFE  
Mr. Rudy Rodriguez, CPA  
Ms. Mari Tere Rojas, School Board Member  
Mr. Isaac Salver, CPA  
Mr. Ernie Saumell, CPA (Alternate for ABAC member Mr. Albert D. Lopez, CPA)

**Members Absent:**

Ms. Beth Edwards, PTA/PTSA President  
Mr. Albert D. Lopez, CPA

**Non-Voting:**

Mr. Ron Y. Steiger, Chief Financial Officer

**Call to Order**

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The ABAC Chair, Mr. Erick Wendelken called the meeting to order at **12:33 p.m.**

**1. Welcome and Introductions**

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The ABAC Chair requested all in attendance to introduce themselves, which they did. The following persons were present:

Ms. Perla T. Hantman, School Board Chair	Ms. Maria T. Gonzalez, CPA, Chief Auditor
Dr. Lawrence S. Feldman, School Board Member	Mr. Jon Goodman, CPA, CFE, Assistant Chief Auditor
Dr. Steve Gallon III, School Board Member	Mr. Richard Yanez, CPA, District Audit Director
Dr. Marta Pérez, School Board Member	Ms. Elvira Sanchez, CPA, CFE, District Director
Mr. Alberto M. Carvalho, Superintendent	Mr. Luis Baluja, CISA, Executive Director
Mrs. Valtena G. Brown, Dep. Supt./Chief Oper. Officer	Ms. Tamara Wain, CPA, Executive Director
Ms. Marie Izquierdo, Chief Academic Officer	Ms. Michele Jones, Esq., Executive Director, CIU
Mr. Jaime G. Torrens, Chief of Staff	Mr. Neil Singh, Audit Director
Mr. Jose L. Dotres, Chief Human Capital Officer	Mr. Wilmer Maradiaga, IT Auditor
Ms. Tabitha G. Fazzino, Chief Administrative Officer	Mr. Michael Hernandez, Charter School Audit Coordinator

Mr. Carl Nicoleau, Chief Maintenance and Ops. Officer	Ms. Patricia Tumelty, Senior Auditor
Mr. Gene Baker, Chief Information Officer	Ms. Francys Vallecillo, Chief of Staff
Mr. Walter J. Harvey, School Board Attorney	Ms. Ana Lara, Administrative Assistant
Ms. Mindy McNichols, Assistant School Board Attorney	Ms. Elizabeth Soto, Administrative Assistant
Ms. Daisy Naya, Controller	Ms. Addys Lopez, Administrative Assistant
Mr. Jose Bueno, North Region Superintendent	Ms. Vivian Lissabet, Administrative Assistant
Ms. Joyce M. Castro, Assistant Superintendent, HR	Ms. Amanda Pinto, Administrative Assistant
Mr. Steffond Cone, Assistant Superintendent, School Ops.	Ms. Pavielle Phillips, Administrative Assistant
Ms. Cynthia Gracia, Administrative Director, School Ops.	Ms. Patricia Betancourt, Administrative Assistant
Dr. Verena Cabrera, Administrative Director, FASCO	Ms. Ana Sanchez, Supervisor, CIU
Ms. Penny Parham, Food and Nutrition Officer	Ms. Jessica Dorelus, Investigator, CIU
Mr. Ernesto Gonzalez, Executive Director	Ms. Samantha Liberal, Investigator, CIU
Ms. Arlene Diaz, Executive Director, Certification	Mr. Keith Mitchell, Investigator, CIU
Mr. Edward McAuliff, Executive Director, ITS	Mr. Ray Montano, CIU Investigator
Mr. Brett Friedman, Partner, RSM US LLC	Ms. Elsa Berrios-Montijo, Staff Assistant
Mr. Anil Harris, Sr. Manager, RSM US LLC	Ms. Latisha Green, Administrative Assistant
Mr. Jerold Blumstein, Chief of Staff	Mr. Tom Knigge, Supervisory Special Agent, OIG
Ms. Jackie Falls, Chief of Staff	Mr. Daniel Ricker, Watchdog Report

Immediately after the introductions, the ABAC Chair announced that Dr. Nancy Lawther, former PTSA/PTA President would no longer be part of the ABAC membership. Ms. Beth Edwards is the new PTSA/PTA President and the new member of the ABAC representing the PTSA/PTA.

