

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE  
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS  
SPECIAL MEETING (IN-PERSON)  
November 13, 2020**

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The School Board Audit and Budget Advisory Committee (the ABAC or the Committee) met on Friday, November 13, 2020, in the School Board Administration Building, SBAB Auditorium, at 1450 N.E. Second Avenue, Miami, Florida. This was an in-person meeting and the first in-person meeting held by the ABAC members since the start of the COVID-19 pandemic working conditions of the District in March 2020.

**Purpose of Special Meeting**

This special meeting was scheduled for the purpose of reviewing vendor proposals (in reference to Request for Proposal (RFP) RFP-19-081-CM *External Independent Auditing Services*) for the screening, interview and recommendation for the selection of an external auditor of the District starting with FY 2021.

**Authority**

Pursuant to School Board Policy 6840, *Audit And Budget Advisory Committee*, an *Auditor Selection Committee* has been established in accordance with F.S. 218.391 to serve as the Committee to select and recommend to the School Board the hiring of the external auditing firm to conduct the District's annual audit according to Florida Statutes. The *Auditor Selection Committee* is comprised of the *Audit and Budget Advisory Committee* members. Additionally, pursuant to Florida Statute and School Board Policy, the *Auditor Selection Committee* shall be chaired by the School Board member representative appointed to the Audit and Budget Advisory Committee by the Board Chair, in this case, School Board member/ABAC member representative Ms. Mari Tere Rojas.

**Auditor Selection Committee's Voting Members Present:**

Ms. Mari Tere Rojas, School Board member/ABAC member and Chair of the Auditor Selection Committee  
Mr. Erick Wendelken, CPA (ABAC Chair)  
Mr. Christopher Norwood, J.D. (ABAC Vice Chair)  
Mr. Jeffrey Codallo, ABAC member  
Mr. Stephen Hunter Johnson, Esq., ABAC member  
Mr. Jeff Kaufman, ABAC member  
Mr. Albert D. Lopez, CPA, ABAC member  
Mr. Rudy Rodriguez, CPA (Alternate to ABAC member Mr. Julio Miranda)  
Mr. Juan del Busto, ABAC member  
Ms. Sharon Watson, ABAC member

**Auditor Selection Committee's Voting Members Absent:**

Mr. Julio Miranda, CPA, CFE, ABAC member  
Mr. Isaac Salver, CPA, ABAC member

**Non-Voting Members:**

Mr. Ron Steiger, CFO  
Ms. Maria T. Gonzalez, Chief Auditor and ABAC Liaison

**Call to Order**

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Auditor Selection Committee Chair Ms. Mari Tere Rojas called the meeting to order at 9:08 a.m. and warmly welcomed everyone in attendance.

**1. Introductions**

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Ms. Rojas introduced herself and asked everyone to introduce themselves. The following persons were also present:

Mr. Walter J. Harvey, School Board Attorney	Mr. Jon Goodman, CPA, CFE, Assistant Chief Auditor
Mr. John Iafelice, School Board Assistant Attorney	Mr. Richard Yanez, CPA, District Audit Director
Mr. Mario De Barros, Chief Procurement Officer	Mr. Luis Baluja, CISA, Executive Director
Ms. Charisma Montfort, District Director, Procurement Mgt. Services	Ms. Teresita M. Rodriguez, Executive Director
Ms. Daisy Naya, Controller	Mr. Alejandro Santana, IT Auditor
Ms. Jennifer Andreu, Asst. Superintendent, Equity & Diversity, OEO	Ms. Patricia Tumelty, Senior Auditor
Dr. Nancy Lawther, Alternate ABAC member to Ms. Sharon Watson	Mr. Eddie Perez, Staff Auditor
Ms. Desiree Llopiz, Supervisor, Agenda Office	Ms. Wanda Ramirez, FTE Auditor
Ms. Wanda Rios, Procurement Mgt. Services	Ms. Elsa Berrios-Montijo, Staff Assistant
Mr. Jose Baez, ITS	Ms. Francys Vallecillo, Chief of Staff
Mr. Jorge Funcia, ITS	Ms. Maria Areas, Administrative Assistant
Mr. Al Chicoy, Production-TV, WLRN	Ms. Ana Lara, Administrative Assistant
Mr. Adson Pressage, TV, WLRN	Mr. Jerold Blumstein, Chief of Staff
Mr. Gustavo Hernandez, Camera Operator, WLRN	Ms. Danielly Velazquez Moreno, Camera Operator, WLRN

The four RFP proposer firm teams that were present during each individual presentation are as follows:

