

Miami-Dade County Public Schools



Internal Audit Report

Audit of the District's General Obligation Bond (GOB) Expenditures for Fiscal Year 2018-19 and Follow-up on the External Midpoint Audit



GOB Expenditures for FY 2018-19 are fairly presented, in all material respects. Recommendations/corrective actions from the External Midpoint Audit are either fully or partially implemented.

FEBRUARY 2020

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

Ms. Perla Tabares Hantman, Chair

Dr. Steve Gallon, III, Vice Chair

Dr. Dorothy Bendross-Mindingall

Ms. Susie V. Castillo

Dr. Lawrence S. Feldman

Dr. Martin Karp

Dr. Lubby Navarro

Dr. Marta Pérez

Ms. Mari Tere Rojas

Superintendent of Schools

Mr. Alberto M. Carvalho

Office of Management and Compliance Audits

Ms. Maria T. Gonzalez, CPA

Chief Auditor

Contributors To This Report:

Audit Performed by:

Mr. Neil R. Singh, CPA

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Audit Supervised and Reviewed by:

Mr. Jon Goodman, CPA, CFE





Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Alberto M. Carvalho

Chief Auditor

Maria T. Gonzalez, CPA

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Dr. Marta Pérez

Mari Tere Rojas

January 16, 2020

Ladies and Gentlemen:

We performed this audit in accordance with the approved 2019-20 Fiscal Year Audit Plan and pursuant to action item 5 of Agenda Item H-10 Revised *Accounting, Reporting, Auditing and Transparency of General Obligation Bond Expenditures* that was approved by the School Board at its November 15, 2017, meeting.

Pursuant to the audit objectives, our audit determined that GOB expenditures reported at \$111,922,444 for the fiscal year ended June 30, 2019, present fairly, in all material respects, District GOB expenditures for said period, in conformity with accounting principles generally accepted in the United States.

Also, our follow-up of the District's corrective actions to findings, observations and recommendations from the external audit of the midpoint of the GOB funded School Improvement Program disclosed that their implementation is a work in progress. Specifically, three of six agreed-upon corrective actions have been fully implemented and three partially implemented as of December 2019, approximately six months after the external audit was presented to the School Board on June 19, 2019.

We would like to thank the management and staff of the Office of School Facilities for their cooperation and courtesies extended to our staff during this audit.

Sincerely,

Maria T. Gonzalez, CPA

Chief Auditor

Office of Management and Compliance Audits

Office of Management and Compliance Audits

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EXECUTIVE SUMMARY

The objectives of this audit were to test and opine on the reporting of District GOB expenditures incurred for the fiscal year ended June 30, 2019, and to conduct a follow-up on findings/observations and recommendations from the May 2019 external audit of the midpoint of the GOB funded School Improvement Program.

Regarding the first objective, a schedule of GOB expenditures by cost category, totaling \$111,922,444 for the year ended June 30, 2019, was presented to us by the District administration in September 2019.

In our opinion, the schedule of GOB expenditures referred to above presents fairly, in all material respects, District GOB expenditures for the fiscal year ended June 30, 2019, in conformity with accounting principles generally accepted in the United States, including proper cost category and project/location classifications (Refer to pages 5 and 6).

To address the second objective, we followed-up on the external GOB's midpoint audit's three findings and three observations, and their corresponding recommendations. Our follow-up testing disclosed that three of the agreed-upon recommendations/corrective actions have been fully implemented and three have been partially implemented as of December 2019 (Refer to table on pages 8 and 9).

Management's responses to the audit results and conclusions are included in memorandum format as received by our office in Appendix C on page 15.

BACKGROUND

In November 2012, the voters of Miami-Dade County approved a referendum authorizing the School Board to issue \$1.2 billion General Obligation Bonds (GOB) for modernizing and constructing public school facilities throughout the District, including educational technology upgrades. The bonds are secured by the full faith and credit and ad-valorem taxing power of the District. Total GOB expenditures and projects completed since the Program's inception were \$736,755,913 and 771 respectively, for the seven year period ended June 30, 2019.¹

During the School Board meeting of November 15, 2017, Agenda Item H-3 Revised was approved authorizing an external audit/review of the midpoint of the GOB funded School Improvement Program (Refer to *Appendix B*, pages 12-14). A *Request for Proposals* was issued by the District and the accounting firm of S. Davis and Associates, P.A. was selected and contracted to perform the audit.