The Committee Chair congratulated ABAC member Mr. Isaac Salver for his recent election to President of the Florida League of Cities.

Before approval of the minutes, the Chief Auditor brought an update regarding the external audit firm of RSM and the results of their "Volunteer Day". During the last meeting, RSM had made a presentation of their Annual Plan and had stated that they would soon be involved in a beautification project at one of the district schools. On August 8, 2019, members of the firm arrived at Henry E.S. Reeves K-8 Center ready to paint the cafeteria of the elementary campus.

The Chief Auditor shared with the Committee a brief PowerPoint presentation prepared by the firm showing the team's participation and painting efforts.

School Board member/ABAC member Ms. Mari Tere Rojas was very satisfied, encouraged them to engage in similar projects in the future and thanked them for their efforts.

**2. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of July 16, 2019 (ACTION)**

The ABAC Chair presented the minutes of the July 16, 2019, ABAC meeting. Ms. Rojas requested a minor revision on page 5 of the minutes to read "...through partnerships with the county and different municipalities". She requested that clarification since the county is not a municipality. The Chief Auditor acknowledged the need for a correction to the

minutes, requested for Ms. Rojas to provide the exact wording, which Ms. Rojas agreed to. The Chief auditor thanked Ms. Rojas for the clarification and proffered that the change would be made.

There being no other questions posed regarding these minutes, a motion was made by ABAC member Mr. Juan del Busto, and seconded by School Board member/ABAC member Ms. Mari Tere Rojas, for the approval of the minutes of the July 16, 2019, ABAC meeting with the minor revision. The motion carried unanimously.

### **3. Miami-Dade County Public Schools – Annual (un-audited) Financial Report Fiscal Year End June 30, 2019 (INFORMATIONAL)**

The Chief Auditor introduced the subject item and stated that this report had been previously presented to the School Board for transmittal at its September 4, 2019, meeting. Chief Financial Officer Mr. Ron Y. Steiger further clarified that the report was transmitted to the Board and to the State as well.

Ms. Rojas was pleased and stated that the report was extremely comprehensive, easy to understand and presented in a very professional manner.

Similarly, ABAC member Mr. Rudy Rodriguez commented on the presentation of the report and stated that not only the report was well presented but the numbers in the report look good and commended the staff for having done such a great job with the presentation of this report.

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

### **4. Presentation of Internal Audit Report - Selected Schools/Centers (ACTION)**

The Chief Auditor introduced the subject report. According to her, this is the first group of school audits under the new audit cycle. The group is comprised of 45 schools/centers, one of which is Hospitality Services (otherwise known as the SBAB Cafeteria). Some of the schools reported two-year audits, while several had a change of Principal since their last audit. Of this total, 43 did not disclose reportable findings and their corresponding Principals/Administrators should be commended for a great job. However, she observed that two schools reported findings in the area of Athletic Program funds overspending and FTE records and procedures, respectively.

School Board member/ABAC member Ms. Mari Tere Rojas congratulated the 43 schools without findings. Related to the finding on overspending, Ms. Rojas stated that the manner in which the school attempted to correct the deficit actually aggravated the situation. Regarding the FTE findings, she was also concerned, particularly with the area of ESE and requested additional elaboration from the internal audit department on both findings.

District Director Ms. Elvira Sanchez provided specific details corresponding to each of the findings in the report including the corrective actions proffered by the administration in

their responses. Ms. Rojas requested elaboration on teacher certification issues, which Ms. Sanchez did. To address teacher certification issues, which was part of the FTE finding, at the request of the Chief Auditor, Ms. Sanchez added that this year, discrepancies in the area of teacher certification disclosed during an audit that do not rise to the level of a finding are nevertheless communicated to the district office overseeing teacher certification matters for their information and to collaborate with that office regarding recommendations for corrective action. On this subject, School Board member/ABAC member Ms. Mari Tere Rojas expressed her concerns regarding teachers out of compliance, namely, the length of time that they are allowed for certification purposes, the ramifications when teachers do not comply with timelines, and that the corresponding students are placed under other classrooms of certified teachers who must now teach these additional students.