<p><b>CHERRY BEKAERT LLP</b>          Mr. John Gilberto, Partner          Ms. Lauren Strope, Director          Mr. Andrew Fierman, Partner, Caballero, Fierman, Llerena &amp; Garcia LLP (CFLG)</p>	<p><b>MOORE STEPHENS LOVELACE (MSL) P.A.</b>          Mr. Joel Knopp, Shareholder          Mr. William Blend, Shareholder          Mr. Eddy Castaneda, Manager          Mr. Shaun Davis, Managing Partner, S. Davis &amp; Associates (SDA)</p>
<p><b>RSM US LLP</b>          Mr. Bob Feldmann, Partner          Mr. Brett Friedman, Partner          Mr. Anil Harris, Manager          Mr. Anthony Brunson, Partner, Anthony Brunson P.A. (ABC)</p>	<p><b>SA FINANCIALS INC.</b>          Ms. Sharon Oscar, President          Ms. Lucynthia Henry, Assistant</p>

**2. Discussion on Procedures for Selection of the Firms (RFP-19-081-CM)**

School Board Attorney Mr. Walter Harvey explained Board Policy 6325 – *Cone of Silence*. He provided an overview of the procedures for the selection of the firm and informed everyone that the *cone of silence* had been lifted for deliberations and the selection process, pursuant to the Sunshine Law. He also went over the parliamentary procedures as they related to *conflict of interest* and *cone of silence*.

Chief Procurement Officer Mr. Mario De Barros, and District Director Ms. Charisma Montfort, both from Procurement Management Services, provided an overview of the Auditor Selection Committee process. Ms. Montfort also reviewed the details of the RFP and the meeting agenda.

At the request of Ms. Montfort, Chief Auditor Ms. Maria T. Gonzalez introduced the purpose of RFP-19-081-CM *External Independent Auditing Services*. According to Ms. Gonzalez, the purpose of the RFP is to obtain the services of a public accounting firm whose partners or officers are independent certified public accountants and are duly licensed in the State of Florida to perform the audit of the basic financial statements and Single Audit of the School Board of Miami-Dade County, Florida.

Next, Auditor Selection Committee Chair Ms. Mari Tere Rojas went over the authority of the Committee to perform this review and selection process. She stated that the evaluation of this RFP includes, but is not limited to: 1) proposed approach and methodology; 2) experience and qualifications (including corporate past performance and key personnel; 3) overall cost and; 4) SBE/MBE participation for prime or subcontractors,

along with other instructions as specified in Sections 4 and 7 of the RFP. She provided further details of each of these components, and enumerated the four presenters in following alphabetical order of the presentations:

1. Cherry Bekaert LLP
2. MSL P.A.
3. RSM US LLP
4. SA Financials Inc.

Auditor Selection Committee Chair Ms. Mari Tere Rojas then opened the floor for discussion. Several members raised their questions and concerns as follows:

Auditor Selection Committee member Mr. Juan del Busto was particularly concerned about not having information regarding cybersecurity in the four proposals. Auditor Selection Committee Chair Ms. Rojas replied that cybersecurity was in fact addressed, but some were more specific than others. She agreed to ask more specific questions during the *Question and Answer (Q&A)* sessions.

Auditor Selection Committee member Mr. Juan del Busto also expressed concern with the fact that two of the firms are conducting “Annual Audits” of Broward County Public Schools according to what was reported in their individual proposals.

Auditor Selection Committee Chair Ms. Mari Tere Rojas, Auditor Selection Committee member Mr. Albert Lopez, and District Director Ms. Charisma Montfort stated that more details about this could be asked during the Q&A sessions. Chief Auditor Ms. Gonzalez then pointed out that this RFP is to solicit the external audit services of these firms to conduct a financial statement audit, and that it would be a good idea to clarify the details and the type of audit being done for Broward schools.

Auditor Selection Committee member Mr. Juan del Busto pointed out that how the Committee has access to the financial data is critical. District Director Ms. Charisma Montfort explained that points cannot be taken away if the firms do not provide information on something that was not solicited. Auditor Selection Committee member Mr. Rudy Rodriguez added that the definition of “Annual Audits” needs to be clarified.

Auditor Selection Committee Chair Ms. Mari Tere Rojas expressed her concern regarding the firms’ experience regarding CARES Act funding.

Auditor Selection Committee member Mr. Albert Lopez asked about the relationship with RSM, the current external auditors, and the experience that M-DCPS has had with them. Chief Auditor Ms. Gonzalez stated that from her office’s perspective, the firm has provided satisfactory performance every year. Chief Financial Officer Mr. Ron Y. Steiger then added that the firm has provided excellent service because they have communicated well, and they do their due diligence. He added that M-DCPS has a good relationship with the RSM team. Controller Ms. Daisy Naya then added that RSM auditors are professional and courteous, and they have the breadth, depth, and robustness to handle the size of

M-DCPS. Chief Auditor Ms. Gonzalez pointed out that during ABAC meetings, the firm's partner, Mr. Brett Friedman, always attends; and he always responds to telephone calls and communicates well with the Board.