The resulting audit, covering fiscal years 2013 through 2018 and reviewing approximately \$625 million in expenditures, was discussed by the Audit and Budget Advisory Committee (ABAC) at its May 14, 2019, meeting and transmitted to the School Board for inclusion on the June 19, 2019, meeting agenda. The midpoint audit's objectives and scope required the external audit firm to provide determinations, verifications and evaluations associated with 16 tasks that were derived from an ABAC sub-committee and approved by the full ABAC and the School Board. The midpoint audit resulted in three findings and three observations, and their corresponding recommendations, associated with three of the 16 tasks. The remaining 13 tasks had no findings or recommendations identified.

In addition to the external GOB audit, during the School Board meeting of November 15, 2017, the School Board approved Agenda Item H-10 Revised *Accounting, Reporting, Auditing, and Transparency of General Obligation Bond Expenditures* (Refer to *Appendix A*, pages 10-11). Action item 5 of Agenda Item H-10 Revised directs the Superintendent to "continue to work with the Chief Auditor to ensure and facilitate the conducting of an audit of GOB expenditures to date by each cost category and related projects and subsequent annual audits through the expenditure of all remaining GOB funds."

In commencing this audit, we requested and the District administration provided us with a schedule of GOB expenditures by cost category representing total GOB expenditures for the year ended June 30, 2019. This audit included the objective of testing and opining on the reporting of District GOB expenditures for the fiscal year ended June 30, 2019.

¹ The total GOB expenditures of \$736,755,913 since the Program's inception is presented in the final FY 2018-19 21st Century Schools Bond Advisory Committee Annual Report issued in December 2019. Said committee was established to review and monitor the Program in May 2013 through School Board Policy 9145.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of this audit were to:

1. Test and opine on the reporting of District GOB expenditures for the fiscal year ended June 30, 2019 as to their conformity with accounting principles generally accepted in the United States, including proper cost category and project/location classifications.
2. Follow-up on findings/observations and recommendations from the May 2019 external audit of the midpoint of the GOB funded School Improvement Program and provide a status of agreed-upon corrective actions/implementation of recommendations.

The scope of the audit for the first objective was expenditures made during FY 2018-19, and for the second objective was the status of corrective actions as of December 2019. Audit procedures included:

- Reviewing applicable statutes, policies, procedures, reports and Board agenda items;
- Interviewing various staff of the Office of School Facilities and other related departments;
- Obtaining and reviewing schedules of GOB expenditures provided by the Administration;
- Conducting walk-throughs and observing various controls and processes;
- Reconciling FY 2018-19 GOB expenditures between and among the District's accounting system (SAP) reports, the Annual Financial Report and the 21st Century Schools Bond Advisory Committee reports;
- Performing various substantive testing of GOB expenditures including tests related to occurrence, completeness, accuracy, cutoff and classification;
- Inspecting documentation supporting the proper approval of payment requests and invoices;
- Visiting a sample of schools and inspecting capital improvements and/or technology upgrades corresponding to sampled expenditures;
- Tracing a sample of capital improvements and/or technology upgrades observed at the schools to the expenditures recorded in the District's accounting records and corresponding reports; and
- Conducting follow-up testing of agreed-upon corrective actions of findings/observations and recommendations of a past external audit report.

Sampling Methodology

A stratified random sample of our primary test of expenditures was used and comprised 60 pay requests/invoices totaling approximately four million dollars. Judgmental sampling was used for other expenditures testing including cutoff testing and inspection of capital improvements and/or technology upgrades.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States of America Government Accountability Office (GAO). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS AND CONCLUSIONS

Objective 1

Test and opine on the reporting of District GOB expenditures for the fiscal year ended June 30, 2019, as to their conformity with accounting principles generally accepted in the United States, including proper cost category and project/location classifications.

The following schedule of GOB expenditures by cost category, totaling \$111,922,444 for the year ended June 30, 2019, was presented to us by the District administration in September 2019.

