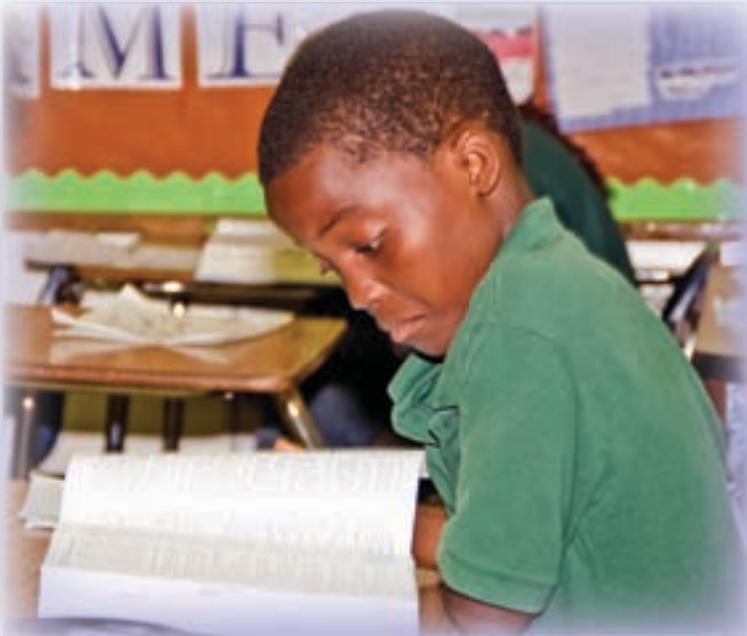


Miami-Dade County Public Schools



Office of Management & Compliance Audits



2008 Annual Report

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

*Mr. Agustin J. Barrera, Chair
Ms. Perla Tabares Hantman, Vice Chair
Mr. Renier Díaz de la Portilla
Ms. Evelyn Langlieb Greer
Dr. Wilbert "Tee" Holloway
Ms. Ana Rivas Logan
Dr. Marta Pérez
Dr. Solomon C. Stinson
Dr. Martín Karp*



*Dr. Rudolph F. Crew
Superintendent of Schools*

*Mr. Allen M. Vann, CPA
Chief Auditor*

*Ms. Maria T. Gonzalez, CPA
Assistant Chief Auditor - School Audits*

*Mr. Trevor Williams, CPA
Assistant Chief Auditor - Operational and Performance Audits*



Contributor to this report:

*Ms. Dina R. Pearlman, CISA, CIA
Information Systems Design Control Officer*

Office of Management & Compliance Audits



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Rudolph F. Crew, Ed.D.

Miami-Dade County School Board
Agustin J. Barrera, Chair
Perla Tabares Hantman, Vice Chair
Renier Diaz de la Portilla
Evelyn Langlieb Greer
Dr. Wilbert "Tee" Holloway
Dr. Martin Karp
Ana Rivas Logan
Dr. Marta Pérez
Dr. Solomon C. Stinson

September 2, 2008



Members of the School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

I am pleased to present this report in accordance with Board Rule 6Gx13- 2C-1.14, which states that: "The Chief Auditor will make an annual report to the Audit Committee, to the School Board and to the Superintendent of Schools on the results of auditing activities." In addition, Board Rule 6Gx13- 2C-1.14, also states that "The Chief Auditor will submit to the Audit Committee, the Superintendent of Schools and the School Board for review a comprehensive Annual Plan for a year. This plan should identify the overall audit scope of scheduled examinations in both financial and non-financial areas." On June 24, 2008 the Audit Committee reviewed and approved the internal audit plan included herein.

The Office of Management and Compliance Audits will continue to promote effective controls, evaluate operational effectiveness and identify opportunities to more efficiently and cost effectively deliver education and other services to the children of our county. We are committed to providing you with quality information to assist you in decision-making and fulfilling your duties and responsibilities.

We appreciate the support and encouragement you have provided and the cooperation of the District staff.

Sincerely,

Allen M. Vann, CPA, Chief Auditor
Office of Management and Compliance Audits

AMV:la
L013

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Office of Management & Compliance Audits

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Office of Management & Compliance Audits

Introduction

The School Board's Audit Committee supervises auditing activities at the School District. This includes the work of external auditors and the activities of our internal auditors, the Office of Management & Compliance Audits. The Audit Committee also reviews the work of many



other auditors who provide financial audits on charter schools and other component units of the School District and the work of the State Auditor General. The staff of the Office of Management and Compliance Audits assists the Audit committee in these reviews.

The purpose of all this audit activity is to provide assurance to the School Board, of Miami-Dade County, the Superintendent of

Schools, Federal, State and local stakeholders that the funds provided to the School District are being expended in accordance with their intended purpose.

Auditors and the assurance services they provide are integral to the internal control structure of the District. We coordinate and perform internal audit activities in order to best achieve the audit objectives of the School Board, the Audit Committee, and the Superintendent. The Chief Auditor keeps abreast of new developments in the school system by attending the School Board meetings and meetings of school system-wide committees. The Chief Auditor also acts as liaison between the school system and external auditors (federal, state and independent auditors). The Office of Management and Compliance Audits assists the Audit Committee and the Superintendent by monitoring the responses from school system officials to audit findings and recommendations made by the external



Auditing is essential to government accountability to the public. Audits and attestations engagements provide an independent, objective, non-partisan assessment of the stewardship, performance, or cost of government policies, programs, or operations, depending upon the type and scope of the audit.¹

1 Government Auditing Standards, US General Accountability Office, 1.01, July 2007 Revision

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Legislators, government officials, and the public need to know whether (1) government manages public resources and uses its authority properly and in compliance with laws and regulations; (2) government programs are achieving their objectives and desired outcomes; (3) government services are provided effectively, efficiently, economically, ethically, and equitably; and (4) government managers are held accountable for their use of public resources.¹

auditors.

The objectives of our audits include:

- ◆ Examining the financial statements to ensure that they are prepared in accordance with generally accepted auditing standards.
- ◆ Ascertaining the reliability and adequacy of accounting and reporting systems and procedures.
- ◆ Appraising the adequacy and effectiveness of internal controls.
- ◆ Assuring compliance with policies and procedures established by the School Board and the administration, and with state and federal laws and regulations.
- ◆ Improving the efficiency of the school system's operations.
- ◆ Ascertaining the extent to which the assets of the school system are accounted for and safeguarded from loss.

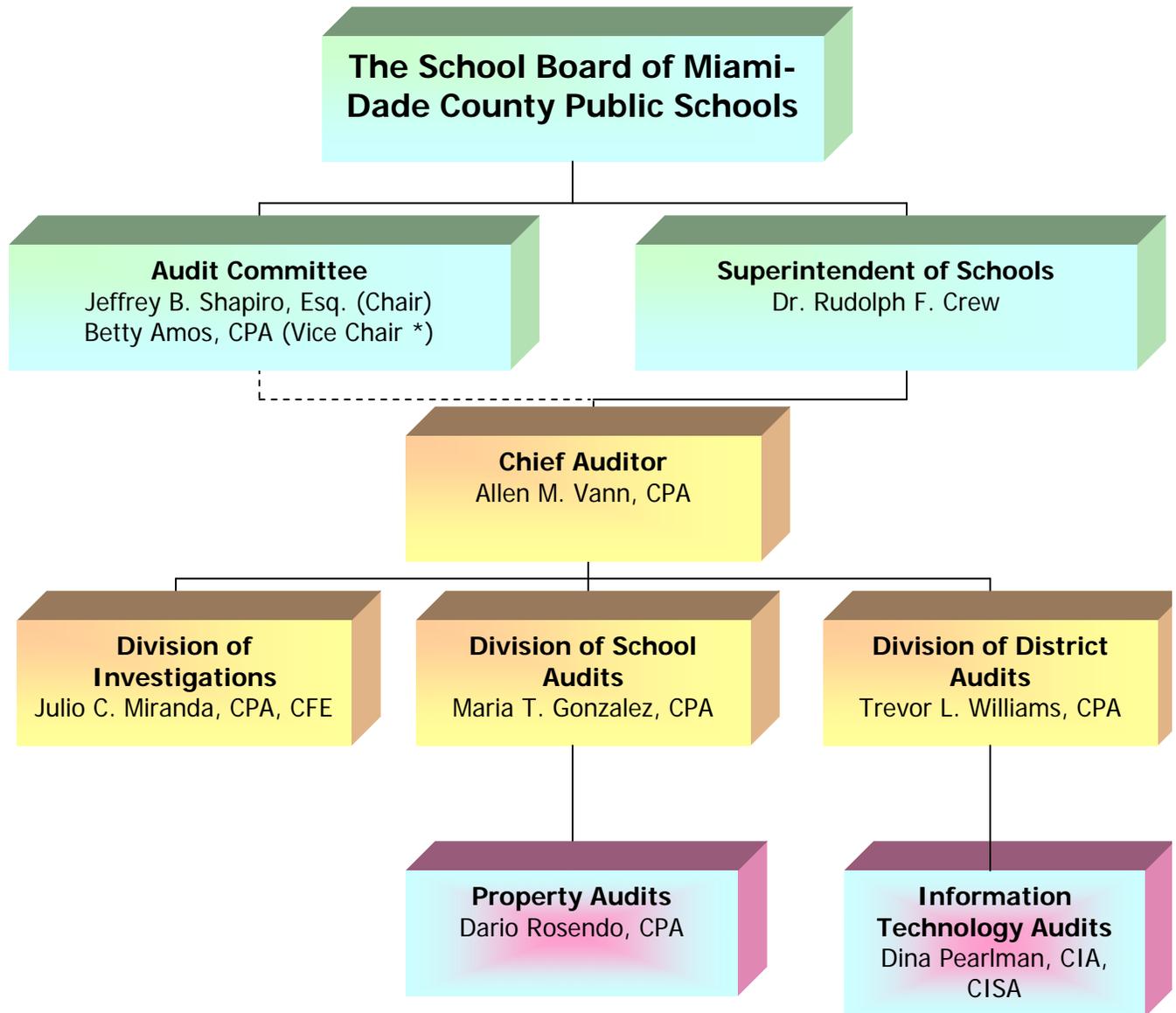


The internal audit office has been provided with an abundance of support for its activities from the School Board and its Audit Committee. Additionally, the Superintendent's support has ensured the complete cooperation of the District staff necessary to fulfill our mission. A table of organization follows:

¹ Government Auditing Standards, US General Accountability Office, 1.02, July 2007 Revision

Office of Management & Compliance Audits

Organizational Chart



* Chair Elect

CPA – Certified Public Accountant
CFE – Certified Fraud Examiner
CIA – Certified Internal Auditor
CISA – Certified Information Systems Auditor
Esq. – Esquire, Atty at Law

Office of Management & Compliance Audits

Audit Reports Issued By The Office Of Management And Compliance Audits

School Audits

Florida Department of Education Rule 6A-1087 entitled School Board Responsible for Internal Funds requires school boards to provide for an annual audit of schools' internal funds.