Auditor Selection Committee member Mr. Albert Lopez inquired about asking for a lower price. District Director Ms. Charisma Montfort stated that better offers are asked in writing. Chief Procurement Officer Mr. Mario De Barros added that negotiations happen with the highest rated vendor. Auditor Selection Committee member Mr. Erick Wendelken noted that the Superintendent usually takes care of the pricing negotiations. Auditor Selection Committee member Mr. Rudy Rodriguez inquired if at the end of the day, a price can be negotiated, which Ms. Montfort confirmed.

Auditor Selection Committee member Mr. Albert Lopez asked about expediting this process for the firm to start the audit work earlier. Ms. Montfort replied that this exercise for engaging a vendor is being done with a good amount of time since the contract is not due yet. Chief Auditor Ms. Gonzalez added that the current contract concludes in May 2021, therefore the new contract start date cannot be anticipated before that.

Auditor Selection Committee member Mr. Rudy Rodriguez expressed concern regarding possible impact of COVID-19 on the timeline and the need for it to be discussed. He opined that a reserve is needed in the contract and some contingency for staffing. He wanted to be sure that everything will be done on time in case members of the audit team are unable to perform due to illness (from COVID-19). He also pointed out that it takes time for a new firm to become familiar with a new client. Auditor Selection Committee Chair Ms. Mari Tere Rojas concurred that this could be a concerning issue.

Auditor Selection Committee member Mr. Christopher Norwood inquired about the minority vendor participation related to each of the firms. District Director Ms. Charisma Montfort provided the certified firm amounts as follows: RSM 10% and 20% (2 firms) (\$307,000), MSL 40% (\$306,000), Cherry Bekaert 11% (\$90,000), and SA Financials 100% \$810,000 (minority firm).

Auditor Selection Committee member Mr. Christopher Norwood then asked the Chief Auditor Ms. Gonzalez regarding Mr. Shaun Davis, the minority vendor working with one of the firms (MSL), and his performance with the GOB audit. Ms. Gonzalez replied that the firm completed the audit in a very satisfactory manner, and during the performance of that audit, there were no problems, no time/delay issues, and no complaints. Auditor Selection Committee Chair Ms. Mari Tere Rojas added that they were very responsive to her as well.

Auditor Selection Committee member Mr. Albert Lopez noted that some firms' key employees reside out of town, such as Tampa; and his concern related to the travel and availability of these key employees to manage this project located in Miami-Dade County. Chief Auditor Ms. Gonzalez agreed and stated that a representative of the

firm should be available to attend the ABAC meetings, and the Committee members should inquire how they plan to do this.

Auditor Selection Committee member Mr. Erick Wendelken noted that there were large discrepancies with the number of audit hours that each proposer had delineated in the proposals to complete the assignment, and asked Chief Auditor Ms. Gonzalez what her thoughts were on the number of hours. Ms. Gonzalez stated she had not done an analysis; however, this should be a question for each of the firms to explain the reasoning for the number of hours that they were planning to invest in the project.

Auditor Selection Committee Chair Ms. Mari Tere Rojas stated that it is imperative to know that there will be robust personnel available. She also stated that she reviewed the quality control and peer reviews of the firms, and they all passed. However, she was not clear on pending litigation which can impact the work at M-DCPS. School Board Attorney Mr. Walter Harvey responded that this question (litigation) can be asked during the Q&A session, but he is not sure that the proposers will address.

Auditor Selection Committee member Mr. Christopher Norwood referred to the issue of non-local firms and key personnel coming from other areas. Auditor Selection Committee member Mr. Rudy Rodriguez stated that a lot of the work now is done from images, and auditing is done differently, not like the old days relying on paper. However, Auditor Selection Committee member Mr. Albert Lopez responded that local accessibility is important, and if not careful, the process can lend itself to fraud (reviewing copies versus original/paper). Last, Auditor Selection Committee Chair Ms. Mari Tere Rojas posed whether SA Financials had sufficient personnel to handle the 4<sup>th</sup> largest school district.

The initial review and preliminary discussion of all firms was completed by the Auditor Selection Committee members at 10:30 a.m. Auditor Selection Committee Chair Ms. Mari Tere Rojas called for a break until 12:00 p.m. for the start of the presentations.

### **3. Oral Presentations by Accounting Firms**

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Auditor Selection Committee Chair Ms. Mari Tere Rojas reconvened the meeting at 12:00 p.m.

District Director Ms. Charisma Montfort stated that this was a private meeting exempt from recording. At the beginning of each presentation, School Board Attorney Mr. Walter Harvey explained the procedures and effect of the *cone of silence* during the selection process up to and including the Superintendent's recommendation.