GOB Expenditures by Cost Category FY 2018/2019			
Cost Category Group Description	Facilities	Technology	Total Expenditures
Construction & Preconstruction Services	\$ 61,775,365	\$ 166,580	\$ 61,941,945
Direct Purchase of Construction Materials	15,852,104		15,852,104
Furniture Fixtures & Equipment	5,446,092	2,414,498	7,860,590
Maintenance Managed Projects	6,632,964		6,632,964
Program Management Services	5,541,148		5,541,148
Architectural Engineering Services	5,269,925		5,269,925
Abatement/Overhead	4,873,853		4,873,853
P/A Systems Services	1,256,699		1,256,699
Building Code Compliance Services	1,069,845		1,069,845
Environmental Services	460,759		460,759
Roofing	316,411		316,411
Software	9,415	206,760	216,175
GOB Audit	188,500		188,500
Custodial Reimbursement	122,578		122,578
Miscellaneous (e.g., Fire Watch, Rekeying, Security Services, Signs)	76,335		76,335
Printing Services	57,156		57,156
Photography Services	53,434		53,434
Government Requirement	47,077		47,077
Advertising	44,733		44,733
Test and Balance	29,298		29,298
Legal Services	5,640		5,640
Survey Services	3,816		3,816
Reimbursement	1,440		1,440
Scheduling	19		19
Total Expenditures	\$ 109,134,606	\$ 2,787,838	\$ 111,922,444

Audit Opinion

We have audited the GOB expenditures for the fiscal year ended June 30, 2019, shown on page 5. The District administration is responsible for the preparation and fair presentation of the schedule of GOB expenditures. Our responsibility pertaining to this audit objective is to express an opinion on said schedule based on our audit. We believe the audit evidence we have obtained and the tests and procedures we have performed are sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the schedule of GOB expenditures referred to above presents fairly, in all material respects, District GOB expenditures for the fiscal year ended June 30, 2019, in conformity with accounting principles generally accepted in the United States, including proper cost category and project/location classifications.

Objective 2

Follow-up on findings/observations and recommendations from the May 2019 external audit of the midpoint of the GOB funded School Improvement Program and provide a status of agreed-upon corrective actions/implementation of recommendations.

As previously noted in the Background section of this report, the midpoint audit resulted in three findings (tasks 3.6 and 3.13) and three observations (tasks 3.9 and 3.13), and their corresponding recommendations, associated with three of the 16 tasks. The remaining 13 tasks had no findings or recommendations identified.

The following table shown on pages 8 and 9 details our follow-up testing which disclosed that three of the agreed-upon recommendations/corrective actions have been fully implemented. The remaining three have been partially implemented as of December 2019.

**Status of Agreed-Upon Recommendations (as of December 2019) from the
GOB External Midpoint Audit Issued in May 2019**

Task	Finding	Recommendation	Management Response	Status of Implementation	Level of Implementation
3.6	We noted that some of the dates that appeared on the dashboard were out of sequence or did not appear to match the type of project that was defined.	The initial template data should be reviewed and revised, as necessary, to ensure that data fields applicable to a project's scope were accurately populated, i.e., Bond Program funding used for construction should only have the "construction" field populated. For assigned or commissioned projects, the same should be done, but with the actual dates scheduled based on the project phasing process.	The Office of School Facilities (OSF) concurs with the recommendations and is presently reviewing ways to further automate the updating process, given the very large number of projects in play at any given time.	In some instances, the various project dates on the dashboard did not match with the supporting documentation. Staff is reviewing the templates and modifying the procedures to include what specific documents will be used to support the dates on the dashboard.	Partially (Expected implementation February 28, 2020. Refer to management response on page 15.)
3.13	We requested and received copies of policies and procedures related to the processing and payment of project expenditures. All except one of the procedures and forms was outdated.	Procedures and forms should be reviewed and updated on a periodic basis.	OSF agrees with these process improvements and will implement them for all projects going forward.	OSF has revised 19 forms since the completion of the S. Davis audit in April 2019 through October 2019. Most of the 19 forms are currently being utilized. Procedures are being updated; however, this is a work in progress.	Partially (Expected implementation April 30, 2020. Refer to management response on page 15.)
3.13	It was not clear as to how Furniture Fixture & Equipment (FF&E)/FF&E Logistics is managed. During testing, it was noted that FF&E documentation existed outside of Capital Construction & Budget Control (CCBC).	The roles of each of the FF&E and FF&E Logistics components should be clearly delineated and documented so that District staff and others have a comprehensive understanding of the functions, roles and responsibilities of each area.	Project closeout documentation maintained by Document Control, will also be replicated in the project files maintained by OSF.	A flowchart titled "OSF Project Documentation Archive" was provided which facilitates the location of documents.	Fully