In response, Executive Director Ms. Arlene Diaz provided details of the teacher certification timelines related to academic and endorsement areas, and for teachers teaching-out-of-field for ESOL; and cited some of the ramifications of being non-compliant, such as precluding non-certified teachers from summer school teaching or from potentially barring them from receiving teaching supplements. Ultimately, Ms. Rojas requested a report (through the Superintendent) from the office of Chief Human Capital Officer Mr. Jose L. Dotres as to how many teachers are out of compliance (district-wide) in the applicable areas discussed by Ms. Diaz during her explanation, or in the areas of ESOL and ESE; and how long have these teachers been out of compliance. She also inquired whether these teachers can be out of compliance for an infinite timeline.

Ms. Rojas also added that she was pleased to see in the response from Mrs. Brown's office that Athletic Directors and Athletic Business Managers will participate in the *Money Does Matter Support Program*, and that School Operations and Instructional Certification will be collaborating in corrective action regarding teacher certification, particularly teachers out of field. She also inquired about the makeup of the Fiscal Review Teams and requested clarification. According to Mrs. Brown, the membership consists of District staff from [Administrative Director] Ms. Cynthia Gracia's office, Region Directors and Principals who have not experienced audit exceptions for some time. The team reviews some of the reports and documentation related to fiscal aspects of the school, and the visits could be monthly or bi-monthly, depending on the severity of the issue being followed up. Ms. Rojas inquired as to whether reports (i.e., written or verbal) were generated from the visits. Mrs. Brown replied that most is verbal and communicated to the Principal upon completion of the review visit; and in some instances additional District staff may be called upon to provide assistance to the school.

Ms. Rojas was extremely pleased with Mrs. Brown's response and gave kudos for all the assistance that is being provided to the schools, which in her estimation will be extremely beneficial to the schools.

School Board member/Alternate ABAC member Dr. Lawrence Feldman said that before the meeting, he had a lengthy conversation with the Chief Auditor and looked forward to a similar conversation with the Deputy Superintendent/Chief Operating Officer Mrs. Valtena Brown regarding the finding on the overspending of athletic program funds. As he understood it, approximately \$28,000 was "borrowed" from several Classes and Clubs

and Trust accounts to cover the athletic program deficit; however, the “borrowed” funds originated from students who contributed funds to those club accounts for the past two years. The funds are no longer available because the school will not replace them immediately but throughout the year at a time uncertain. He wanted clarification as to what degree the students are owed funds.

The Chief Auditor replied that the report clearly presented the issues that transpired during the audit and stated that the additional clarification regarding any possible replacement of funds should be provided by the Administration.

Mrs. Valtena Brown replied that the school had \$107,000 in internal funds for all sorts of activities and she reminded the ABAC of another school that was reported in the prior ABAC meeting with a similar predicament of not having enough funds in the Athletic Program. She explained that, in the past, schools’ athletic programs have depended on attendance to athletic events for their fundraising efforts. However, attendance to these events has diminished and schools must re-design their fundraising for athletic programs going forward. As to Dr. Feldman’s request for clarification, Mrs. Brown replied that she would have to research the matter first and later discuss it with Dr. Feldman in more detail, because some of these Club accounts balances are roll-over dollars from prior years, and she did not have all of the specific information at hand. Dr. Feldman said that he looked forward to that conversation to dig deeper in this matter, and then inquired about the funds from the Library account and how these funds are going to be repaid. Mrs. Brown replied that according to the (North) Region Superintendent, some of the funds were reversed; however, she would have to confirm all this information before meeting with Dr. Feldman to provide a response.

Dr. Feldman commented that the recommendations from the Chief Auditor read “should” and his interpretation is that they should read “shall”. Ms. Rojas concurred with Dr. Feldman.

The Chief Auditor brought to everyone’s attention the additional information included in the report table on pages 34-41 that was requested by Dr. Feldman during the prior ABAC meeting and whose request was supported by Ms. Rojas. Up to the prior ABAC meeting, this table only listed the names of the Principals during the audit period and any changes in Principals according to each school in the report. Pursuant to the request, this table now incorporates the names of the Treasurers during the audit period, along with the names of any Treasurer when there was a change in the particular school being reported. Both Dr. Feldman and Ms. Rojas were agreeable with the additional information and Ms. Rojas further commented it would be helpful.

In response to Dr. Feldman’s previous comments regarding the wording of shall/should in the recommendations, the Chief Auditor explained that the language used in the report’s recommendations is representative of her advisory role as internal auditor. She explained that she is not management and not the supervisor overseeing the work of the

school administrators; therefore, she affirmed that “should” is what is applicable in the recommendations and not “shall”<sup>1</sup>.