All firms were informed that each oral presentation's duration was approximately 30 minutes to be followed by a Q&A session not to exceed 15 minutes in duration. Presentations were carefully and accurately timed by District Director Ms. Charisma Montfort. Following each oral presentation, Auditor Selection Committee Chair Ms. Mari

Tere Rojas opened the floor for the Q&A session. The following is representative of the questions (Q) posed to the bidders and answers (A) provided by the proposers:

***First In-Person Oral Presentation: Cherry Bekaert LLP (12:00 p.m. – 12:45 p.m.)***

Mr. John Gilberto, Partner

Ms. Lauren Strobe, Director

Mr. Andrew Fierman, Partner, Caballero, Fierman, Llerena & Garcia LLP (CFLG)  
(Minority Firm)

Mr. John Gilberto, Partner, commenced his firms' oral presentation and was followed by the other two members of the team. He referred to the firm's extensive experience in the government sector including school boards and its offices from Maryland to Miami. He also explained that by hiring them, they will bring a new set of eyes to the District. The firm has benchmarking abilities with a great understanding of school boards. The firm has audited seven different school systems, of which some are current clients. They also have worked with Miami International Airport.

The firm's Director, Ms. Lauren Strobe and Partner Mr. John Gilberto explained the firm's audit approach, beginning with (1) understanding the District, they have the experience and are familiar with grants/compliance issues; (2) audit procedures include orientation, planning, interim and year end procedures, exit conference, and reporting. Communication available at every step of the audit process, early and often (communication drives everything). They will work with the District's team, findings will be communicated to persons in charge; (3) meet with management for feedback, regular status updates will be done and there will be no surprises ever; (4) remote audit capabilities promote communication and reduces distractions, they don't rely only on the fieldwork; (5) use of the *Smartsheet* (software) for sharing of information with the District and audit team – ability to pivot under any circumstance and promotes collaborative planning, ability to assess status of audit at any time; and (6) the firm's availability year-round – CPEs available, podcasts, firm will be part of the team, firm experts in all areas.

Following the oral presentation, Auditor Selection Committee Chair Ms. Mari Tere Rojas opened the floor for the question and answer session. The following are representative of questions (Q) posed to the bidders and answers (A) provided:

(Q) Why should the District select Cherry Bekaert as their external auditor?

(A) The firm has the experience with school districts, it's results-driven, meets deadlines, and meets and exceeds expectations.

(Q) If someone in your staff becomes ill with COVID-19, what have you done to mitigate and continue the audit?

(A) The firm has a succession plan at every level and always have the people behind to move forward. They are covered. Ninety percent of the firm's work is government. The firm has the Planning Memo that is very detailed and specific to M-DCPS, so someone

can easily pick up for someone and step in, so they don't miss a beat. The firm also uses a centralized *Smartsheet* where everything is recorded.

(Q) Who is the lead partner on this engagement? Mr. Gilberto is not on the proposal as the lead partner.

(A) Mr. Gilberto will be the lead partner. This was a change made after the proposal was put together due to the importance of M-DCPS to the firm.

(Q) Will Mr. Gilberto have the time for this engagement?

(A) Yes, other people have been promoted within the firm to accommodate time for Mr. Gilberto.

(Q) Where is the management and staff coming from?

(A) Management is from the Tampa office, and staff is from the Coral Gables office.

(Q) What is your experience with self-insurance and retirement?

(A) The firm partners with another firm for this type of work.

(Q) Cybersecurity was an issue during the opening of schools. How would that change your audit?

(A) Although the audit focuses on the financial side, the firm uses their cybergroup to help in any way needed. The firm has numerous resources on the cyber side.

(Q) What is your experience with the CARES Act and adult education programs?

(A) The firm has experience with adult education.

(Q) Do you offer any Continuing Professional Education (CPE) programs?

(A) The firm offers CPEs and training to clients year-round, specifically to government entities.

(Q) Why are you the best choice?

(A) Government accounting is what this firm does year-round.

(Q) Any School Board experience?

(A) The firm has experience in government auditing and financial reporting. All firm employees are internal. The firm does not use outside hires.

***Second In-Person Oral Presentation: Moore Stephens Lovelace, P.A. (MSL)  
(12:55 p.m. – 1:40 p.m.)***

Presenters:

Mr. Joel Knopp, Shareholder

Mr. William Blend, Engagement Technical Reviewer, Technical Standards (Shareholder)

Mr. Eddie Castaneda, Audit Manager, Ft. Lauderdale Office



Mr. Shaun Davis, Managing Partner, S. Davis & Associates (Miami, Fort Lauderdale, and Palm Beach) (Minority Firm)

Mr. Joel Knopp, Shareholder, commenced his firms' oral presentation and was followed by other members of the team. According to their presentation, MSL is the only Florida firm with all resources from Florida with various locations in Orlando, Tampa, Broward and Duval. He noted that the firm has performed nine Florida school district audits and received high score reviews. Quality control is taken seriously and maintained at the highest level, they passed peer reviews with no comments. MSL staff is involved in teaching and in the AICPA, FICPA and FGFOA. The minority firm's Managing Partner Mr. Shaun Davis referred to the District's GOB compliance audit they completed on time and within budget. He explained that his firm has 40 staff members and explained that MSL and his firm work well together.