During Fiscal Year 2008, our auditors visited and completed 331 audits at the District's schools. This represents 97% of our schools. The audit period was the fiscal year 2006-2007. A total of nine schools and centers (3%) were pending publication by year-end and will be reported as two-year audits in September 2008.



◆ 2006-07 FY audit period for internal funds

◆ 331 School Audits Completed (97%)

◆ P-Cards Audited at 78 schools (24%)

◆ Technology & Network Security audited at 134 schools (40%)

At all the schools, we reviewed internal funds, payroll and property procedures. At selected schools we reviewed the following:

- ◆ The Purchasing Credit Card Program (P-Card) at 78 schools (24%)
- ◆ Technology, software security access and Network security at 134 schools (40%). New this year to the school site audits was the incorporation of the review of the "School Site IT Security Audit Checklist" developed by our office, in collaboration with Information Technology Services (ITS). This checklist acts as a self-assessment tool for the schools to evaluate their IT network security and school-site compliance with Network Security Standards and all other related district security policies. Once the checklist is completed, it is submitted to our office for review. As part of the regular school audit process, IT audit staff

Office of Management & Compliance Audits

visit selected schools to verify the accuracy of the information provided on the checklist, and make recommendations for improving network security as needed.

- ◆ Title I Program and Grants selectively conducted at 10 schools (3%). Schools administer Title I programs with oversight from the Regional Centers, under the overall direction of Title I Administration Office. To promote school-wide compliance with Federal, State, and District regulations and guidelines, and to ensure that appropriate evidence sources document compliance, we incorporated testing this program as part of our school audits effective February 2007. In addition to Title I audits, our office selectively audited other grants at the school sites.
- ◆ FTE (Full-Time Equivalency) audits were conducted at 30 schools (9%). Effective this past fiscal year, FTE audits were incorporated as part of the school audits performed by our office. Miami-Dade County Public Schools receives a significant portion of its revenues from State funding through the Florida Education Finance Program (FEFP). During our FTE audits, we examine student records to determine compliance with State law and State Board of Education rules relating to the classification, assignment, and verification of full-time equivalent student enrollment under FEFP. We also review records related to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

◆ Title 1 and Grants audited at 10 schools (3%)

◆ FTE audited at 30 schools (9%)

The scope of our school audits is based on risk assessment of each and every school, based on materiality, past audit findings/experience, size of school staff, principals' tenure, etc.

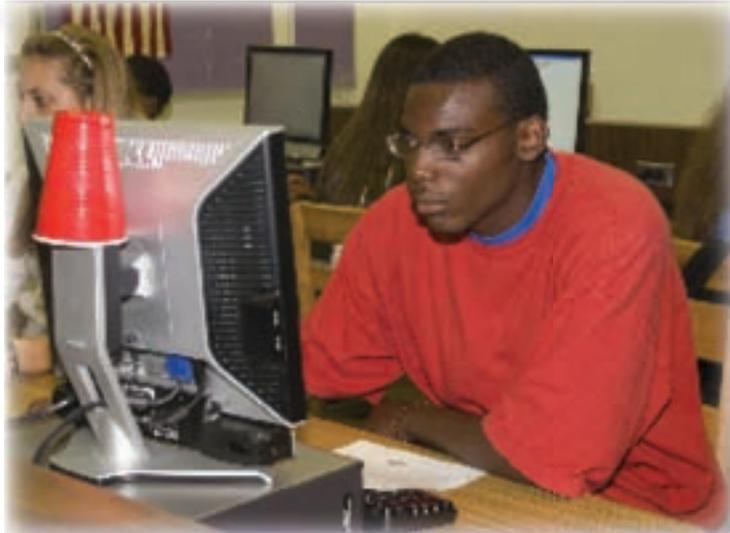
We found that 293 schools (89%) conducted their affairs in accordance with District policies and had good internal controls. However, at 38 schools (11%) there was room for improvement. This is an increase from last year's results, where only 23



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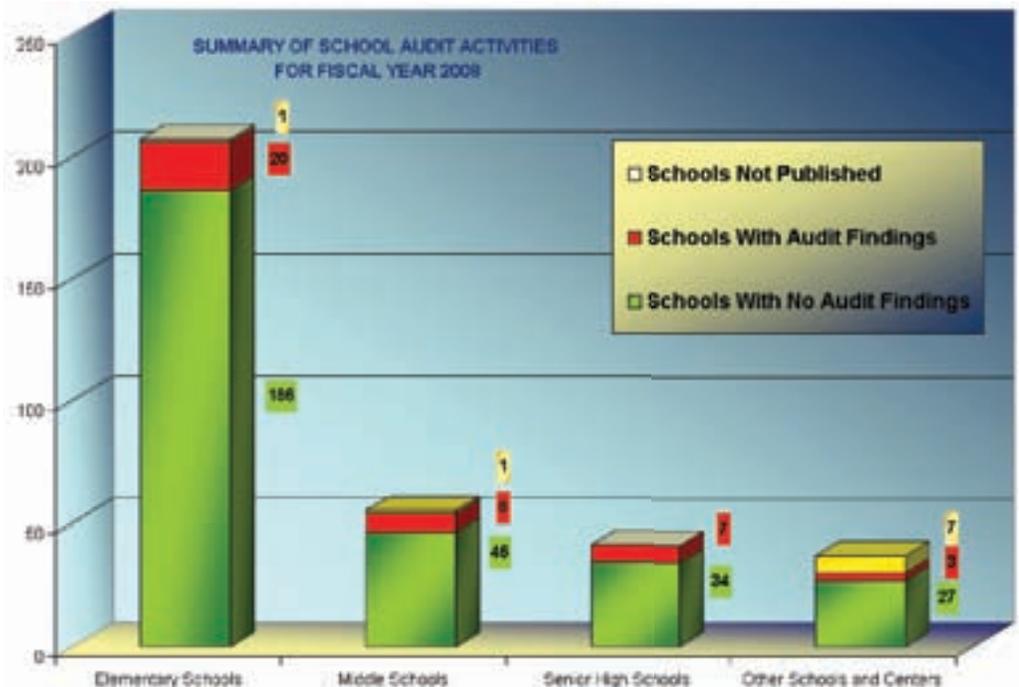
schools needed to make improvements. We attribute this year's increase to our new and expanded audit coverage, which includes areas such as data/network security, Title I, and school-site FTE. Of the 38 schools reported this year, 19 exclusively reported findings related to these new audit subject areas.

SCOPE refers to the depth and coverage of an audit. ... The scope should be broad enough to enable the objectives to be achieved; yet narrow enough that audit efforts can be focused and accomplished within a reasonable time period.¹



The following graph depicts the breakdown of District schools arranged by Elementary, Middle, Senior High and other schools (Alternative, Vocational, etc.)

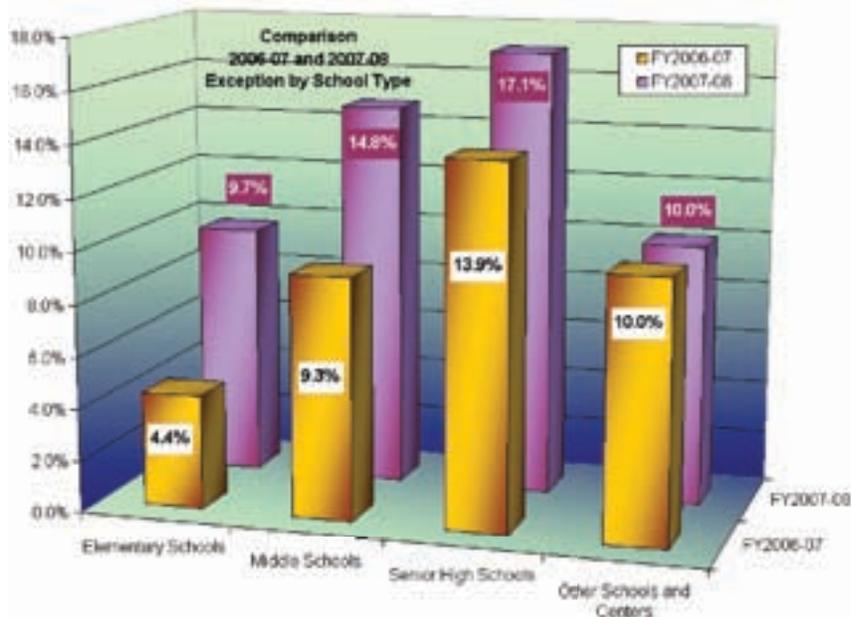
SUMMARY OF SCHOOL AUDIT ACTIVITY FOR FY 2008



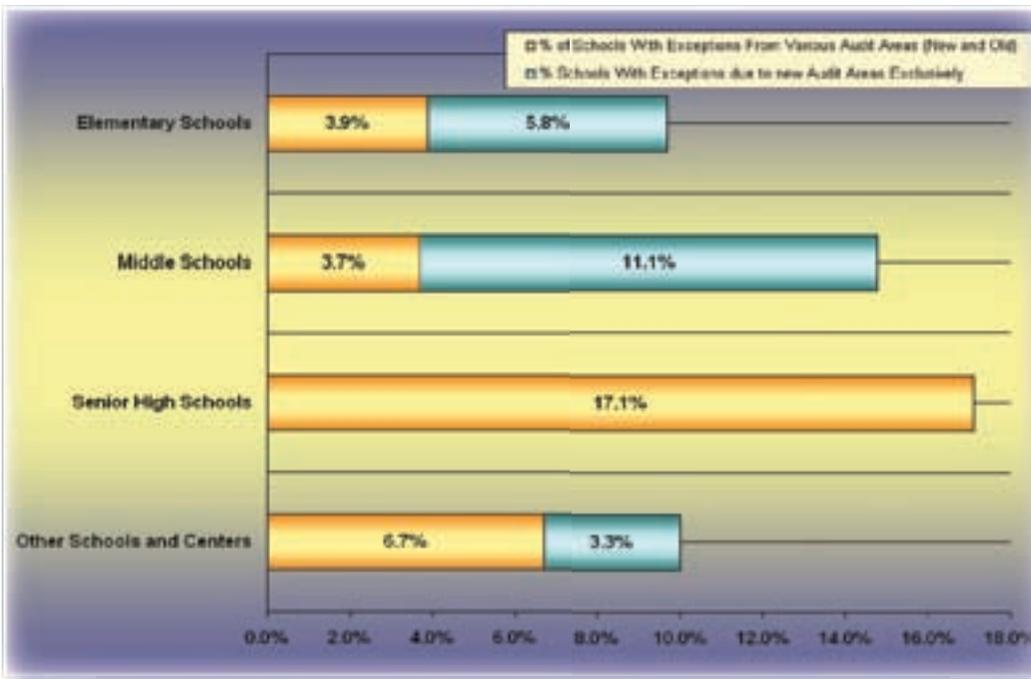
¹ Office of Management & Compliance Audits, Policies and Procedures Manual, Chapter 4