Task	Observation	Recommendation	Management Response	Status of Implementation	Level of Implementation
3.9	District staff did not have forms to report performance issues or incidents of non-compliance in the workplace by the Program Manager (WSP) placements.	Some level of formality should be established for District staff to report performance issues or incidents of non-compliance in the workplace by WSP placements.	OSF has no objections to creating a form to achieve this goal and has already discussed with WSP.	A form titled "Performance Documentation" has been created in draft form. The District is working with WSP to standardize a procedure for the reporting of any such occurrence. This procedure has an expected implementation date of May 2020.	Partially (Expected implementation May 30, 2020. Refer to management response on page 16.)
3.13	While copies of contracts, work and purchase orders, and partial release of liens were consistently present, some Final Release of Liens or surety bonds were not.	While it is understood that Final Release of Liens are managed by the Document Control unit, a procedure should be established that they are to be the sole source for specific documents and should not appear in other locations unless there is a specific reason for it. Alternatively, 100% of the documents should also be maintained in specified units/departments in addition to Document Control.	OSF concurs with the findings and going forward will implement the Report's recommendations for ease of access and reference.	All Final Release of Liens are now managed by Document Control.	Fully
3.13	GOB project files were not organized as we were led to believe at the beginning of the testing procedures. During testing, we noted that some vendor information was missing as we reconciled the project files to the GOB SAP (Accounting) expenditure report.	The organization of GOB files should be documented. This will allow parties outside of CCBC to understand how files are organized and where items are maintained.	A project directory matrix has already been created clearly cross-referencing functions to the overseeing departments.	A flowchart titled "OSF Project Documentation Archive" was provided which facilitates the location of documents.	Fully

District management agreed with our assessment of the status of corrective actions and provided assurances, that they will finalize those partially implemented with associated timelines. (Refer to Appendix C).

Appendix A

Dr. Steve Gallon III, Board Member

Co-Sponsors: Ms. Susie Castillo, Board Member
Ms. Maria Teresa Rojas, Board Member } Added

**SUBJECT: ACCOUNTING, REPORTING, AUDITING AND TRANSPARENCY OF
GENERAL OBLIGATION BOND EXPENDITURES**

COMMITTEE: FACILITIES AND CONSTRUCTION

**LINK TO STRATEGIC
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

On November 6, 2012, nearly 70% of voters in Miami-Dade County supported a measure on the ballot to invest in their local public schools by approving the issuance of a \$1.2 billion General Obligation Bond (GOB) for the Miami-Dade County Public Schools (M-DCPS). This investment was explicitly earmarked for renovating facilities, updating technology, building school replacements, expanding student capacity, and enhancing facility safety. The last such measure to invest in facility enhancements of M-DCPS' public schools was approved over two decades prior in 1988.

In addition to providing the long-term capital needed by the District which was to be repaid over time, the GOB promised to "create 9,200 jobs during the first three years of the bond and more than 18,000 sustainable jobs during the course of construction." Thus, employment and economic development opportunities were proffered not simply as tangential benefits of the GOB, but as one of the fulcrums for soliciting and gaining community support, and subsequent voter approval. This premise of employment and economic development was further confirmed by M-DCPS' retention of the Washington Economics Group (WEG) to provide an independent and professional analysis estimating the economic impacts and economic development benefits that could be generated by the General Obligation Bond (GOB).