The firm's Audit Manager, Mr. Eddie Castaneda explained that the firm will perform a test of internal control in several areas such as payroll, disbursements, grants, etc. This is testing and not a walkthrough.

One of the presenters stated that free CPE will be made available throughout the year and webinars. They have good client participation and it's a good way to connect with clients. The firm is known for excellence from their clients.

Following the oral presentation, Auditor Selection Committee Chair Ms. Mari Tere Rojas opened the floor for the question and answer session. The following are representative of questions (Q) posed to the bidders and answers (A) provided:

(Q) Are you the external audit firm in charge of Broward County Public Schools' financial audit?

(A) Yes, for the CAFR (MSL) and Single Audit (S. Davis & Associates). The firm has performed the audit for five years with Broward County Public Schools.

(Q) Does Broward County Public Schools contract outside firms for internal audits?

(A) Yes, for specific projects.

(Q) Is your firm robust enough to fulfill our responsibilities along with Broward's?

(A) Absolutely. The firm has never failed a client. The firm will not take on a challenge that cannot be met. That is also why MSL works with S. Davis & Associates who has the staff, experience and is ready. William (Bill) Blend and Joel Knopp do not work on the Broward Schools' team, so they will be dedicated to Miami-Dade County Public Schools and will be hands-on.

(Q) Do you have personnel familiar with the CARES Act and adult education?

(A) Yes.

(Q) Can you work with us and our cybersecurity?

(A) In this RFP we're focusing on financials, but we can offer a separate engagement and we would bring in our IT specialists.

(Q) Who will be attending the ABAC meetings?

(A) Joel Knopp and Eddie Castaneda.

(Q) Can you elaborate on your relationship with Florida Virtual Schools?

(A) MSL provided the Annual Financial Statement audit.

(Q) Are you the firm providing the Annual Audit for Broward and Brevard County Public Schools?

(A) Yes.

(Q) How do you structure your fees?

(A) The pricing is based on hourly rates plus discount for government entities to get to the flat rate. The lower fee you see is the amount being offered.

(Q) Twenty percent of your staffing is outside of Florida and eighty percent is inside Florida?

(A) Correct. Staffing is predominantly in South Florida.

(Q) This is a substantial audit of one of the largest districts in the country. Are you concerned with time?

(A) There is pressure of workload, but the firm has built the relationship with Broward over the last four years where Eddie Castaneda can leave his staff to oversee the work. The firm would not offer this proposal if the firm did not think it could not be done. Also, the firm only has one year left with Broward County Public Schools due to Broward's rule of having to change auditors every five years, so Mr. Castaneda will be dedicated to M-DCPS one hundred percent after that.

(Q) How much does your firm receive from cybersecurity work?

(A) \$1.5 - \$2 million per year.

(Q) What are your key audit areas?

(A) Testing the Single audit, debt, investments, capital assets, actuarial liabilities.

***Third In-Person Oral Presentation: RSM US LLP (1:50 p.m. – 2:35 p.m.)***

Mr. Bob Feldmann, Partner

Mr. Brett Friedman, Partner

Mr. Anil Harris, Manager

Mr. Anthony Brunson, Partner, ABC

Mr. Bob Feldmann, Office Managing Partner (Miami) started the presentation by remarking on RSM's unparalleled experience, strong local presence, commitment and

proven track record. He said that his firm has 12,000 employees and the largest (majority) presence in Florida. He stated that his firm has provided its services to 200 school boards and local/government education.

Mr. Brett Friedman referred to RSM's extensive work, expertise, and depth of resources; and the fact that the firm has served the four largest districts in Florida. He pointed to RSM's past experience with this District, and that the firm will be providing team continuity and accessibility since the audit staff lives here. For this coming project, he stated that all key staff will return with a new manager. At current the firm is providing monthly virtual training to its clients.

The firm's Manager, Mr. Anil Harris stated that by selecting RSM it would mitigate the use of M-DCPS staff, since they understand the system and use a holistic approach.

Minority Partner Mr. Anthony Brunson stated that they have the capacity to serve all M-DCPS needs and will do more with less resources.

Following the oral presentation, Auditor Selection Committee Chair Ms. Mari Tere Rojas opened the floor for the question and answer session. The following are representative of questions (Q) posed to the bidders and answers (A) provided:

(Q) What recommendations do you have with cybersecurity, including from a financial standpoint?

(A) Cybersecurity is a huge issue. The firm encourages cyber testing every year. The firm's staff can do testing on the IT provider side.

(Q) How is your cybersecurity practice structured?

(A) It is a national practice. They can help with everything.

(Q) Is everyone coming back from the same team currently working with M-DCPS?

(A) The firm is adding a new manager, but essentially, it's the same team. Continuity is important to the firm.

(Q) What are you doing differently this time?

(A) Streamline processes, assessing risk, using IDEA software program, improve efficiency. The audit team will be looking at pre and post COVID-19. They have also added a new vendor search.

(Q) What work do you do for Broward and Brevard schools?