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As the following comparative graph demonstrates, there was significant increase in audit findings between FY 2007 and FY 2008:



Except for the senior high schools, where audit findings were from various areas, the percentage increases at the other schools may be in part attributable to those schools who exclusively reported findings in the new audited areas, as the next graph depicts:



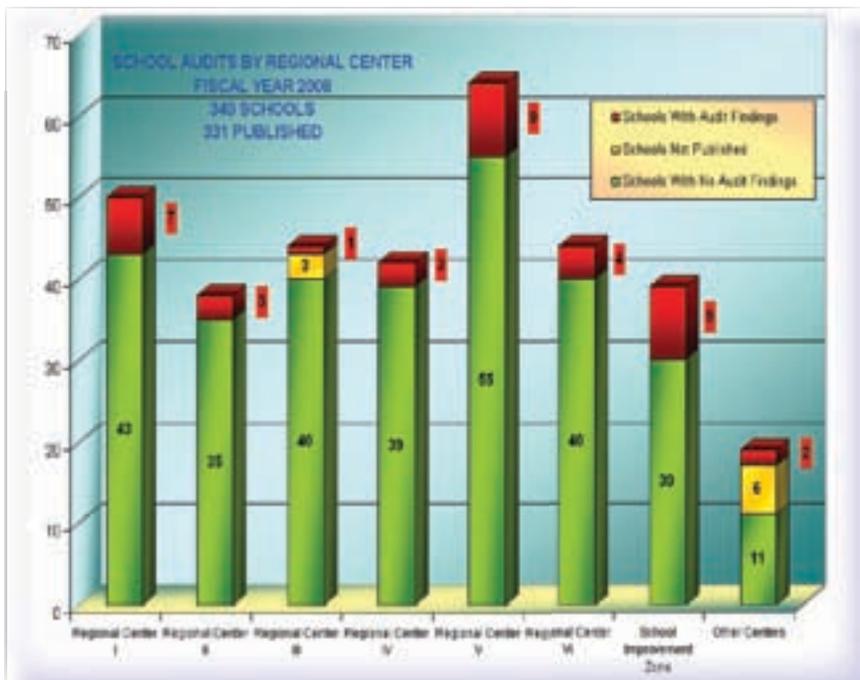
COMPARISON
2006-07 & 2007-08
Exception by
School Type

COMPARISON
Traditional Audit
Areas vs New Audit
Areas

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The breakdown of school audits by region is equally revealing:

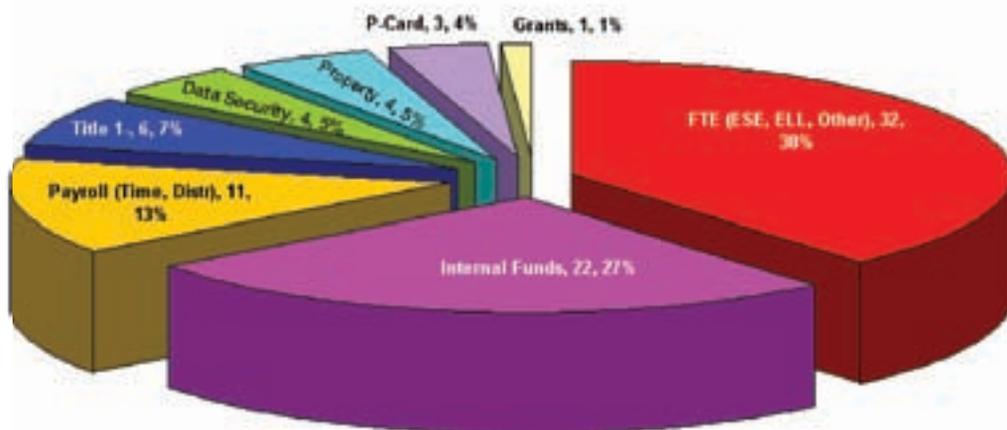
SCHOOL AUDITS BY REGIONAL CENTER



The heaviest concentration of schools with audit exceptions was in the School Improvement Zone (23%) followed by Regional Centers V and I (14% each). Going forward, these schools should strive to strengthen their fiscal accountability and management of the various programs reviewed.

Audit findings at the schools concentrated in the areas of FTE, Internal Funds and payroll in general were also problematic as summarized in the pie chart:

AUDIT FINDING TYPES



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Property Audits

The Office of Management and Compliance Audits is responsible for ensuring that the School District is accountable for all of its personal property.

◆ Physical inventories completed at 400 work locations (340 schools and 60 administrative locations)

◆ 111,900 property items valued at \$400 million were audited

The Office of Management and Compliance Audits is responsible for ensuring that the School District is accountable for all of its personal property. An inventory of all property shall be taken once each fiscal year to verify the presence of listed property items at each designated location, in compliance with the Rules of the Auditor General, Chapter 10.400, and Section 274.02, Florida Statutes Record and inventory of certain property.

◆ The word "property" as used in this section means fixtures and other tangible personal property of a nonconsumable nature, the value of which is \$1,000 or more and the normal expected life of which is one year or more.

◆ Each item of property, which it is practicable to identify by marking, shall be marked in the manner required by the Auditor General.

Each governmental unit shall maintain an adequate record of its property, which record shall contain such information as shall be required by the Auditor General. Each governmental unit shall take an inventory



of its property in the

custody of a custodian whenever there is a change in such custodian. A complete physical inventory of all property shall be taken annually, and the date inventoried shall be entered on the property record. The inventory shall be compared with the property record, and all discrepancies shall be traced and reconciled.

Our property auditors completed physical inventories at 400 District work locations (340 schools and 60 administrative locations). The audits included

Office of Management & Compliance Audits

111,900 property items, valued at \$400 million and reported \$250,000 worth of unlocated items. The loss rate for the year was .06%, a negligible increase of .01% over last year.

Audit of Inventories as of June 30, 2007

The Office of Management and Compliance Audits has audited the inventories as of June 30, 2007 of the following departments:

| Department | Amount |
|----------------------------------|--------------|
| Textbook Inventory Services | \$11,019,000 |
| Food and Nutrition | 3,889,000 |
| Stores and Mail Distribution | 3,473,000 |
| Maintenance Materials Management | 2,924,000 |
| Transportation | 1,046,000 |
| Total | \$22,351,000 |

Year-end inventories increased from \$21.9 million at June 30, 2006, to \$22.4 million at June 30, 2007.

Our audit consisted of observing the physical inventory counts, testing the counts, and verifying the prices at which the inventories were valued. In addition, we compared the physical inventory results to the perpetual inventory records and to the amounts shown on the financial statements. In our opinion, the inventories were fairly stated in the Annual Financial Report.



A perpetual inventory is not maintained for textbooks, since they are ordered in advance during the months of February through June out of the subsequent year's budget, as allowed by Florida Statutes. This is also done to satisfy the administration's intent of ordering the books sufficiently in advance, so that students will have their textbooks on-hand by school opening in early August.

The textbooks are distributed to the schools, but remain unused until the following fiscal year, and are carried as inventory at the end of the fiscal

Inventories performed at:

- ◆ Textbook Inventory Services
- ◆ Foods & Nutrition
- ◆ Stores & Mail Distribution
- ◆ Maintenance Materials Management
- ◆ Transportation

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year for financial statement reporting purposes, in compliance with generally accepted accounting principles.

The Department of Food and Nutrition maintains various inventories of federally donated and purchased food and supplies, and preparing a district-wide food service program budget. Donated commodity inventories are recorded in inventory at their fair market value at the time of donation from the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The inventory is valued using the weighted average method.

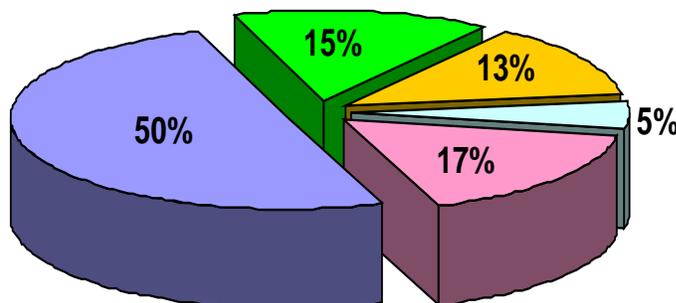
◆controls were mostly good but some processes ... could be improved

◆the cycle count process could be improved

The remaining inventories were composed of classroom, office and custodial supplies maintained at the Stores and Mail Distribution Warehouse; maintenance parts and supplies maintained by Maintenance Materials Management; and fuel, tires, and parts maintained by the Department of Transportation.

Our audit concluded that while controls were mostly good, some of the processes involved in the inventory reconciliations of the Departments of Food and Nutrition and Transportation could be improved. At Stores and Mail Distribution, the inventory was accurately reported, but the cycle count process could be improved.