Last, the Superintendent thanked Ms. Rojas for her comments on the school audit reports, noting that 43 of 45 posed no issues and further discussed some of the issues disclosed by the FTE finding, current legislature changes that may impose additional teacher certification requirements when students with special needs are included in a regular classroom. He added that the internal audits of FTE in this report do not result in a loss of FTE funding; only the State FTE audit captures that. He also added that the area of teacher certification is very complex and was planning a sidebar with Mr. Dotres to discuss providing additional information regarding the changing nature of Special Education certification, and subject-area certification for Special Education teachers who now must go out and acquire that additional certification. Ms. Rojas replied that she was looking forward for the workshop/conversation on this topic as proffered by the Superintendent since she continued to be concerned about teachers teaching out-of-field and completion timelines. The Superintendent agreed that additional information should be provided and should be forthcoming to the Board/ABAC.

There being no more questions or comments, a motion was made by ABAC member Mr. Isaac Salver and seconded by School Board member/ABAC member Ms. Mari Tere Rojas, which carried unanimously, to recommend that the **Internal Audit Report - Selected Schools/Centers**, be received and filed by the School Board.

##### **5. Presentation of Internal Audit Report - Audit of Legacy/SAP Systems-District-Wide Security Controls, Roles, and Access Management (ACTION)**

The Chief Auditor introduced the subject report. According to her presentation, the objective of this audit was to assess the internal controls for granting and managing access to the Legacy and SAP systems and to review procedures for periodic monitoring and reconciliation of access by site administrators. The scope of the audit comprised all active Legacy and SAP authorizations for all District school-sites and non-school sites as of March 2019. She stated that the audit resulted in four findings identifying the need for improvement over the monitoring and reconciliation of user access to systems applications, and additional training of site administrators in this area. Management concurred with the recommendations and their responses are included in the report.

The Chief Auditor also brought to the attention of the Committee two minor revisions to the report. She explained that although the audit report process follows a very thorough review and a draft of the report is provided to management for review and discussion, some language on page 11 remained in the title of Finding no. 3 and in the body of the finding that was not representative of the finding and that needed deletion. She noted that the finding should have read “...Food Service Managers Who Have Transferred To

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<sup>1</sup> During presentation of the next internal audit report, the issue of “should” versus “shall” was again posed by School Board member/ABAC member Ms. Mari Tere Rojas, because she felt that “shall” was more significant. Some of the ABAC members which included the Chair of the ABAC concurred with the Chief Auditor’s position regarding use of the word “should” in the auditor’s recommendations.

Another Location” instead of “...Food Service Managers Who Have *Left The District Or Transferred To Another Location*”. She also noted all Food Service Managers reviewed were active employees and *none had left the District*; therefore, corrections were necessary to reflect the proper conditions disclosed.

Ms. Rojas again noted that the auditor’s recommendations in this report included the word “should”; and added that although she understood the explanation previously provided by the Chief Auditor regarding the use of “should” versus “shall”, her opinion was that “shall” was much more significant.

In response to Ms. Rojas, ABAC Chair Mr. Erick Wendelken replied that if the auditor was being treated as independent from the Administration, then the auditor can’t tell the administration what to do, and there is a distinction between these words (as previously addressed by the Chief Auditor). ABAC member Mr. Juan del Busto concurred with the ABAC Chair’s comments and further replied that an audit initiative should not dictate how management implements corrective action; it should only recommend. The Superintendent brought to everyone’s attention that management took the recommendations in a very determined way for implementation; therefore, management’ response and actions to address these recommendations brought the “should” from the auditors to a “shall” or “will” from management.

ABAC member Mr. Isaac Salver inquired how the results disclosed in this report compared relative to prior year’s (similar) audit. Assistant Chief Auditor Mr. Jon Goodman replied that a similar audit was not performed in the previous year(s); although over the years there have been a number of IT-related audit issues reviewed by other audit entities including our office. Ms. Salver’s concern is that he did not recall these specific issues in prior audits presented to the Committee under the tenure of the former Chief Auditor. Mr. Goodman clarified that in these current times, the issue of cybersecurity is to be taken very seriously, not only with Miami-Dade County Public Schools but through all entities. This is a heightened area that has been brought up in the past by both Board members and ABAC members. The Superintendent was satisfied with this report; however, pointed that in the past, IT-related audits may not have necessarily focused on the same issues. He also stated that this report projects positive results despite the findings, since there are no examples of intrusion, fraud or loss of revenues involving IT systems.