Since the implementation of the GOB program, M-DCPS has successfully launched an ambitious program of technology upgrades and enhancements, facility renovations and repairs, and new school construction. The scope of the work associated with the GOB has been reported to be timely, at or below budget, and at a standard of high design and construction quality that the District and community should be proud. However, the promises and commitments of the GOB were not circumscribed to the delivery of technology, facility enhancements, and new school construction. They also included promises and commitments to principles and practices of accountability and transparency in areas that included but were not limited to inclusion, contracting, procurement, and financial expenditures.

To date, GOB expenditures and contracted work in M-DCPS has exceeded \$500 million with more than 148 projects completed and of which \$85 million having been spent on technology purchases alone. An additional \$86 million is presently under contract and, according to the presentation made at the School Board General Obligation Bond Workshop held on October 25, 2017, there are approximately \$665 million additional dollars to be expended on subsequent GOB projects.

Despite such expenditures and additional contractual commitments made, there has not been a comprehensive annual audit of expenditures and policy compliance provisions for the GOB.

**Revised
H-10**

At the October 10, 2017 Meeting of the Audit and Budget Advisory Committee Meeting, it was determined that an annual audit of the GOB would be recommended to the Board. The conducting of an Annual Independent Financial Audit of the GOB would serve to provide a review and accounting of expenditures related to the GOB as well as support best practices that included but are not limited to the following:

- Ensuring compliance with legal requirements, best practices and internal controls;
- Conducting a periodic review of internal controls;
- Facilitating ongoing monitoring of the effectiveness of internal control;
- Providing for effective provision of information and communication to the public; and
- Reviewing the maintenance of records, including but not limited to material documents relating to capital expenditures financed, construction contracts, invoices, payment records, assets or portion of assets financed, etc.

Lastly, the implementation of an improved process for accounting, reporting, and auditing of all expenditures of GOB funds should be augmented with an intentional, and innovative strategy and structure to engage the public and garner and maintain its confidence and trust. A technology-based plan and program to provide for ease of access to information regarding levels of GOB inclusion and financial expenditures would support the achievement of this effort.

This item has been reviewed and approved by the School Board Attorney's office as to form and legal sufficiency.

**ACTION PROPOSED BY
DR. STEVE GALLON III:**

That The School Board of Miami-Dade County, Florida directs the Superintendent to:

1. establish a system and structure for quarterly reporting of GOB expenditures to the Board by each cost category and related project;
2. provide an expenditure report for all GOB expenditures to date by each category, school board voting district, and school name, and provide same to Board on a quarterly basis;
3. establish and implement a process and system to report all GOB expenditures by each category and related projects for public access and review on the District and specific school location website to be updated quarterly and in alignment with the timeline that the Board receives the same;
4. provide a summary report of the names and amounts paid to each vendor/contractor and sub-contractor to date and a subsequent quarterly report regarding same to the Board. This information is also to be made available for public access and review on the District website;
5. continue to work with the Chief Auditor to ensure and facilitate the conducting of an audit of GOB expenditures to date by each cost category and related projects and subsequent annual audits through the expenditure of all remaining GOB funds; and
6. provide an update on the status and/or completion of the above actions to the Board at the School Board Meeting of February 21, 2018.

Appendix B

Ms. Maria Teresa Rojas, Board Member

Co-sponsor: Dr. Steve Gallon III, Board Member } Added

SUBJECT: REQUEST AUTHORIZATION FOR THE SCHOOL BOARD TO APPROVE THE PROCESS FOR THE DEVELOPMENT OF AN INDEPENDENT AUDIT/REVIEW OF THE GENERAL OBLIGATION BOND (GOB) FUNDED SCHOOL IMPROVEMENT PROGRAM } R
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COMMITTEE: FACILITIES AND CONSTRUCTION

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

For decades, educators have contended that the physical condition of schools have an effect on continuous student learning and enriched academic achievement. Principals, teachers, and students are constantly being held accountable for their performance in state-mandated tests, but it is reasonably challenging to devote all the instructional time to actual teaching when many of our educators are faced with antiquated and ineffective facilities in the 21st century. Furthermore, recent research associates school facility upgrades to an extensive range of impacts, including student attendance and productivity, teacher job satisfaction and retention, enhanced residential property values, equity across all communities and stakeholders, and the detrimental impact on students' basic health from poorly maintained buildings.