PHYSICAL INVENTORY by AREA

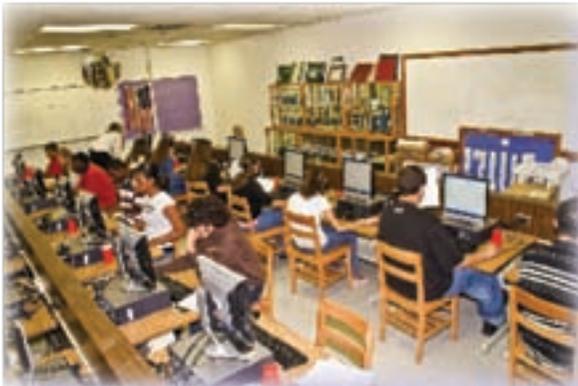


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Internal Audits

Audit of the Adult ESOL Program

The Adult English for Speakers of Other Languages (ESOL) program is a component of the Adult General Education Program, which is in turn a part of the District's Workforce Development Education Program. Section 1004.93, Florida Statutes authorizes the Adult General Education Program. The State funds the District's Workforce Development Education Program pursuant to the General Appropriations Act. The District was allocated approximately \$105 million for FY 2006-07.



The objectives of this audit were to determine whether the Adult ESOL program operates efficiently and effectively and enrollment data and performance measures used in the program

are reliable. Further, the audit endeavored to determine if the program complied with applicable laws, rules, policies and procedures.

Our audit concluded that the District's Adult ESOL program is efficient and effective. The program ranked third among the seven largest school districts' programs in the State when benchmarking the standardized measure of efficiency and effectiveness. The Adult ESOL program's enrollment data and performance measures are reliable overall. The program's administration and school site staff generally complied with applicable laws, rules, policies and procedures. However, our audit found deficiencies at two (2) of the 20 adult education centers (AEC) relating to students' test scores. Additionally, we recommended improving the process of documenting that eligible students are properly receiving free services.

Audit of Custodial Services

A two-part audit was performed of the district's Custodial Services. The District's custodial staff comprise 2,472 full-time and 673 part-time custodians. The 2006-07 total annual custodial payroll cost, including

◆ The ... ESOL program ... ranked third among the seven largest school districts' programs in the State

◆ The program's enrollment data and performance measures are reliable

Office of Management & Compliance Audits

fringe benefits was approximately \$89.5 million.

Each school or District site administrator directly supervises custodians assigned to their respective location. The Department of Plant Operations supports site administrators by providing custodial staffing allocation reviews and recommendations, hiring, training and certifying custodians.



Plant Operations is a department of District Inspections, Operations and Emergency Management. The department consists of 28 staff positions, including four administrative support staff.

Part 1 - the Audit of Basic Custodial Services, covered the effectiveness of operational management practices at the Department of Plant Operations, which provides key support to the District's custodial services.



Our survey of school administrators and staff, PTA presidents, parents and students about their satisfaction with the cleanliness of schools depicted mixed results. Depending on the group responding, overall satisfaction ranged from 49% to 88%. Dissatisfaction ranged from 4% to 28%, with restroom cleanliness receiving

the lowest level of satisfaction.

We concluded that:

- ◆ The process currently used to allocate custodial services to the different locations in the District could be improved.
- ◆ Efficiencies and potential costs savings could be achieved if the

◆ overall satisfaction [with cleanliness] ranged from 49% to 88%

◆ the avg square feet maintained ... is lower than the base square feet recommended by Florida Dept of Education

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amount of square footage maintained by custodians is brought in line with the 19,000 square feet recommended by the Florida Department of Education.

- ◆ The Department of Plant Operations needs to perform District-required annual sanitation audits.

Part II - Custodial Services - Payroll, Timekeeping And Personnel Related Issues

The objective of this part of the audit was to determine the effectiveness of operational management practices relative to payroll and personnel related functions at the Department of Plant Operations.

Our findings indicated that:

- ◆ Plant Operations needs to improve payroll recordkeeping and documentation practices, which significantly departed from District policies and procedures. Overtime payroll practices particularly need to be improved.
- ◆ Measures need to be taken to ensure that Head Custodians meet the minimum qualification for their positions. This involves ensuring that all certification and training requirements are met.
- ◆ Custodial staff is offered an adequate amount of training and Lead and Head Custodians had the required mandatory training / certification. However, participation in the other optional training would be beneficial.
- ◆ School site administrators used funds budgeted for custodial services for non-custodial services and materials.

Management response indicated that these issues would be fully addressed and the processes corrected.



◆ Plant Operation's payroll practices and recordkeeping varied widely from established District procedures

◆ School administrators were using funds budgeted for custodial supplies and equipment to purchase non-custodial services and materials

Office of Management & Compliance Audits

Audit of Employee Instructional Certification, Fingerprinting and Background Checks

The Office of Instructional Certification's mission is to ensure that instructional staff meet the State requirements issued by Florida Department of Education (DOE) and adult education personnel are certified via District-issued certification. Instructional Certification collects an application processing fee of \$56 from each applicant. During the audit period of July 1, 2005 through June 30, 2007, the department collected \$528,269 for State-issued certificates and \$132,612 for District-issued certificates. At present, the department has 17 full-time and 4 part-time employees. Instructional Certifications' budget for FY2006-07 was \$1,218,530. Actual expenditures and commitments were \$1,115,183.



◆Fingerprinting, background checks and reviews of vendors with offense(s) needed to be completed more timely.

◆controls and practices over cash received for processing employee certification renewals needed improvement

The Fingerprinting Department is responsible for ensuring that all applicants for employment, vendors and volunteers with M-DCPS are fingerprinted, background checked and cleared. Applicants', vendors' and volunteers' fingerprints are digitally captured and sent electronically to the Florida Department of Law Enforcement (FDLE) and the Federal Bureau of Investigation (FBI) for processing.

Pursuant to Florida Statute 1012.32, individuals with criminal records involving moral turpitude shall not be employed in any position requiring direct contact with students. If warranted, the Fingerprinting Department forwards the fingerprint and background check results to either the Office of Employee Standards (OES) or the Office of Professional Standards (OPS) to perform an eligibility or determination review. A determination review is done by OES when a vendor is involved and an eligibility review is done by OPS when an applicant or volunteer is involved. According to reports generated by OES, during FY2005-06 and FY2006-07, 382 and 8,169 vendors were fingerprinted, respectively.

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We concluded that there is a good process in place to monitor employee's certification requirements, but the process for determining whether waivers for out-of-field teachers were approved by the Board is cumbersome and inefficient. Fingerprinting, background checks and reviews of vendors with offense(s) need to be completed more timely. Internal controls and processes over the receipt of cash for fingerprinting are good, but controls and practices over cash received for processing employee certification renewals need improvement.

Audit of Maintenance Materials, Equipment and Supplies Purchases & Use

Maintenance Operations is charged with the repair and upkeep of the District's plant facilities. In carrying out this mission, Maintenance employs approximately 900 tradespersons, including plumbers, electricians, painters, masons, groundskeepers, and so forth. The department also uses various replacement parts, equipment and supplies (e.g., light bulbs, switches and ballasts, electrical outlets and wire, door locks and handles, air conditioning units, freon, pipes, pumps, floor tiles, etc.) in executing this function. Most of these items are identical or similar to



items installed in private residences and businesses, and to items stocked by local hardware stores. For FY 2006-07, Maintenance expended approximately \$24 million for equipment, parts and supplies, and issued 93,000 work orders for the repair and upkeep of the District's plant facilities.

The principal risk for materials, equipment and supplies is that they can easily be used for personal use in residential property, on "weekend jobs" and for hurricane damage prevention and repairs. Our audit concluded that the overwhelming majority (96%) of the materials tested was properly used for District purposes as indicated in the Maintenance work orders. Further,

◆For FY 2006-07, Maintenance expended approximately \$24 million for equipment, parts and supplies, and issued 93,000 work orders for the repair and upkeep of the District's plant facilities

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◆The overwhelming majority (96%) of the materials was properly accounted for.

◆the reports were properly compiled and data reported were accurate in all material respects.

controls over material requisitions are adequate and purchased materials are properly issued when requisitioned. However, there is a need to ensure that an audit trail and a chain of custody exist for certain equipment that is taken out of service. There is also a need to ensure that materials, equipment and supplies requested from stock are in fact needed to complete the schedule work and that they are promptly picked up and installed.

Minority/Women Business Enterprise Program Expenditure Reports for Fiscal Years Ended June 30, 2005 and June 30, 2006

We reviewed the Minority Women Business Enterprise (M/WBE) Program Annual Expenditure Reports prepared by the Division of Business Development and Assistance for fiscal years ended June 30, 2005 and June 30, 2006, and the supporting documentation that was used

to prepare the reports, pursuant to School Board Rule 6Gx13-3GI.02. The objective of our review was to determine whether the M/WBE Program Annual Expenditure



Reports were properly compiled and adequately supported. Our review concluded that the reports were properly compiled and data reported were accurate in all material respects.

Audit of Miami-Dade Schools Police Overtime Payroll

The Miami-Dade Schools Police Department (M-DSPD), the fifth largest law enforcement agency in Miami-Dade County, has an authorized

Office of Management & Compliance Audits

strength of 220 sworn law enforcement personnel. The M-DSPD general fund budget for the 2006-07 fiscal year was \$21.9 million, of which \$1.8 million or 7.86% was budgeted for overtime.

Data analyzed during our audit revealed that overtime compensation paid by the Miami-Dade Schools Police Department (M-DSPD) has historically exceeded the budget.

Our audit concluded that action is needed by the Miami-Dade Schools Police Department to ensure that it does not continue to exceed its annual overtime budget. There is also a need for sufficient and proper documenta-



tion of overtime payroll. This could be achieved in part by more closely adhering to established policies and procedures. The audit noted what appears to be an apparent inequity among overtime earners. Forty officers or 17% of those eligible

for overtime received 41% of the total overtime paid. Individual overtime varied from \$50 to \$91,100 and 0.11% to 143% of base salary. There were a number of areas noted where overtime cost could be reduced by improving internal controls and management practices. Two important areas for substantial savings are reimbursable overtime and extra duty for court appearance.

Audit Of Homestead Educational Facilities Benefit District, Inc. (Hefbd, Inc.) Expenditures

In June 2004, the Miami-Dade County Public School Board agreed to enter into an Interlocal Agreement with the City of Homestead and Miami-Dade County. The purpose of this agreement was to establish the Homestead Educational Facilities Benefit District (HEFBD) to have a governing body oversee the construction and financing of three K-8 facilities on land donated by developers in the Homestead area.

- ◆... action is needed by the Miami Dade Schools Police Department to ensure that it does not continue to exceed its annual overtime budget.
- ◆... need for sufficient and proper documentation of overtime payroll

Office of Management & Compliance Audits

◆ We did not find any instances of impropriety

At the request of the Chief Facilities Officer of Miami-Dade County Public Schools, we performed an audit of the Homestead Educational Facilities Benefit District, Inc. (HEFBD, Inc.) expenditures. Our audit objective was to determine the propriety of the HEFBD, Inc., expenses as they relate to the HEFBD and HEFBD, Inc., commitments to M-DCPS. We did not find any instances of impropriety as it relates to the payment of the requests examined.