ABAC member Mr. Rudy Rodriguez inquired as to the last time that an audit of the Legacy (RACF)/SAP authorizations was conducted. The Chief Auditor replied that this was the first district-wide audit of authorizations that has been performed. Other district-wide IT-audits previously performed by her office under the previous OMCA administration related to hardware systems. However, she clarified that customarily, as part of the school audits, her office has performed a limited review of authorizations as listed in the RACF reports at school sites for that school site personnel only; and schools have been cited on previous occasions in this area.

Mr. Rodriguez further inquired if there was a report capturing the time that a Food Service Manager was given an authorization and the last time that the authorization was used. Chief Information Officer Mr. Gene Baker replied that such report is not generated by the system. Upon further inquiries regarding the issue of the Food Service Managers’ access

to legacy authorizations and the RACF report, Ms. Brown explained that at times, Food Service Managers would be given access to multiple sites due to emergencies and other situations. This allowed managers to access student information related to eligibility for the meals program. In the past, staff from Food and Nutrition periodically reconciled access as noted in the RACF reports to ensure that it was in alignment with assignments. At present, Food and Nutrition has a help center established that provides managers with assistance including access to student information related to eligibility; therefore, additional access to legacy authorizations will no longer be required.

There being no more questions or comments, a motion was made by ABAC member Mr. Isaac Salver and seconded by School Board member/ABAC member Ms. Mari Tere Rojas to accept the report with the minor corrections posed by the Chief Auditor. This motion carried unanimously, to recommend that the **Internal Audit Report - Audit of Legacy/SAP Systems-District-Wide Security Controls, Roles, and Access Management**, be received and filed by the School Board.

#### **6. Office of Management and Compliance Audits' 2018-2019 Annual Report (ACTION)**

The Chief Auditor introduced the subject report. According to her presentation, the report summarizes the auditing activities for this past 2018-2019 fiscal year. Pursuant to School Board Policy 6835, "The Chief Auditor will make an annual report to the Audit and Budget Advisory Committee, to the Board and to the Superintendent on the results of auditing activities." The office's budget is also included as part of the annual report.

OMCA's highlights for the 2018-2019 year included the reorganization of the office that happened pursuant to the office's Succession Management Plan and subsequent to the hiring of a new Chief Auditor in June 2018. In addition, the Civilian Investigative Unit (CIU) was revamped by increasing the size of its investigative staff, and promoting an attorney already working in the School Board Attorney's Office to Executive Director to lead the Division. The report illustrates that OMCA met the goals established in its 2018-2019 Annual Plan. Regarding external auditing services, the Chief Auditor oversaw the audit engagement of the external audit firm of S. Davis & Associates, P. A., to perform the midpoint independent audit/review of the General Obligation Bond (GOB) funded School Improvement Program for the period from July 1, 2012 to June 30, 2018.

As a follow up to the prior ABAC meeting where the CIU Division was discussed including the hiring of staff and case backlog, CIU Executive Director, Ms. Michele Jones and her staff were in attendance during this meeting. She individually introduced each CIU investigator and provided a brief description of their backgrounds, which include significant investigative experience including investigating children.

Ms. Rojas was very appreciative as to the comprehensiveness and detail of the report and the work of the office. ABAC member Mr. Rudy Rodriguez was also very appreciative of the report and content.

There being no more questions or comments, a motion was made by ABAC member Mr. Juan del Busto and seconded by ABAC member Mr. Rudy Rodriguez, which carried

unanimously, to recommend that the **Office of Management and Compliance Audits' 2018-2019 Annual Report**, be received and filed by the School Board.

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

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The Chief Auditor summarized the office's activity since the last ABAC meeting. This consisted of the work that her office has performed since the last meeting, including the reports presented today, as well as the audit work assignments that are either in progress or in the planning stages, and all other non-audit assignments that they have participated in since the last meeting.

