

2021-2022 ANNUAL REPORT

Office of Management and
Compliance Audits

MIAMI-DADE COUNTY PUBLIC SCHOOLS



THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Superintendent of Schools

Dr. Jose L. Dotres

Office of Management and Compliance Audits

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Chief Auditor

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Ms. Sandra Lainez, CPA
Audit Specialist
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District Analyst

MIAMI-DADE COUNTY PUBLIC SCHOOLS





Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

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Luisa Santos

September 9, 2022

The Honorable Chair and Members of the School Board of Miami-Dade County, Florida
Members of the School Board Audit and Budget Advisory Committee
Dr. Jose L. Dotres, Superintendent of Schools

Ladies and Gentlemen:

This is the annual report of the Office of Management and Compliance Audits (OMCA). As required by Board Policy 6835, this report summarizes the auditing activities for this past 2021-2022 fiscal year.

In my capacity as the Chief Auditor, I appreciate serving the School Board to promote sound fiscal oversight and efficiency and effectiveness of operations.

Sincerely,

Jon Goodman, CPA, CFE, Chief Auditor

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ABOUT OUR OFFICE

Board Policy 6835 - *Office of Management and Compliance Audits* establishes the internal audit function of the District.

The Office of Management and Compliance Audits (OMCA) is responsible for performing the internal audit function of the District. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Through the internal audit process, the OMCA provides the School Board, the Superintendent, and the Audit and Budget Advisory Committee (ABAC) with an independent and objective evaluation of the operation of the school system. To accomplish this task, internal audit staff perform various audit assignments whose audit objectives may largely include:

- Performing examinations of the financial records in accordance with generally accepted auditing standards;
- Ascertaining the reliability and adequacy of accounting and reporting systems and procedures;
- Performing an independent appraisal of the adequacy and effectiveness of internal controls;
- Determining compliance with policies and procedures established by the Board and the Administration, and with State and Federal laws and regulations;
- Improving the efficiency of the school system's operations by providing recommendations in audit reports; and
- Determining the extent to which the assets of the school system are accounted for and safeguarded from loss.

OMCA staff conducts both financial and non-financial audits, investigations, and reviews throughout the year. The activities of the OMCA are guided by the annual Audit Plan which is assembled and recommended, with input from various stakeholders, to the ABAC. The requirement for the implementation of an Audit Plan is also established in Board Policy 6835 - *Office of Management and Compliance Audits*. The Plan is subsequently forwarded, along with the ABAC's recommendations, to the School Board for its approval. This Plan is formulated on a risk-based methodology, which considers those areas of financial and operational risk of the District. The execution of the projects enumerated in this Plan will be dependent upon the availability of the office's resources.

Through the evaluation process conducted at year-end, the OMCA has been provided with positive feedback from the ABAC regarding its ability to perform those audit activities enumerated in the Audit Plan.

THE ROLE OF THE CHIEF AUDITOR AND 2021-2022 HIGHLIGHTS

During the 2021-2022 fiscal year, the Chief Auditor and OMCA directly reported to the School Board and submitted all reports through the ABAC, the School Board's designee. To enhance the objectivity and effectiveness of the internal auditing activities, any audit findings and recommendations emanating from these audits were submitted by the Chief Auditor to the School Board, the Board's ABAC and the Superintendent of Schools at the same time.

The Chief Auditor kept abreast of new developments in the school system during 2021-2022 by attending all School Board meetings, district-related meetings, and meetings of school system-wide communities. Also, the Chief Auditor met with the Board as well as with the Administration at various times throughout the year to discuss matters pertinent to the audit function of the District.

The Chief Auditor also acted as liaison between the District and the various external auditors (federal, state, and independent auditors, and other outside audit entities). In addition, the Chief Auditor coordinated the presentation of reports from the Office of the Inspector General in the ABAC's agenda.

Election of ABAC Chair and Vice-Chair in December 2021 ABAC Meeting

Yearly, the Committee elects a Chair and Vice-Chair. In December 2021, the ABAC members voted to select **Mr. Christopher Norwood as ABAC Chair** and **Mr. Stephen Hunter Johnson as ABAC Vice-Chair**.