The following Audits are substantially complete and are expected to be presented to the Audit Committee in FY 08-09:

- ◆ Year-End Inventories 2008
- ◆ Audit of Award & Administration of Construction Projects
- ◆ Supplemental Tutorial Services
- ◆ Summer Services
- ◆ Audit of Construction Claims, Allowances and Contingencies



Office of Management & Compliance Audits

Investigative Audits

With the formation of the new Office of the Inspector General, most major investigative efforts are referred to that group. However, the Office of Management and Compliance Audits' investigative group still handles cases of fraud and/or malfeasance discovered by our auditors in the course of their duties, as well as some requests for investigation made by school Principals or other Administrators. In cases deemed materially significant we always consult with the IG's office.

John A. Ferguson Senior High School

The former Principal of John A. Ferguson High School arranged for a faculty retreat in the summer of 2007. An account was opened with the Magnet Educational Choice Association, Inc. (MECA), a support organization of Miami-Dade County Public Schools and deposited District funds



of almost \$115,400 to pay for the 2007 retreat's related expenses. The 2007 retreat was held at an out-of-county luxury resort.

Based on the itemized charges on the hotel invoice received

directly from the vendor, alcoholic beverages amounting to approximately \$4,500 were consumed; however, the invoice provided by the school did not reveal these unallowable expenditures.

A similar situation occurred at the school for a faculty retreat in the summer of 2006. The former principal improperly executed contracts with the hotel. While professional development activities were conducted, the expenditures were not authorized in accordance with School Board guidelines. The amount spent on these activities was excessive; specifically, in-county lodging and most meal expenditures would not have been approved if processed through the regular District's procurement channels. Based on these audit findings, and pending resolution of these matters, MECA has not paid

- ◆ retreat was held at a luxury resort out-of-county

- ◆ alcoholic beverages amounting to approximately \$4,500 were consumed

- ◆ improperly executed contracts with the hotel

- ◆ expenditures were not authorized in accordance with School Board guidelines

Office of Management & Compliance Audits

the hotel. This case was referred to the Inspector General who substantiated our findings.

Jack Gordon Elementary School

Food Service Accounting requested an investigation of cafeteria funds at Jack D. Gordon Elementary School. Monies from the cafeteria had been missing daily. The employee who was responsible for verifying that the amounts collected by the cashiers were in agreement with the deposit slips was found to have taken \$720 in funds. Pursuant to our investigation the employee confessed, paid restitution, was arrested and terminated for her wrong doing.



Rainbow Park Elementary School

An investigation was conducted as a result of the principal at Rainbow Park Elementary School discovering misappropriation of funds by a school employee. It was found that the employee forged the principal's and assistant principal's signatures on ten checks totaling \$2,289. Of the ten checks, two were for actual expenditures totaling \$1,119, six were



payable to the employee herself totaling \$900 and two were payable to an unknown payee totaling \$270. Following our investigation, the employee was arrested and terminated from the Miami-Dade County Public Schools.

◆ Monies from the cafeteria had been missing daily.

◆ the employee forged the principal's and assistant principal's signatures on ten checks totaling \$2,289

Office of Management & Compliance Audits

Brentwood Elementary School

After the Office of Treasury Management notified the principal of Brentwood Elementary that the school's bank account was overdrawn, an investigation was requested. Our investigation concluded that \$3,072 had been misappropriated from monies collected for school pictures totaling \$952 and for school field trips totaling \$2,120. These funds were never deposited by the employee responsible for doing so.



◆ Our investigation concluded that \$3,072 had been misappropriated

Golden Glades Elementary School

Since the employee of Brentwood Elementary had previously been an employee at Golden Glades Elementary, we immediately investigated at Golden Glades.



This investigation discovered that a similar situation had occurred, with \$3,563 being misappropriated from sixth grade activities, lost library books and school pictures. As a

◆ \$3,563 ... misappropriated from Sixth Grade Activities, lost library books and school pictures.

result of both investigations, the employee confessed, was arrested and was terminated.

Office of Management & Compliance Audits

Miami Northwestern Senior High School

Food Service Accounting reported cash shortages at Miami Northwestern High School. Our analysis disclosed that \$1,350 was missing from their cafeteria deposits. We interviewed the employee who



was responsible for verifying that the amounts collected by all the cashiers were in agreement with the deposit slips. This employee also processed the deposits. Deposit bags were sealed by this

employee and later picked up by a Brinks Armor Truck. During the interview, the employee admitted to taking the missing funds. Subsequently, the employee was arrested and terminated.

Charles Drew Middle School

Charles R. Drew is a participant in "Justice for Schools", a program offered by the Department of Justice. As a participant, the school

is eligible to receive educationally useful federal equipment from this Department. Based on 2007 correspondence



from the Department of Justice, the school was the intended recipient of

◆\$1,350 was missing from ... cafeteria deposits.

◆employee admitted to taking the missing funds

◆the school was the intended recipient of 30 used laptops (\$500 each), 30 used desktops (\$200 each) and related computer accessories

Office of Management & Compliance Audits

30 used laptops (\$500 each), 30 used desktops (\$200 each) and related computer accessories (total market value of \$21,000). Our investigation disclosed that the school's employee responsible for this equipment could not account for all of the equipment. He claimed that the laptops were damaged beyond repair and/or unserviceable. We referred this to the Miami-Dade County Schools Police and subsequently to the State Attorney's Office. The employee was arrested. After the case was discharged by the court, it was referred to the Office of Professional Standards for further administrative review and determination.

◆the employee responsible for this equipment could not account for all of the equipment.

Tropical Elementary School

We performed a review into allegations that an Official of the Tropical Elementary PTA had misappropriated PTA funds. The



Official admitted taking \$2,735 from the chocolate sales, \$790 from different activities and \$343 from the pizza sales which totaled \$3,868. However, based on the information provided to us, we

The Official admitted taking \$2,735 from the chocolate sales, \$790 from different activities and \$343 from the pizza sales

were able to substantiate from our analysis \$3,828. The Official of the PTA was arrested for the misappropriation of funds.

School Psychologist

An investigation of a school psychologist concluded that she was working for her personal private practice during school hours, depriving our students of very much needed therapy. The case has been forwarded to the Office of Professional Standards for appropriate action.



A school psychologist ... was working for her personal private practice during school hours

Office of Management & Compliance Audits

Howard Doolin Middle School

An investigation was conducted at Howard Doolin Middle School in reference to a Part-Time Food Service employee being suspected of misappropriating cafeteria sales. After showing the Part-Time Food Service employee the evidence against her, she resigned from her position.



◆ Part-Time Food Service employee ... suspected of misappropriating cafeteria sales ... resigned

Lindsey Hopkins Technical Educational Center

At the request of the Principal at Lindsey Hopkins Technical Educational Center, an investigation of the cafeteria operations was conducted. The cafeteria experienced a large decrease in profit. During our investigation, we found 22 instances totaling \$6,101 where the cafeteria cash/check collections were not traceable to deposit packages, bank deposits or the general ledger.

◆ we found 22 instances totaling \$6,101 where the cafeteria cash/check collections were not traceable to deposit packages, bank deposits or the general ledger.

In the 22 instances of shortages there were various cashiers operating the registers and preparing daily recap of collections.

As a result, the person(s) who misappropriated the cafeteria funds was not determinable.



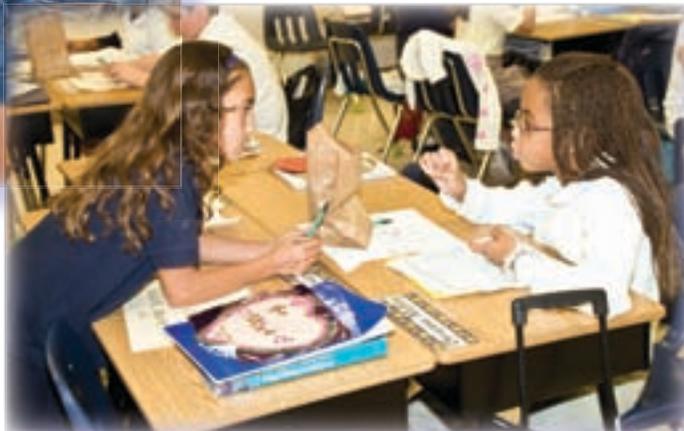
Office of Management & Compliance Audits

North Miami Adult Education Center

We reviewed allegations that an employee had misappropriated funds at North Miami Adult Education Center. Based on the results of our review, we found that \$727 received from a student by the employee was not deposited. The employee abandoned her position, was terminated in January 2008 and left the state.



◆ \$727 received from a student ... was not deposited.