Ms. Rojas was appreciative of the report and upon her inquiries on CIU's caseload, CIU Executive Director Ms. Michele Jones clarified the backlog cases that remained open at year-end, those completed so far, and the expectation that, barring unforeseen circumstances, the Division should be caught up with the case backlog by November 2019. The Chief Auditor stated that she expects to bring good news to the ABAC regarding backlog case completion by the next meeting in December 2019.

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

**8. Status of Monitoring District's Compliance with the Americans with Disabilities Act (ADA) Requirements Related to Website Accessibility (INFORMATIONAL)**

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The Chief Auditor discussed the ongoing monitoring progress in the area of ADA website accessibility that her office performs. Progress since the last ABAC meeting consisted of various offices and school sites that have migrated their websites to an ADA-friendly template, training opportunities afforded to staff in the area of website accessibility, and the establishment of a pool of vendors to develop new and replace existing websites with ADA-friendly versions.

On this topic, she introduced Executive Director of IT Audits, Mr. Luis Baluja, who provided a brief history of this District initiative and made a presentation of the office's website to illustrate its current ADA accessibility enhancements. According to Mr. Baluja, this is possible through a third-party tool implemented on the office's website which he launched for the presentation. The tool provides a menu so that users with disabilities can make those adjustments that will allow them accessibility to the site contents. These include adjusting the website's text size, color contrasts, enable a screen-reader via arrow keys to select sections to read, changes to the page's animation, etc. He clarified that the third-party tool makes all the adjustments to the browser, not to the actual website. Mr. Baluja also stated that the Office of Management and Compliance Audits and Civilian Investigative Units are the first websites in the District to become ADA-friendly.

ABAC member Mr. Isaac Salver commented that this has created a new field of litigation against those entities that do not comport with ADA compliance requirements. During the meeting it was clarified that the matter of ADA compliance involves English language

only; however, the tool can be changed to read in other languages. ABAC member Mr. Stephen Hunter Johnson inquired if a timeline had been established to convert all schools/district offices' websites to an ADA-friendly platform. Mr. Baluja replied that a timeline has been established.

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

**9. Initial Reading To Amend School Board Policies 6835-Office of Management and Compliance Audits, and 6840-Audit and Budget Advisory Committee (INFORMATIONAL)**

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The Chief Auditor introduced to the Committee School Board Agenda Item G-1 that was presented to the School Board at its meeting of August 14, 2019, that the School Board unanimously approved. She stated that this agenda corresponded to the initial reading of the proposed amendments to School Board Policies 6835 *Office of Management and Compliance Audits* and 6840 *Audit and Budget Advisory Committee*. The final reading of these proposed amended policies is scheduled for the School Board meeting of October 2, 2019. She closed by stating this would be a great opportunity for the ABAC to review the changes proffered, discuss them and make any recommendations if so desired by the ABAC.

School Board Attorney Mr. Walter Harvey discussed the specific changes and reasons for the changes. He added that at the last Audit and Budget Advisory Committee meeting of July 16, 2019, the Committee had been apprised of the forthcoming amendments intended to align these policies with recent actions approved by the School Board and changes in State legislation, specifically, Florida Statute 218.39 regarding the Auditor Selection Committee.

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

**10. Office of the Inspector General (OIG) Report- Announcement of Former Principal of Miami Jackson Adult Education Center Plea Agreement, Ref. SB-1617-1001 (INFORMATIONAL)**

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The Chief Auditor opened this presentation by stating that as required by School Board policy 6840, this OIG announcement is being presented to the ABAC for their information and discussion. She introduced OIG Supervisory Special Agent Mr. Tom Knigge for this presentation.

According Mr. Knigge, this announcement relates to the former principal of Miami Jackson Adult Education Center, Mr. Joey Bautista, who plead guilty to two third degree felonies in conjunction with his employment with the District and was sentenced to two years of community control and three years of probation. Mr. Bautista is required to complete community service hours and retribute approximately \$50,000.

This case stemmed from an OIG investigation previously reported to the ABAC, where the OIG had discovered that Mr. Bautista had hired a school custodian who was paid by the District but who was actually cooking and cleaning the former principal's residence as well as taking care of the former principal's children.

