

**MINUTES OF THE SPECIAL SCHOOL BOARD AUDIT AND BUDGET ADVISORY
COMMITTEE OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
April 22, 2014**

The School Board Audit and Budget Advisory Committee (ABAC) met on Tuesday, April 22, 2014, in the School Board Administration Building, Conference Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

Members Present:

Voting:

Mr. Roland Sanchez-Medina, Jr., Esq., Vice Chair
Dr. Lawrence S. Feldman, School Board Vice Chair
Ms. Marian L. Hasty, Esq.
Ms. Susan Marie Kairalla
Mr. Rayfield McGhee, Jr., Esq
Mr. Christopher Norwood, J.D.
Mr. Frederick F. Thornburg, Esq.

Members Absent:

Mr. Jeffrey B. Shapiro, Esq., Chair
Mr. Jose I. Rasco, CPA
Mr. Isaac Salver, CPA
Mr. Benjamin Moskowicz, CFP®

Non-Voting (Absent):

Dr. Richard H. Hinds, Associate Superintendent/Chief Financial Officer

Call to Order

The ABAC's Vice Chair Mr. Roland Sanchez-Medina acted as Chair, in lieu of ABAC's Chair Mr. Jeffrey B. Shapiro, who could not attend due to prior business commitments. The Vice Chair called the meeting to order at 12:39 p.m. and warmly welcomed everyone in attendance

1. Welcome, Introductions and Moment of Reflection

Mr. Sanchez-Medina requested everyone in attendance to introduce themselves, which they did. The following persons were present:

Ms. Perla Tabares Hantman, School Board Chair	Mr. Jon Goodman, Executive Audit Director
Ms. Raquel A. Regalado, School Board Member	Mr. Tom Knigge, OIG, Supervisor Special Agent
Mr. Alberto M. Carvalho, Superintendent	Ms. Viviana Jordan, Administrative Assistant
Mr. Walter J. Harvey, Esq., School Board Attorney	Ms. Melba Brito, Administrative Director
Mr. José F. Montes de Oca, Chief Auditor	Ms. Tabitha Fazzino, Administrative Director
Ms. Judith Marte, Deputy Chief Financial Officer	Ms. Cynthia Gracia, Administrative Director
Dr. Pablo G. Ortiz, Associate Superintendent	Ms. Maria E. Delgado, Administrative Assistant
Ms. Connie Pou, Controller	Ms. Carmen Naumann, Administrative Assistant
Mr. Leonardo Fernandez, Treasurer	Ms. Ana Parekh, Chief of Staff

Ms. Maria T. Gonzalez, Asst. Chief, School Audits
Mr. Trevor L. Williams, Asst. Chief, District Audits
Mr. Julio Miranda, Asst. Chief, Investigations
Ms. Daisy Naya, Assistant Controller

Ms. Marisol Marin, Administrative Assistant
Ms. Elsa Berrios-Montijo, Administrative Secretary
Ms. Lucila I. Gonzalez, Administrative Secretary

2. Approval of Significant Change to the Scope of the Office of Management and Compliance Audits Annual Audit Plan

The Chief Auditor announced that this special meeting was held to address a request by the Superintendent to him to conduct an audit/review of certain data obtained from Miami-Dade County (County) Value Adjustment Board (VAB). The purpose of the audit/review is to determine the cause of an annual shortfall of tax collections caused by delays in the appeals. Mr. Montes de Oca emphasized that since this would require substantial efforts and resources from the Office of Management and Compliance Audits (OMCA) and was not part of the OMCA's Annual Audit Plan, he felt that the proper procedure was to have the Committee review the Superintendent's petition and recommend to the School Board whether the audit/review should take place and for the School Board to subsequently approve the change in the Audit Plan. Mr. Montes de Oca mentioned that there had been a special VAB meeting earlier that day, and the Superintendent wished to address the Committee about the outcome.

The Superintendent provided an overview of the issue and explained that the biggest liability that the School Board faces at this point is specifically the shortfall in tax collections. He mentioned that at the VAB meeting held at the County today he was offered the opportunity to present his concerns. He observed that his concerns were positively received and a clear acknowledgment was made by members of the VAB regarding the issue about the delay of tax collections. He pointed out that the Chief Auditor and the Inspector General (IG) were also in attendance at the VAB meeting and the IG acknowledged their on-going inquiry into this matter. Mr. Carvalho emphasized that the cumulative impact of the VAB issue since 2007 has been in excess of \$170 million. He said that he is seeking from the State legislation the closure of some loopholes in the appeals process and for the State to provide one year funding compensation to mitigate the impact this year.

The Superintendent also mentioned that he will consider, with the School Board's consent, providing a temporary additional budget allocation for the OMCA to complete the audit/review project.

In response to a question by Ms. Regalado, pertaining to what the VAB audit/review entails, the Chief Auditor responded that he intends to reassign the duties of some of his employees, which along with the additional support offered by the Superintendent and hopefully approved by the School Board, he will be able to conduct the VAB audit/review and also complete the Audit Plan. Mr. Carvalho reiterated that he is ready to invest additional resources to conduct the VAB audit/review, once the Chief Auditor determines the scope of the audit/review, which will allow for the recovery of funds that the District deserves.

Mr. Montes de Oca expressed his gratitude to the Committee members for attending this special meeting.

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Mr. Thornburg asked if there will be any adjustments to the Audit Plan due to additional resources endorsed by the Superintendent. The Chief Auditor responded that there will be no adjustments to the Audit Plan, but there will be a slight delay in its completion.

There was no further discussion. A motion was made by Dr. Feldman, seconded by Mr. Thornburg for the School Board to approve the VAB audit/review to the OMCA's Audit Plan, with the understanding that additional resources are provided. The motion carried unanimously.

Adjournment

There being no further business to come before the Committee and upon motion duly made and seconded, the meeting was adjourned by Mr. Sanchez-Medina at 12:50 p.m.

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