Office of Management & Compliance Audits

External Audit Reports

Auditor General Report

*T*he following reports, prepared by the Auditor General were presented to the Audit Committee:

| Audit Title | State Audit No. |
|---|------------------------|
| Financial, Operational and Federal Single Audit for Fiscal Year Ended June 30, 2007 | 2008-158 |

Financial Audits

*T*he following financial audits of the School Board and its component units were conducted by independent certified public accounting firms.

| Audit Title | Auditor |
|--|------------------------------|
| Audit of the Dade Schools Athletic Foundation, Inc. | Sharpton, Brunson & Co, P.A. |
| Audit of the Miami-Dade Coalition Community Education Inc. | Sharpton, Brunson & Co, P.A. |
| Audit of WLRN Television & Radio Station | Sharpton, Brunson & Co, P.A. |
| Audit of the Magnet Education Choice Assn, Inc. (MECA) | Sharpton, Brunson & Co, P.A. |
| Educational Impact Fee Fund | C Borders-Byrd, CPA LLC |
| Annual Financial Statement | C Borders-Byrd, CPA LLC |
| Management Letter | Ernst & Young, LLP |
| Financial Statement Audit Results & Communications | Ernst & Young, LLP |

Office of Management & Compliance Audits

Charter Schools

Charter schools must be audited each year. Our office reviews these audit reports with the Audit Committee and forwards them to the School Board. The following audits were presented during 2007-08:

| Audit Title | Auditor |
|--|---|
| Academy of Arts and Minds | Morrison, Brown, Argiz & Farra, LLP |
| Archimedean Academy | Keefe, McCullough & Co, LLP |
| Archimedean Middle Conservatory | Keefe, McCullough & Co, LLP |
| ASPIRA Charter School – North | Alberni, Caballero & Castellanos, LLP |
| ASPIRA Charter School – South | Alberni, Caballero & Castellanos, LLP |
| Aventura City of Excellence Charter School | McGladrey & Pullen, LLP |
| Balere Language Academy | King & Walker, CPAs, PL |
| Cooperative Charter School | Cummings-Grayson, & Co., P.A. |
| Coral Reef Montessori Academy | Verdeja & De Armas, LLP |
| Coral Reef Montessori School | Verdeja & De Armas, LLP |
| Doctor's Charter School of Miami Shores | Gravier & Assoc, CPA |
| Doral Academy | Gravier & Assoc, CPA |
| Doral Academy Charter Middle | Gravier & Assoc, CPA |
| Doral Academy High | Gravier & Assoc, CPA |
| Doral Performing Arts & Entertainment Academy | Gravier & Assoc, CPA |
| Downtown Miami Charter School | BKR Garcia & Co., CPAs |
| Early Beginnings Civic Center – United Cerebral Palsy | Thomas J. Sims, PA |
| Early Beginnings North Shore – United Cerebral Palsy | Thomas J. Sims, PA |
| Eugenio Maria de Hostos Charter School | Alberni, Caballero & Castellanos, LLP |
| Excel Academy | Harvey, Covington & Thomas, LLC |
| Florida International Academy | Keefe, McCullough & Co, LLP |
| Florida School for Integrated Academics and Technologies | James Moore & Co, PL |
| International Studies Charter High | Gravier & Assoc, CPA |
| Keys Gate Charter School | Keefe, McCullough & Co, LLP |
| Lawrence Academy | James Accounting & Tax Practice, PA |
| Liberty City Charter School | S. Davis & Assoc., P.A. |
| Life Skills Center – Miami-Dade County | BKHM, CPA |
| Life Skills Center – Opa-Locka | BKHM, CPA |
| Mater Academy | Gravier & Assoc, CPA |
| Mater Academy Charter Middle | Berman, Hopkins, Wright & Laham CPAs & Assoc, LLP |
| Mater Academy High | Berman, Hopkins, Wright & Laham CPAs & Assoc, LLP |

Office of Management & Compliance Audits

| | |
|--|---|
| Mater Academy Lakes High School | Gravier & Assoc, CPA |
| Mater Academy Lakes Middle School | Gravier & Assoc, CPA |
| Mater East Academy Middle School | Berman, Hopkins, Wright & Laham CPAs & Assoc, LLP |
| Mater East Charter School | Berman, Hopkins, Wright & Laham CPAs & Assoc, LLP |
| Mater Gardens Academy | Gravier & Assoc, CPA |
| Mater Gardens Academy Middle School | Gravier & Assoc, CPA |
| Mater Performing Arts & Entertainment Academy | Berman, Hopkins, Wright & Laham CPAs & Assoc, LLP |
| Miami Children's Museum | Gravier & Assoc, CPA |
| Miami Community Charter School | O'Sullivan Creel, LLP |
| Pinecrest Academy (South Campus) | Gravier & Assoc, CPA |
| Pinecrest Academy Charter Middle | Gravier & Assoc, CPA |
| Pinecrest Preparatory Academy | Gravier & Assoc, CPA |
| Renaissance Elementary Charter School | Keefe, McCullough & Co, LLP |
| Renaissance Middle Charter School | Keefe, McCullough & Co, LLP |
| Rosa Parks Charter School | W. B. Coon & Co., CPA |
| Sandor Wiener School of Opportunity - North | Keefe, McCullough & Co, LLP |
| Sandor Wiener School of Opportunity, South | Keefe, McCullough & Co, LLP |
| Somerset Academy | Gravier & Assoc, CPA |
| Somerset Academy Charter High | Gravier & Assoc, CPA |
| Somerset Academy Charter Middle School | Gravier & Assoc, CPA |
| Spirit City Academy Charter School | Harvey, Covington & Thomas, LLC |
| The Charter School at Waterstone | Keefe, McCullough & Co, LLP |
| Theodore and Thelma Gibson Charter School | Gravier & Assoc, CPA |
| Transitional Learning Center – United Cerebral Palsy | Thomas J. Sims, PA |
| Youth Co-Op Charter School | BKR Garcia & Co., CPAs |

Community-Based Organizations

Annual contracts with providers of Alternative Education services require financial audits that are received and reviewed by our office before they are presented to the Audit Committee and the School Board. The following audits were received during 2007-08:

| Audit Title | Auditor |
|---------------------------------------|------------------|
| Cuban American National Council, Inc. | GLSC & Co., PLLC |
| Lincoln Marti Community Agency, Inc. | GLSC & Co., PLLC |

Office of Management & Compliance Audits

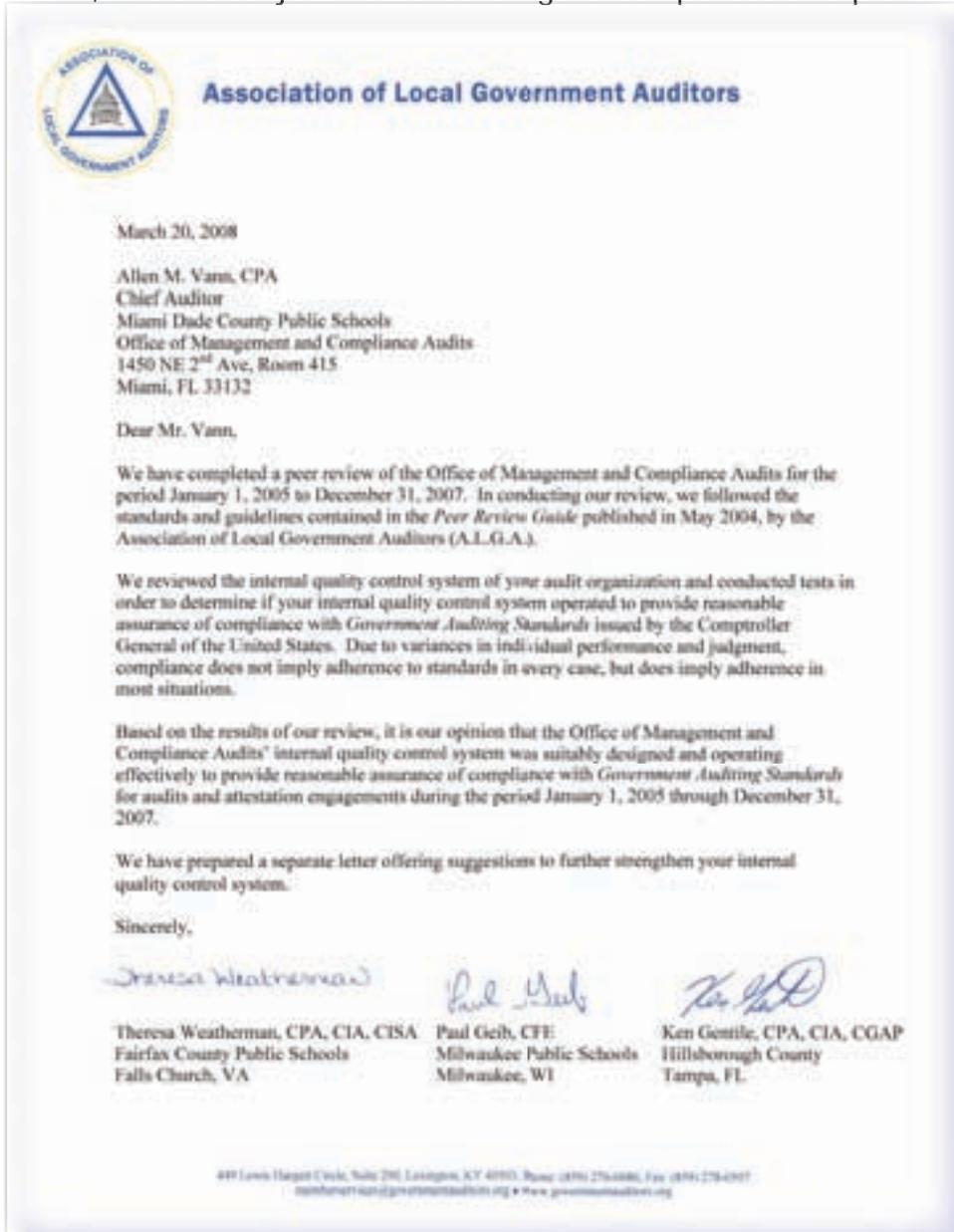
| | |
|--------------------------------------|-------------------------------|
| Ombudsman Educational Services Ltd. | Deloitte & Touche, LLP |
| Dade Marine Institute | Cross, Fernandez & Riley, LLP |
| Richmond-Perrine Optimist Club, Inc. | Nzeribe & Co., PA |
| Recapturing the Vision | W. B. Coon & Co., CPA |



Office of Management & Compliance Audits

Non-Audit Services & Activities:

- ◆ The Association of Local Government Auditors' Peer Review Team visited our office in March, 2008 to conduct a review of our quality control system and our compliance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States Accountability Office (GAO). We are pleased to report that, not only was our office issued an unqualified opinion by the Peer Review Team, but also received very favorable comments regarding the presentation of our reports, the quality of our audit documentation, and the subject matter coverage of our policies and procedures manual.



Office of Management & Compliance Audits

- ◆ The Assistant Chief Auditor – School Audits Division conducted several training sessions in Internal Funds and Payroll procedures, offered through the Office of Leadership Development to aspiring principals and assistant principals, and as part of the School Improvement Zone's Opening of the Schools meeting with principals and assistant principals. Our EDP Audit Supervisor also presented some very informative aspects of school-site IT security procedures.



- ◆ Staff of Office of Management Compliance Audits participated as presenters in the District's First Governance and Financial Training Workshop for Charter Schools held on June 4, 2008. The subject of our presentation was on the annual external audit, the primary mechanism used by the District to monitoring the charter schools' fiscal management. The process by which the Audit Committee reviews the annual audits (62 in FY08) was discussed. Also discussed was the right to perform additional audits clause in the standard charter contract, internal controls, related party transaction disclosures and conflicts of interest.