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

- **Old Business - Updates**

### **Audits of Florida International Academy (FIA) and Three ASPIRA Charter Schools**

The Chief Auditor stated that these charter schools had been discussed in the past and their close-out audits were pending. In regards to the close-out audits, she stated that FIA was able to secure funding for the audit, and representatives of FIA contracted the accounting firm of Keefe, McCullough & Co., CPA to conduct the required financial statement close-out audit. Although said audit was completed and provided to the District on August 14, 2019, the Office of Charter School Compliance and Support and the internal audit department are working with representatives of the accounting firm and school to clarify certain outstanding issues prior to presentation to the ABAC. It is anticipated that FIA's final financials be presented to the ABAC at its December 3, 2019, meeting. Regarding the three ASPIRA charter schools, representatives contracted the accounting firm of Caballero, Fierman, Llerena and Garcia, LLP, and they are in the process of performing their close-out audit for the FYE June 30, 2019. It is anticipated that the ASPIRA audited financials will be presented during the December 3, 2019 ABAC meeting.

The Chief Auditor stated that the District is diligently working with the representatives of these charter schools regarding these audits, which are dependent on the external auditors' ability to complete them within the next few months.

ABAC member Mr. Juan del Busto stated that these charters are two examples where it took too long to resolve. Dr. Gallon replied that the ABAC acted within the parameters of action that this advisory body can take, which are statutorily based. He wanted some clarification on this issue. The Assistant Superintendent for Charter School Support, Ms. Tiffanie Pauline stated that the statutes are very clear when it comes to financial matters of charter schools. She noted that there are processes and protocols in place depending on the financial issue, such as deteriorating financial condition. There are procedures in place and timelines related to charter schools that must be observed. Regarding the three ASPIRA schools, Ms. Pauline stated that the District went a step beyond by withholding the final payment to ensure that the audits would be performed, and her office will pay the auditors directly from these funds to ensure they are completed. Therefore, in her estimation, the District did everything that could be legally done to take care of this matter expeditiously.

ABAC member del Busto replied that he respectfully disagreed, and stated that "we were too tolerant" with the ASPIRA schools before making any recommendation to the Board.

## Update on Procurement Processes

The Chief Auditor stated that the last item on the list is an update on procurement processes and CFO Mr. Ron Steiger was in charge of that presentation.

Mr. Steiger stated that recently, there was a very productive conversation with representatives of ITS, Procurement and ABAC member Mr. Rudy Rodriguez regarding technological solutions to procurement processes recommended by Mr. Rodriguez.

According to Mr. Steiger, the District is in the process of implementing a contract management system in Procurement called *BidSync*. *BidSync* is an electronic bid notification and eProcurement service connecting vendors and suppliers to government agencies seeking to purchase products and services. *BidSync* contracts with many government agencies to announce and manage new bid/contract opportunities for large budget purchases requiring competitive bids. According to Mr. Steiger, this will take place during the leadership transition that is currently taking place in the Procurement office and he will keep ABAC member Mr. Rodriguez apprised of advances made by the District in this area.

According to School Board member/ABAC member Ms. Rojas, she shared information with the ABAC members in regard to recent action approved by the School Board at its meeting of September 4, 2019, that addresses the topic of procurement.

Ms. Rojas' staff distributed copies of the agenda item to the ABAC members. Pursuant to School Board Agenda Item H-7 Revised -- *Exploring Modification of School Board Purchasing Policies and Procedures* proffered by School Board member Dr. Dorothy Bendross-Mindingall, that was co-sponsored by several Board members, the Superintendent is requested to conduct a study to determine if it is feasible to: 1) explore the Office of Economic Opportunity (OEO) to meet with the end-user departments prior to solicitation documents being finalized in order to determine which competitive solicitation process is most aligned with diversity, equity, and inclusion; 2) award additional points, percentage points, and/or a combination of incentives to small-owned businesses, micro-owned businesses, veteran-owned businesses, minority-owned businesses, and women-owned small businesses that have not been contracted by the School Board in the last six months; and 3) provide a status update to the School Board of Miami-Dade County, Florida, by the November 20, 2019 regular School Board Meeting.

According to the item, the issue is that when ITB's, RFP's, or RFQ's for commodities or contractual services are solicited, often the same Small/Micro Owned businesses, Minority/Women Owned businesses, and/or Veteran Owned businesses are selected. In the agenda, it is also stated that although these actions maybe unintentional in regards to the selection process, this creates a perception among bidders that the School District is only interested in awarding contracts to the same businesses.