(A) Broward: Construction and review work, IT work. For Brevard, the firm does the internal audit work, not the external audit work. The work currently performed is outside of the Certified Annual Financial Audit (CAFR) in both cases.

(Q) Do you do any testing related to Sarbanes-Oxley Act?

(A) Yes, the audit team looks at the internal controls. It's a significant part of the process.

(Q) What are three of the top areas you test?

(A) Cyber penetration testing, student financial aid, and capital assets being properly stated.

***Fourth In-Person Oral Presentation: SA Financials Inc. (2:45 p.m. – 3:30 p.m.)***

Ms. Sharon Oscar, President and CEO, commenced her firms' oral presentation by reading from a handout prepared for the presentation and distributed to the Committee members.

Following the oral presentation, Auditor Selection Committee Chair Ms. Mari Tere Rojas opened the floor for the question and answer session. The following are representative of questions (Q) posed to the bidders and answers (A) provided:

(Q) What is the size of your team?

(A) 15 members.

(Q) Is McKenzie Forensics your company?

(A) No, that is a contracted firm.

(Q) Who is your largest client and what work are you doing with them?

(A) M-DCPS would be the largest. The firm is currently working on getting loan funding.

(Q) Do you have any experience with school districts?

(A) Ms. Oscar has experience working with the Children's Trust, non-profit funding and grants.

(Q) Do you have experience working with SAP systems?

(A) Ms. Oscar has experience along with two junior auditors who have over ten years of experience.

(Q) Do you have experience working with CAFR?

(A) No.

(Q) Do you have experience with public entities?

(A) Yes, with two public entities and preparing for this audit.

(Q) How robust is your cybersecurity program?

(A) Her firm takes extra measures to protect the integrity of its clients.

(Q) What's the experience of your IT team?

(A) Her firm works with another firm. That firm has 25 years of experience, and they are highly recommended.

(Q) Do you have any construction audit experience?

(A) Ms. Oscar and Mr. McKenzie have experience in that industry.

(Q) How do you see your team addressing CARES Act funding issues and adult education?

(A) Ms. Oscar replied that she is currently reading up on this, and she will handle it as situations arise.

(Q) Do you feel comfortable in the area of self-insurance?

(A) Yes, absolutely.

#### 4. **Deliberation by the Auditor Selection Committee Members**

In response to questions previously raised by some of the Committee members, District Director Ms. Charisma Montfort clarified where the four firms had offices located in South Florida:

- Cherry Bekaert, LLP in Coral Gables
- MSL in Ft. Lauderdale
- RSM in Miami
- SA Financials in Lauderdale Lakes

Next the Auditor Selection Committee members deliberated on each of the presentations in the following order:

##### ***Deliberation Regarding Cherry Bekaert LLP***

Auditor Selection Committee member Mr. Christopher Norwood noticed the total of hours quoted by Cherry Bekaert for this audit was low compared to the other firms. He commented that the firm did not seem to have as much experience in Florida as the other firms. Also, their minority participation was low compared to the other firms.

Auditor Selection Committee member Mr. Juan del Busto expressed that Cherry Bekaert didn't seem to have enough staffing, and it didn't seem to be robust enough in government and schools. However, it offered the second-best pricing.

Auditor Selection Committee member Mr. Erick Wendelken reviewed the number of hours offered by each firm.

Auditor Selection Committee member Mr. Albert Lopez was surprised of the uncertainty of who the engagement partner was. He also didn't think that cybersecurity was a strength of the firm.

Auditor Selection Committee Chair Ms. Mari Tere Rojas expressed that M-DCPS is very large. Everything is changing rapidly these days, so it's imperative that the District hires a group that is knowledgeable in CARES Act and GOB.

Auditor Selection Committee member Mr. Rudy Rodriguez expressed that staffing needs to be available now.

Auditor Selection Committee member Mr. Albert Lopez pointed out that the minority firm they're working with does not have experience with school districts.

Auditor Selection Committee member Mr. Jeff Kauffman and Dr. Nancy Lawther, ABAC alternate, both expressed that they concurred with everyone's concerns.

***Deliberation Regarding MSL P.A.***

Auditor Selection Committee member Mr. Juan del Busto thought this firm has the cybersecurity experience he is looking for. He said that their cybersecurity is robust, they are good on cost, and he likes some of the partners. Mr. Davis did good work for M-DCPS in the past.

Auditor Selection Committee member Mr. Albert Lopez pointed out that the firm's cybersecurity practice is not very big; only \$1-\$2 million in revenue in a year.

Auditor Selection Committee member Mr. Christopher Norwood concurred with Mr. del Busto's statement. He noted that S. Davis & Associates did well in the GOB audit. He expressed that he has thorough confidence in them. He was also impressed that they engaged a minority company at 40%. He thinks that Mr. Davis brings so much to the table. He believes the cost is good, the hours offered make them seem very committed, and their experience with Broward schools is great.