- ◆ The Office of Management Compliance Audits performed a review of the Liberty City Charter School's (the School) tangible personal property and cash accounts as of March 12, 2008 - the termination date of the School's Charter with Miami-Dade County Public Schools. The scope of the review was to determine the quantity and value of tangible personal property



owned by the School and cash balances at the date the School Board terminated the School's Charter. We found that the School owned approximately 1,260 pieces of tangible personal property, of varying condition. The exact value of this property was not readily determinable. However, based on our review, we recommended to staff that all the property be surplus and made available to other District schools and departments in accordance with School Board Rule 66x13-3B-1.09. We also found

that the latest reconciled bank account revealed the School had a bank balance of \$10,269

Office of Management & Compliance Audits

and a book balance of (\$3,189) as of February 29, 2008.

- ◆ Audit staff attended the Ernst & Young's Continuing Professional Education in Fort Lauderdale.

- ◆ Based upon a request from management, the Office of Management and Compliance Audits has been performing necessary non-audits advisory services relating to the ERP Project



- ◆ In April, 2008, the Chief Auditor participated as a panel member on Government Auditing Best Practices for the Miami Chapter of the Institute of Internal Auditors. Topics discussed included the Peer Review process and best practices of Audit Committees.

- ◆ Pursuant to Board rule, internal audit staff has been actively participating in a number of committees. We attend the Professional Services Contract Committee, the Charter School Contract Review Committee, the Design and Construction Selection Committee, the ITS Change Advisory Board, the Contract Review Committee (CRC), the Contractor Prequalification Review Committee (CPRC) and the A/E Selection Committee

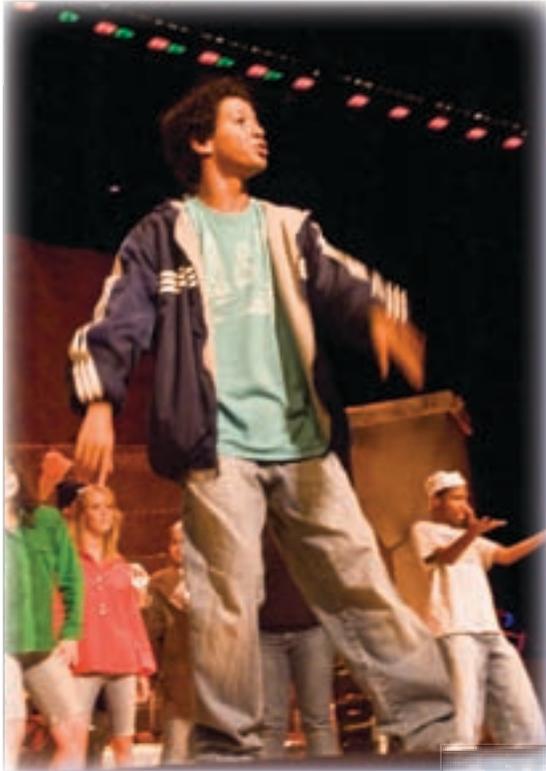


- ◆ The Ethics Advisory Committee (EAC) was created in 2002 by the School Board to restore the public confidence in our public schools and to educate all stake holders as to the required standards of ethical conduct. The Committee is composed

of seven (7) independent, volunteer members. The School Board has adopted several initiatives recommended by the EAC, resulting in corrective actions that have restored public trust. The Chief Auditor is the appointed official liaison to the EAC, charged with facilitating all administrative tasks needed to support the Committee as it strives to discharge its responsibilities. Accordingly, staffs from the Office of Management and Compliance

Office of Management & Compliance Audits

Audits prepare the agendas and minutes for the EAC meetings, assist with research and correspondence, and provide additional support as required.



Office of Management & Compliance Audits

2009 Annual Audit Plan & Budget

Review of 2009 Annual Audit Plan and Budget

Office of Management and Compliance Audits





Superintendent of Schools
Rudolph F. Crew, Ed.D.

Miami-Dade County School Board
Agustin J. Barrera, Chair
Felicía Tebarés-Hartman, Vice Chair
Renee Diaz de la Portilla
Evelyn Lengua-Greer
Dr. Wilbert "Tee" Hoffowsky
Dr. Martin Karp
Alca Rivas Logan
Dr. Maria Pérez
Dr. Solomon C. Stinson

June 18, 2008

Audit Committee Members
Superintendent of Schools

We are pleased to present our proposed audit plan for fiscal year 2009. The plan was developed using a systematic approach to help us decide what audits need to be done. The planning process helps us to identify an appropriate mix of various types of performance and financial audits. Planning also assists us in how we can best allocate our resources and capitalize on our individual strengths.

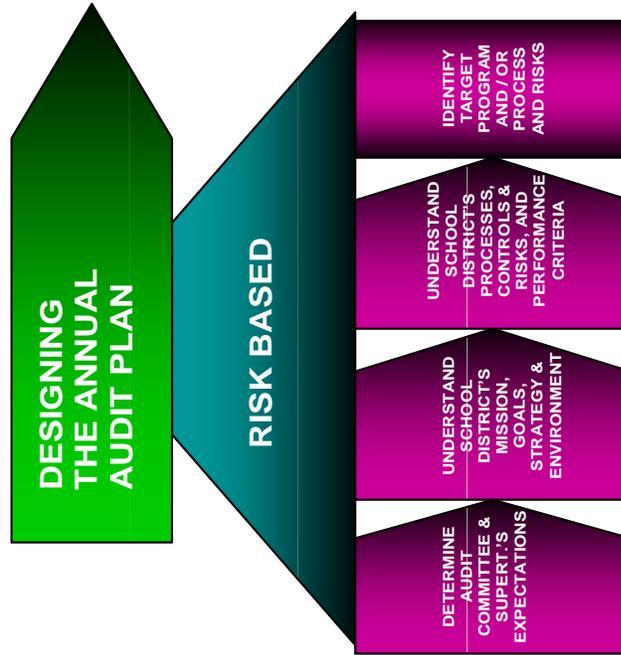
While the scope and assignment of audits remains the primary responsibility of the Chief Auditor, input from the Audit Committee and Superintendent are essential to preparing a successful work plan.


Allen Vann, Chief Auditor

Planning Process

PLANNING PROCESS

- Based on:
- Budget Analysis
 - Risk Based:
 - Materiality
 - Past Audit Coverage
 - Internal Risk
 - External Risk
 - Information Risk
 - Input from:
 - Audit Committee



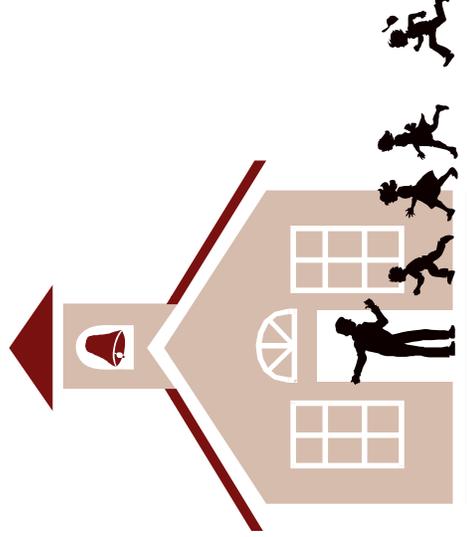
STEPS:

1. PROGRAMMATIC BUDGET ANALYSIS
2. PROGRAMMATIC RISK ASSESSMENT
3. MANAGEMENT INPUT FOR AUDIT PLAN
4. DEVELOP AUDIT PLAN
5. AUDIT PLAN APPROVAL

School Audits Division

344 Schools and Centers

- Financial statements of internal funds;
- Payroll;
- Purchasing Credit Card Program;
- I.T. controls;
- Federal Funds/Title I
- Florida Education
Finance Program



District Audits Division

Eight New Internal Audits Planned -

- Energy Management
- Food Services Program
- Roofing Replacement Program
- Fringe Benefit Administration
- Graphics & Reproduction
- Life Skills & Special Programs/Activities
- Overtime Payroll - Maintenance Operations (Long Range)
- Instructional/Non-Instructional Training (Long Range)

Three New IT Audits Planned –

- District Offices IT Security
- District IT Purchasing Practices
- ERP/SAP Implementation Deliverables

District Audits Division

Energy Management –

- The District Inspections, Operations and Emergency Management (DIOEM) Department is responsible for monitoring and programming the District's energy management system. Energy services costs for FY 2008-2009 are projected at roughly \$82.7 million. DIOEM also manages approximately \$4.3 million in contracts for systems performance monitoring and verification and equipment maintenance and services.
- Our objective will be to identify efficiencies and cost savings opportunities that may be achieved by having good systems in place, as well as schools and district office energy conservation programs.



District Audits Division

Food Services Program -

➤ The Department of Food and Nutrition provides food services to the students and is responsible for the purchase and use of food products, the development of menus, and overseeing food services operations.

➤ We will focus on identifying efficiencies in processing and delivering food services to the students, including cost control in menu development and competitive pricing.



District Audits Division

Graphics & Reproduction -

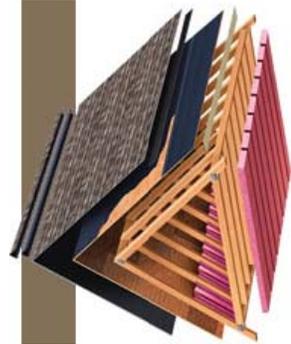
- The Graphics and Materials Production Department provide duplicating services on a reimbursable basis. It also leases, purchases and helps arrange for maintenance of all District photo copy machines. In-house monthly production averages approximately five million digital black and white and full-color offset printing and finishing impressions. The actual departmental expenditures for the 2007-08 school year were \$1,056,243.
- The audit objective will focus on identifying cost saving opportunities and operational efficiencies. We will also survey on a comparative basis duplicating costs District-wide.



District Audits Division

Roofing Replacement Program -

- Maintenance Operations is responsible for replacing roofs that have outlasted their useful lives. The tentative FY 2008-09 budget for this program is \$18 million and involves 18 to 25 planned projects.
- This audit will evaluate contracting methodology, pricing and administration to ensure that there is effective and efficient pricing and cost control procedures in place.



District Audits Division

Fringe Benefit Administration -

- Certain fringe benefit administrative functions are managed through a third party administrator (TPA). In FY2008 contracted expenditures were \$3.4 million, based upon a fixed rate per employee per month.
- This audit will be designed to evaluate the delivery of services, for effectiveness, pricing and the propriety of related expenditures.