In August, 2012, the Washington Economics Group (WEG), retained by Miami-Dade County Public Schools (M-DCPS), provided an independent analysis approximating the economic impacts and economic development benefits that could be generated by the capital expenditures program theoretically funded under the proposed GOB program at the time. The report provided many constructive ideas and data supporting the GOB, including some of the following:

- Economic impacts arising from the Capital Projects funded by the GOB is expected to generate economic effects estimated to sustain 18,436 jobs during the course of the investments attributed to capital improvements to modernize the facilities and purchase and deploy new teaching technologies.
- The number of permanent jobs arising from the improved educational outcomes is estimated to be significant at 7,521.
- The Capital Projects are expected to generate over \$877 million in labor income.
- When the capital projects funded by the GOB are completed, significant benefits, both quantifiable and non-quantifiable, will accrue to the community on an ongoing basis.

On November 6, 2012, M-DCPS asked Miami-Dade County voters to invest in their schools by approving the issuance of \$1.2 billion in General Obligation Bond (GOB) for renovating facilities, updating technology, building school replacements, expanding student capacity, and enhancing facility safety. Miami-Dade County voters responded positively by approving and supporting the measure by nearly 70%.

Many of the school projects funded under the GOB have been completed and stakeholders are enjoying the many renovations and upgrades that have been finalized. As of September, 2017, GOB expenditures totaled approximately \$512.5 million (\$84.6 million for technology and \$427.9 million for facilities), with another \$86.1 million contracted.

The Board, in its wisdom, approved Board Policy 9145 on May 8, 2013, constituting the *21st Century Schools Bond Advisory Committee*. The Committee was formed to provide transparency and instill confidence in Miami-Dade County taxpayers that projects funded by the Board's GOB Program are being delivered in a timely manner, are equitably distributed across the community, and investments are being made supporting the local community. The Committee is to be commended for faithfully honoring its duties and responsibilities as promised by the School Board to the voters and residents of Miami-Dade County.

Furthermore, M-DCPS Office of Management and Compliance Audits has completed the first GOB audit of 65 financially closed projects for years one and two. The audit was limited in scope and the general objectives were to validate the accuracy of the information contained in a spreadsheet provided to the auditors and the utilization of contractors who worked on said projects, based on amounts paid to them. The Office of Management Audits is also going to audit various elements of the award, design, and construction processes for selected projects to determine whether adequate internal and management controls are being implemented. Audit findings will be submitted to the Audit and Budget Committee and the School Board. Still, questions continue to be raised by some members of the community as to the financial aspects and the economic and labor impact the GOB has had on all the citizens of Miami-Dade County.

As we approach the mid-point of the GOB program, and in as much as some aspects of the GOB are being audited, the best approach to reassure the citizens of Miami-Dade County that all facets of the GOB have been conducted as promised to all stakeholders is for the School Board to authorize the process for the development of a mid-point independent audit/review to include, but not limited to, the following areas:

} Revised

- a comprehensive review of the financial activities and operational aspects;
- vendor participation benefiting the Miami-Dade County community;
- economic impact to the labor market from the implementation of the GOB;
- permanent jobs in the local community arising from the GOB;
- economic impact on M/WBE owned firms and businesses;
- future labor market influence of the GOB to the local community; and
- economic impact on small and micro enterprise businesses.

} Revised

This item has been reviewed and approved by the School Board Attorney's office as to form and legal sufficiency.

**ACTION PROPOSED BY
MS. MARIA TERESA ROJAS:**

That The School Board of Miami-Dade County, Florida,

1. approve the process for the development of a mid-point independent audit/review of the General Obligation Bond (GOB) funded School Improvement Program;
2. authorize the Chief Auditor to define the scope, timelines, and final cost estimate not to exceed \$200,000, allowable under the GOB, for the selection of an independent auditing firm, pursuant to School Board Policy 6320 in a manner consistent with the selection of external independent auditors;
3. authorize the Chief Auditor to present to the School Board Audit and Budget Committee the scope of the proposal, and to present said scope to the School Board for approval;
4. present the award of the selected firm to the Audit and Budget Committee and to the School Board for final approval, pursuant to School Board Policy 6320, following the competitive solicitation process; and
5. after final School Board approval, direct the Chief Auditor to provide quarterly progress reports to the School Board starting January 17, 2018, and thereafter.