Auditor Selection Committee member Mr. Stephen Hunter Johnson also expressed that he liked that they're taking the minority firm seriously.

Auditor Selection Committee Chair Ms. Mari Tere Rojas concurred that they did a fine job with the GOB audit and with the other comments. However, her concern is whether they can handle all the timelines because they are also handling Broward schools.

Auditor Selection Committee member Mr. Rudy Rodriguez expressed concern about having sufficient staff since they're handling other large school districts as well. He wanted to see the audit completed satisfactorily and on time. This firm appears to be excellent, but in uncertain times during this pandemic, M-DCPS wants to be sure that they can rely on the firm hired for the financial audit.

Auditor Selection Committee member Mr. Albert Lopez agreed that this firm would be stretched between Broward and this District to manage the workload and assignments of

staff members. Auditor Selection Committee member Mr. Christopher Norwood pointed out that there were other proposers working with other large school districts too.

Auditor Selection Committee member Mr. Stephen Hunter Johnson was impressed not necessarily with the minority partner, but the fact that they work as partners. He was also impressed with the overall experience, and the fact that the firm took seriously this School Board's commitment to inclusion.

Auditor Selection Committee member Mr. Albert Lopez reminded the ABAC members not to put the weight on cost because that can be negotiated. He said that locally based leadership is important. Regarding the minority firm, he expressed concern that 24 audit staff members would be handling two big districts at the same time; and the MSL manager having to deal with both Broward and Miami district audits is like asking a quarterback to play two games at the same time. He thinks M-DCPS would be putting its audit at risk based on this structure.

Auditor Selection Committee member Mr. Juan del Busto replied that Mr. Davis' firm had worked with Broward previously.

Auditor Selection Committee member Mr. Albert Lopez was not sure of the engagement partner. He noted that cybersecurity is not a strength, and that leadership from outside the community needs to be considered.

Auditor Selection Committee Chair Ms. Mari Tere Rojas expressed her concerns in the areas of cybersecurity and that she is not sure of the size of the staff available for this audit project. Also, she expressed concern regarding their knowledge in other areas, such as CARES Act and GOB.

ABAC Alternate member Dr. Nancy Lawther expressed that MSL's audit work with Florida Virtual Schools related to a financial audit; and later it was discovered that Florida Virtual Schools had endured mismanagement issues. Auditor Selection Committee member Mr. Erick Wendelken agreed that this situation is important to know, but it would take much longer than this meeting to explore that.

Auditor Selection Committee member Mr. Christopher Norwood pointed out that MSL had stated that it had no litigations as per the solicitation, so he is not sure what the Florida Virtual Schools situation is about. Both Chief Auditor Ms. Gonzalez and District Director Ms. Charisma Montfort clarified that there was no direct question on the RFP about pending litigations. ABAC Alternate member Dr. Nancy Lawther then replied that she had no knowledge of any action taken against the firm MSL. She explained that she was impressed with their presentation and their relationship with the minority firm. The litigation issue was just a question she had for the firm in light of the issues related to Florida Virtual Schools.

Auditor Selection Committee member Mr. Stephen Hunter Johnson expressed that the Auditor Selection Committee should be making decisions based on what is presented during the meeting. Auditor Selection Committee member Mr. Erick Wendelken clarified with School Board Attorney Mr. Walter Harvey that decisions had to be made based on what was presented during the meeting.

### ***Deliberation Regarding RSM US LLP***

Auditor Selection Committee member Mr. Stephen Hunter Johnson was favorably impressed with their partnering with the other firm. Also, the familiarity with M-DCPS should be considered. He added that perhaps M-DCPS should consider what Broward schools does and change its auditors every five years so there is no complacency.

Auditor Selection Committee member Mr. Jeffrey Codallo stated that M-DCPS has had nothing to complain about this firm performing the District's financial audits. He noted that RSM US LLP is a very competent organization and he believes that they'll continue to deliver.

Auditor Selection Committee member Mr. Rudy Rodriguez suggested to perhaps grant them three years instead of five years in the contract. He thinks it may be good to have a new pair of eyes. District Director Ms. Montfort clarified that the contract is for three years and can be extended two additional one-year terms.

Auditor Selection Committee member Mr. Christopher Norwood agreed that RSM has been a great partner for M-DCPS. However, he is concerned about the fact that in the previous contract, RSM stated it would hire two minority firms, one African American and the other one Hispanic. Representatives of these firms were not attending the ABAC meetings, and then it was noticed that the Hispanic firm wasn't working with RSM anymore. Now RSM is again claiming a Hispanic firm, but that representative wasn't present at this meeting. He also compared the number of staff provided by RSM and MSL dedicated to M-DCPS and said that they looked pretty evenly distributed (RSM handles 16 school districts with 500 staff, and MSL handles 3 school districts with 100 staff), however, he believes MSL is more committed to the vision of the M-DCPS School Board.