District Audits Division

Life Skills & Special Programs/Activities -

➤ The Division of Life Skills and Special Projects supports and drives the curriculum for a diverse range of school-based programs, including visual arts, JROTC, drivers education, music, dance, speech and debate. The division also manages approximately 20 contracts with various service providers.

➤ The objective of the audit will be to evaluate the delivery of services and the propriety and effectiveness of related expenditures.



District Audits Division

Overtime Payroll - Maintenance Operations (Long Range) -

- Maintenance Operations is responsible for maintenance and repairs at the District's schools and offices. During FY2007 and FY2008, overtime expenditures were \$9.4 million (248,800 hours) and \$6.3 million (164,580 hours), respectively.

- The audit objective will focus on assessing the adequacy of internal controls and management practices over overtime wages.



District Audits Division

Instructional/Non-Instructional Training (Long Range) -

- Through the Department of Professional Development, the District delivers rigorous research-based, field-tested learning experiences, programs and resources for teachers, principals, administrators and support personnel to increase student achievement.
- The objective of the audit will be to evaluate the effectiveness of the delivery of services and the propriety of related expenditures.



District Audits Division

District Offices IT Security -

- District departments store and manipulate vast amounts of data, including student, personnel, business and accounting records.
- Our objective will focus on providing reasonable assurance that the risk of unauthorized access, modification, disclosure, loss, theft, disposal or removal of data is minimized. The audit will also assess the level of technological support provided by ITS.



District Audits Division

District IT Purchasing Practices -

- Significant resources are dedicated to information technology.
- We need to address whether adequate planning and controls are in place to assure that hardware and software is being purchased in the most appropriate and cost effective manner. We also need to evaluate whether purchases made by the District are placed in locations with adequate infrastructure necessary to support it.



District Audits Division

ERP/SAP Implementation Deliverables -

- The District has contracted with various vendors to design and implement SAP. The project is budgeted to cost \$85.4 million. It will replace antiquated Finance, Human Resources, Procurement and Payroll systems.
- Our objective will focus on determining whether all contracted deliverables are received by M-DCPS in accordance with the contracts.



Other Non-Audit Services

Charter School Fiscal Review

- During FY 07-08, the District sponsored 63 charter schools with student enrollment of approximately 21,000 and at an estimated cost in excess of \$150 million. We will continue to monitor the schools' fiscal activity, primarily through the review of certified financial statements.

Community Based Organization Fiscal Review

- During FY 07-08, there were seven (7) contracts with community based organizations for alternative education at 23 campuses serving up to 2,050 students for approximately \$9.3 million. Our office will continue to review their financial reports.

Other Non-Audit Services

Audit Recommendations Follow-Up

- Audit follow-up is a function of the internal audit process and is required by School Board Rule 6Gx13- 2C-1.14, Article IV.B. Implementation of prior audit recommendations will continue to be monitored.

ERP Implementation Advisory Review

- M-DCPS has designed and is currently implementing SAP, at a budgeted cost of \$85.4 million, to replace the Finance, Human Resources, Procurement and Payroll systems. We will monitor implementation and ensure adequate controls.

Office of Management & Compliance Audits

Investigations & Forensic Audits

INVESTIGATIONS/FORENSIC AUDITS

PERFORMING FORENSIC AUDITS IN THE FOLLOWING AREAS:

- Misappropriation of Funds
- Missing Inventory/Equipment
- Payroll Fraud
- Charter School Misfeasance

OVERSEEING INVESTIGATIONS CONDUCTED BY:

- Civilian Investigative Units - CIU
- Office of Civil Rights Compliance - CRC

SUPPORTING AND COLLABORATING WITH:

- Miami-Dade School Police
- Office of Professional Standards – OPS
- State Attorney's Office
- Inspector General – IG

Property Audits

➤ Property Inventories

- 500 work locations
- 112,000 items
- \$400 million

➤ Audit of Year-End Inventories & Cycle Counts

- Food and Nutrition,
- Transportation,
- Maintenance and Materials Management,
- Stores and Mail Distribution,
- Textbook Inventory Services



Office of Management & Compliance Audits

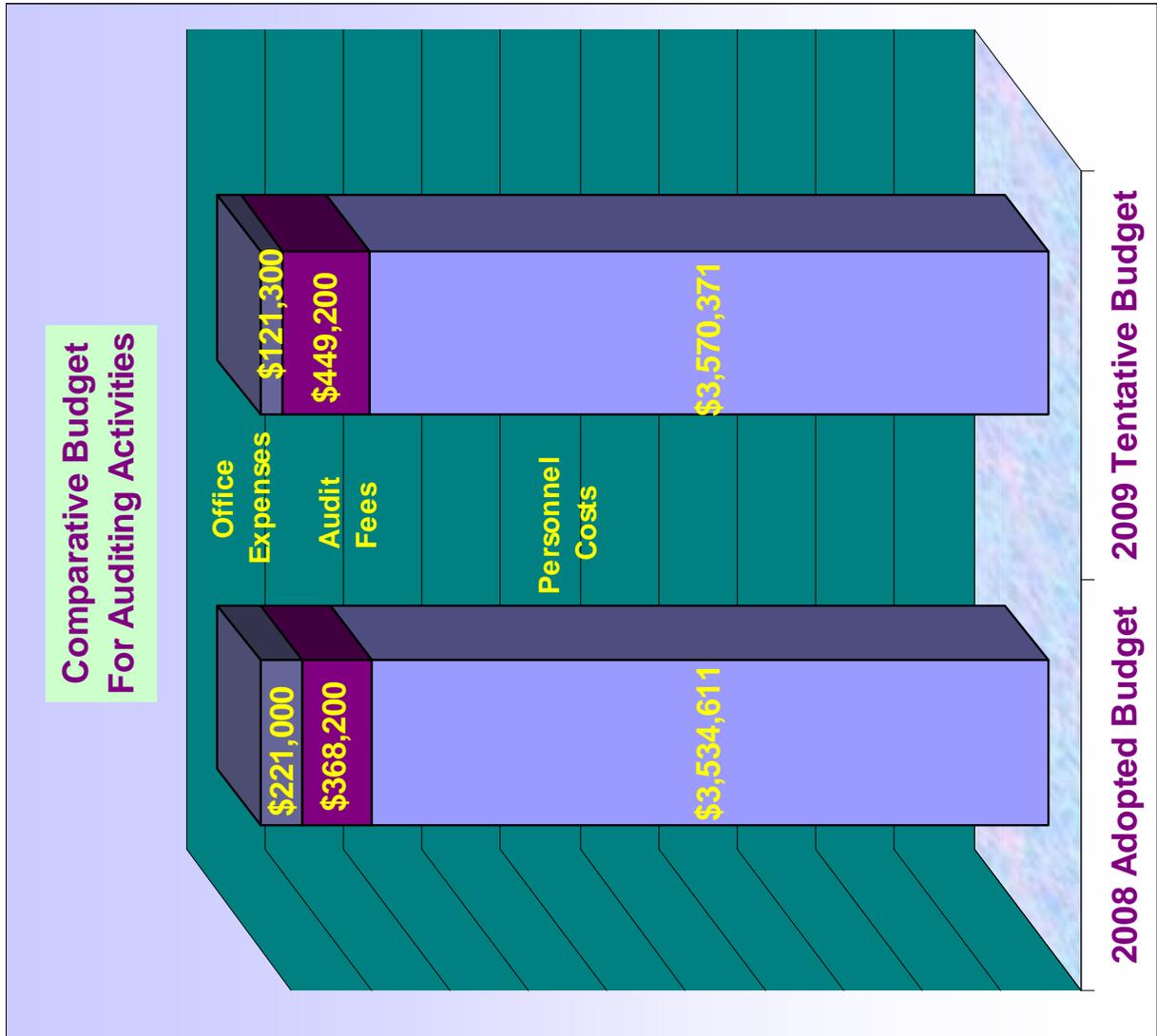
Internal Audit Staffing

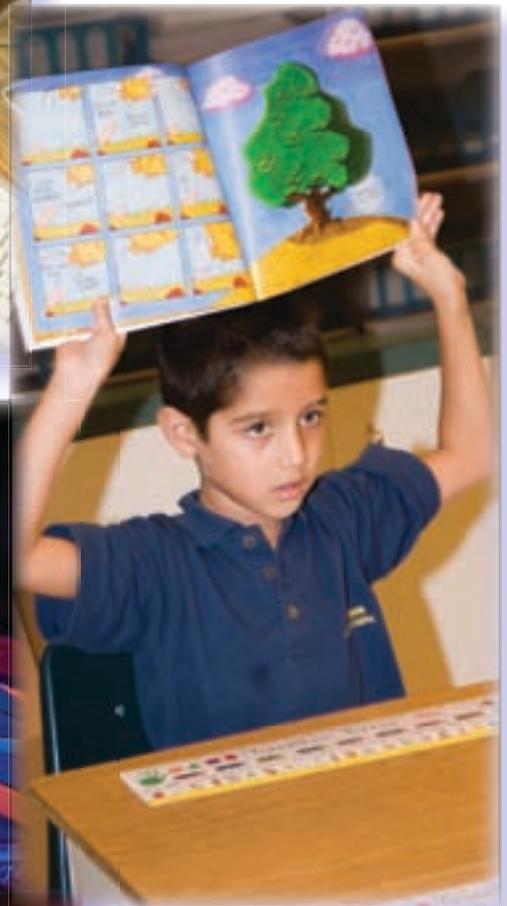
Internal Audit Staffing

| Resource Allocation | 2008 | 2009 | Δ | Comments |
|---|-----------|-----------|------------|--|
| Chief Auditor & Administrative Support Staff | 5 | 4 | -20% | Retirement of Asst. Chief Auditor. |
| School Audits | 16 | 16 | | While budgeted for 16, one person is on medical leave. |
| Non-School - Operational & Performance Audits | 10 | 8 | -20% | Two staff members voluntarily transferred to ERP Project and were not replaced |
| Information Technology/ERP | 2 | 3 | +50% | One additional Auditor assigned to monitoring ERP Project |
| Property Audits | 6 | 6 | | |
| Investigations | 2 | 2 | | |
| Totals | 41 | 39 | -5% | |

Office of Management & Compliance Audits

Comparative Budget for Auditing Activities





Office of Management & Compliance Audits

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, 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 sex 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.

School Board Rules 6Gx13-4A-1.01, 6Gx13-4A-1.32, and 6Gx13-5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

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.

Revised 5/9/03