Revised

APPENDIX C
Management's Response

MEMORANDUM

January 13, 2020

TO: Ms. Maria T. Gonzalez, Chief Auditor
Office of Management and Compliance Audits

FROM: Raul F. Perez, Chief Facilities Design and Construction Officer
Office of School Facilities

SUBJECT: MANAGEMENT'S RESPONSE TO AUDIT REPORT – DISTRICT'S GOB EXPENDITURES FOR FISCAL YEAR 2018-19 AND FOLLOW-UP ON THE EXTERNAL MIDPOINT AUDIT



We would like to thank the Office of Management and Compliance Audits (the "OMCA") for performing the Audit of the District's GOB Expenditures for Fiscal Year 2018-19 and the follow-up review of the external GOB midpoint audit completed by S. Davis and Associates. Below please find our response to your draft Audit Report ("Report"):

- We fully concur with the audit opinion identified on page 6 of the Report, which encompasses the key financial elements of the GOB program's implementation, and which merit repeating for context:
 - The GOB expenditures audited "presents fairly, in all material respects, District GOB expenditures for the fiscal year ended June 30, 2019, in conformity with accounting principles generally accepted in the United States, including proper cost category and project/ location classifications."
- As it relates to the follow-up on findings, observations and recommendations from the May 2019 external GOB midpoint audit, we concur with the assessment that three items have been fully implemented and three are presently partially implemented. Below please note the following comments on each individual item:
 - Finding 3.6 – The Office of School Facilities Design and Construction is in the final review and completion of procedures that will clearly outline to staff what dates are to be used for each individual milestone set forth in the GOB Dashboard. We anticipate this finding to be fully implemented by February 28, 2020.
 - Finding 3.13 – The Office of School Facilities Design and Construction is currently reviewing all forms to determine their relevancy and if updating is required. We are currently one third of way through this process. We anticipate this finding to be fully implemented by April 30, 2020.
 - Finding 3.13 – We concur with OMCA that this finding is fully implemented.
 - Observation 3.9 – The Office of School Facilities Design and Construction has developed a form that has been reviewed and approved by both the

Program Manager Consultant and district staff. Presently this Observation is Fully implemented and will be used in the upcoming re-occurring yearly issuance of work orders to the program manager in May 30, 2020.

- o Observation 3.13 – We concur with OMCA that this finding is fully implemented.
- o Observation 3.13 – We concur with OMCA that this finding is fully implemented.

Again, thank you for all your efforts and professional courtesies throughout the audit process. Please let us know if you have questions or would like to further discuss our response.

RFP:cm
M130

cc: Mr. Alberto M. Carvalho
Mr. Jaime G. Torrens
Mr. Victor Alonso
Mr. Mauricio Lotero

Anti-Discrimination Policy

Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) - prohibits discrimination against employees or applicants because of genetic information.

Boy Scouts of America Equal Access Act of 2002 – no public school shall deny equal access to, or a fair opportunity for groups to meet on school premises or in school facilities before or after school hours, or discriminate against any group officially affiliated with Boy Scouts of America or any other youth or community group listed in Title 36 (as a patriotic society).

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

In Addition:

School Board Policies 1362, 3362, 4362, and 5517 - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, citizenship status, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

For additional information contact:

Office of Civil Rights Compliance (CRC)
Executive Director/Title IX Coordinator
155 N.E. 15th Street, Suite P104E
Miami, Florida 33132
Phone: (305) 995-1580 TDD: (305) 995-2400
Email: crc@dadeschools.net Website: <http://crc.dadeschools.net>

Rev: 08/2017

Miami-Dade County Public Schools

Internal Audit Report

***Audit of the District's
General Obligation Bond (GOB)
Expenditures for Fiscal Year 2018-19 and
Follow-up on the External Midpoint Audit***

FEBRUARY 2020

**Office of Management and Compliance Audits
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