Auditor Selection Committee member Mr. Juan del Busto opined that RSM should have offered a better price as MSL made an offer of about \$100,000 less than RSM. He also opined that M-DCPS should try to help the younger firms. District Director Ms. Charisma Montfort informed the Committee that M-DCPS offers training programs to smaller firms to improve and become more competitive in future RFPs.

Auditor Selection Committee member Mr. Albert Lopez opined that there is no need to fix what's not broken, especially after not hearing anything negative from the staff. Auditor Selection Committee Chair Ms. Mari Tere Rojas agreed with Mr. Lopez and stated that continuity is important these days. She remarked that RSM has been an excellent partner, addressing all questions, which demonstrated the institutional knowledge, especially



under these uncertain times. As it pertains to fees, Auditor Selection Committee Chair Ms. Mari Tere Rojas reminded the Auditor Selection Committee that this is not the final amount because it will be negotiated with the Superintendent.

Auditor Selection Committee member Mr. Jeffrey Codallo added that M-DCPS did not have the current cybersecurity problems or the current COVID-19 issue in the past audit years. He believed that these new issues may have contributed to the price quoted by the firm. He said that these additional hurdles need to be taken into consideration when pricing the project.

### ***Deliberation Regarding SA Financials Inc.***

Auditor Selection Committee member Mr. Christopher Norwood commented that it was nice to see that the SA Financial presenters had stayed to see part of the process. He said that this firm was not prepared to perform this audit for M-DCPS; however, both he and Auditor Selection Committee member Mr. del Busto agreed that this firm should be considered for other smaller projects and possibly firm development. Auditor Selection Committee Chair Ms. Mari Tere Rojas concurred. CFO Mr. Ron Y. Steiger also agreed and remarked that the Office of Economic Opportunity (OEO) has programs to assist smaller firms and would be in touch with the firm for further assistance/development/training. In conclusion, the Auditor Selection Committee members agreed that that this firm was not ready to audit M-DCPS, but they look forward to assisting them and other firms move up the ladder. The OEO Office can aid in mentoring them after the *cone of silence* is lifted. Once lifted, the proposers can submit a *public records request* to obtain the information from this meeting, and training can be provided, as per District Director Ms. Montfort, if the firm wants to do so.

## **5. Scoring**

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Ms. Montfort explained the ranking/point process for scoring the firms as follows:

- 40 points maximum for Approach and Methodology
- 25 points maximum for experience/qualifications (10 points history, 5 points knowledge/experience, and 10 points key personnel)
- 20 points overall cost
- 5 points SBE
- 90 points total score

The Auditor Selection Committee members were given time to score the four firms based on the previously stated 90-point criteria. Results were manually entered, tabulated and signed by each member on the scoring form provided by Procurement Management Services. Then, the completed/signed forms were provided to District Director Ms. Charisma Montfort and Chief Procurement Officer Mr. Mario De Barros to enter the results in their electronic scoring system and calculate the results. Prior to entering the data into the electronic tabulation/scoring system, with oversight from Ms. Montfort and Mr. De

Barros, the individual tallied results were verified by staff from the Office of Management and Compliance Audits to ensure their mathematical accuracy. The results were as follows:

<b>Scores (From High to Low)</b>	<b>Firm Name</b>	<b>Total Point Score</b>
<b>Highest score:</b>	<b>RSM US LLP</b>	<b>84.10 points</b>
Second Highest Score:	MSL P.A.	80.90 points
Third Highest Score:	Cherry Bekaert LLP	67.50 points
Fourth Highest Score:	SA Financials Inc.	38.30 points

Auditor Selection Committee member Mr. Christopher Norwood mentioned that RSM fee of \$893,000 is \$143,000 higher than the second highest ranked bidder. Also, Mr. Norwood inquired how many Committee members had given the highest score to each of the two firms. District Director Ms. Montfort replied that of the ten members, six committee members had given the highest score to RSM US LLP and four committee members had given the highest score to MSL P.A.

Auditor Selection Committee member Mr. Albert Lopez made a motion to recommend for selection the highest ranked bidder (RSM US LLP) subject to negotiation of the fee. The motion was seconded by Auditor Selection Committee member Mr. Jeff Kaufman. For clarification purposes, Ms. Montfort then explained what happens with the motion and recommendation to the Board. The motion was then approved by majority of the Committee members who voted six 'ayes' and four 'nays' as follows:

Ayes – Ms. Mari Tere Rojas, Mr. Erick Wendelken, Mr. Jeffrey Codallo, Mr. Jeff Kauffman, Mr. Albert Lopez, and Ms. Sharon Watson.

Nays – Mr. Christopher Norwood, Mr. Stephen Hunter Johnson, Mr. Rudy Rodriguez, and Mr. Juan del Busto.

### **Adjournment**

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There being no further business to come before the Auditor Selection Committee and upon the motion duly made and seconded, the meeting was adjourned by Auditor Selection Committee Chair Ms. Mari Tere Rojas at **5:22 p.m.**