Ms. Rojas wanted to bring this item to the attention of the ABAC so the Committee is aware of the Board's efforts in this area. She added that the Superintendent would be looking at these issues carefully and would be bringing a report to the Board at its November 20, 2019, regular School Board meeting. She also expressed that her concern

in this area does not stop with items or services out for bidding, but also on exempt purchases that do not require undergoing the bidding process such as educational materials and such. She reinforced that, as her colleague Dr. Bendross-Mindingall observed in the agenda item, if there is a perception that may or may not be accurate, then it is imperative that a closer look be placed on current practices and changes be made if needed. This matter, according to Ms. Rojas, must be looked at very carefully.

Addressing the leadership transition that Mr. Steiger alluded to at the start of his presentation, Ms. Rojas stated that as a Board member, she had just become aware of the news very recently; and that her office had not been officially notified of the transition in leadership in the Procurement Department.

The ABAC Chair inquired if this change in leadership is something that should be brought to this Committee.

Mr. Steiger clarified that on the Friday before the ABAC meeting, he had received a letter of resignation from Chief Procurement Officer Ms. Melody Thelwell, and her last day of work was September 28, 2019. School Board Member Dr. Steve Gallon III was very concerned as to who would be the person that should be leading that office in the interim, while a candidate for the position was being sought.

Dr. Gallon's comments resulted in a very spirited discussion regarding Succession Management and the availability of internal candidates; however, Mr. Steiger said that the District was looking at all available options to find the right candidate including not only internal candidates but outside candidates bringing a fresh set of eyes. Dr. Gallon pressed on as to identifying the individual that would be selected to oversee that Department during the time that it takes to advertise, recruit and hire a replacement for the Chief Procurement Officer position. Mr. Steiger replied that they were working diligently in identifying a successor for the position. Dr. Gallon continued to express his concern as to the importance of that Department and the need to identify the right individual for the position.

The Honorable School Board Chair Mrs. Perla Tabares Hantman affirmed that the information regarding the Chief Procurement Officer's resignation had not been officially communicated to the Board members. She stated that this is an important position and the Board as a courtesy should have been notified. Mr. Steiger apologized for not having officially informed the Board and stated that he was not aware that the practice was to inform the Board of this resignation. Dr. Gallon agreed with the Honorable Board Chair's comments and reiterated that the position of Procurement Officer is a critical position within the District and one of the few positions cited in State Statute and Board Policy.

ABAC member Mr. Rudy Rodriguez stated that he was not familiar with *BidSync*, and added that obviously, he could research the Internet; however, inquired if he could contact Mr. Gene Baker in case of questions. Mr. Steiger said that he could not stop Mr. Rodriguez from making sure that what he envisioned was getting implemented; and added that this was said in the best way. Mr. Steiger reiterated that he was happy for Mr. Rodriguez to contact Mr. Baker for any questions and to get his voice heard.

Before adjourning the meeting, the Chief Auditor announced to the ABAC that the State of Florida Auditor General (AG) had notified the District of the upcoming the FEFP/FTE Examination of the District for the fiscal year ended June 30, 2019. Alluding to the Superintendent's previous comments on internal FTE audits and findings, the Chief Auditor added that, although the FTE audits conducted by her office do not result in funding disallowances, they are a great deterrent against loss of funding due to non-compliance with FTE related procedures, and she expected that this upcoming examination would prove better results when compared to the last AG audit.

ABAC member Mr. Rudy Rodriguez inquired if the last AG examination was two years ago. The Chief Auditor confirmed although it was two years ago, the report was presented later in September of last year, and that is why it feels as if that audit was performed earlier.

Ms. Gonzalez also announced that the AG's entrance conference with the Superintendent and his administration was scheduled for October 1, 2019, and the AG had requested that a representative of the School Board attend the entrance conference. The Honorable School Board Chair Mrs. Perla Tabares Hantman replied that she was appointing School Board member/ABAC member Ms. Rojas to attend the entrance conference on behalf of the Board and asked if this had to be put in writing. The Chief Auditor stated that it was not necessary and that she would ensure that Ms. Rojas was notified/invited to attend. Ms. Rojas agreed to attend.

## **ADJOURNMENT**

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Since there was no further business to come to the Committee, and upon a motion duly made and seconded, the meeting was adjourned **at 3:20 p.m.**

MTG/