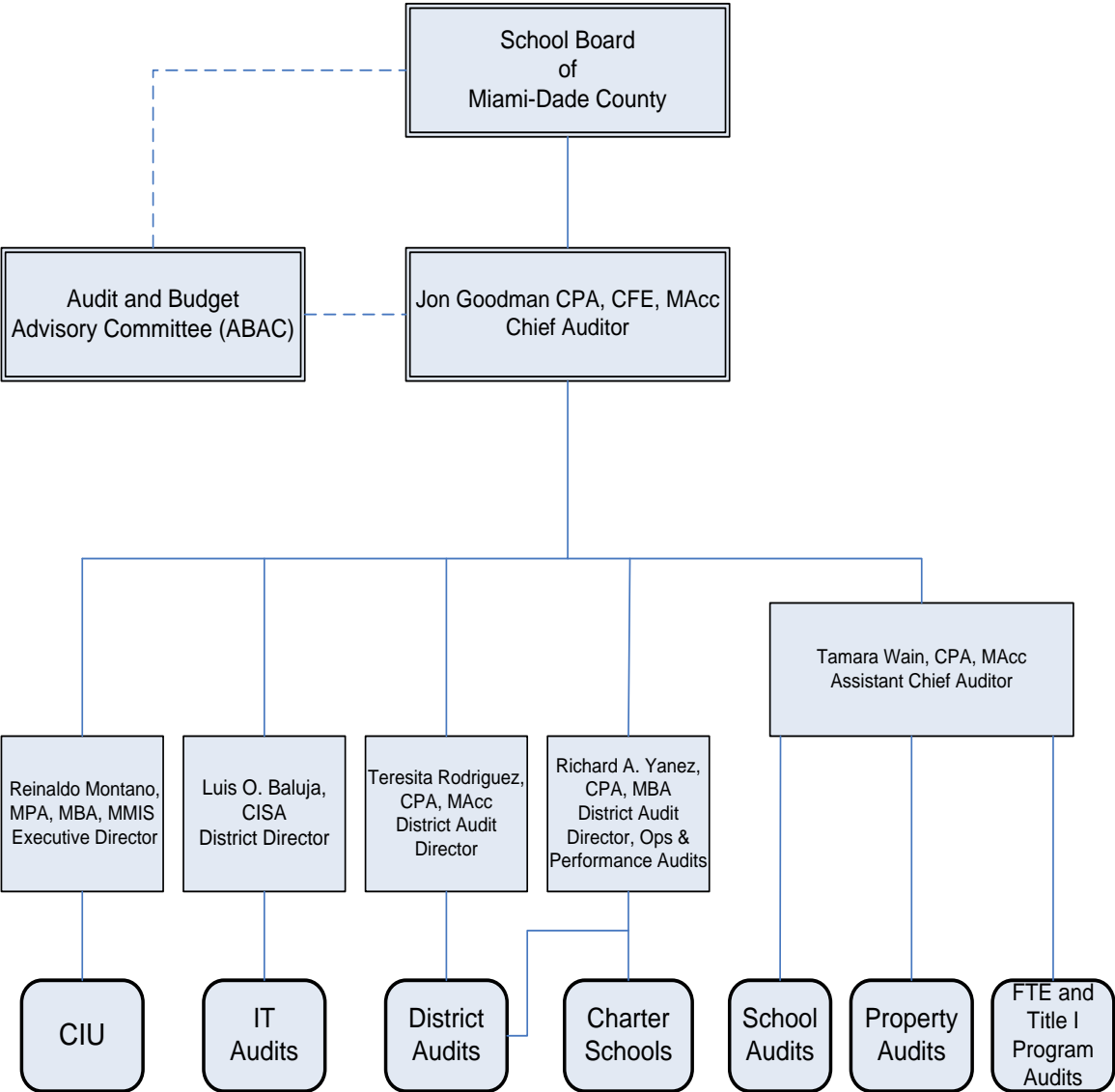
ABAC Meeting Dates and Some Key Events

ABAC meeting dates approved by the ABAC members and some key events were as follows:

Dates	Remarks
July 20, 2021	OMCA's 2021-2022 Audit Plan Approved by ABAC
August 26, 2021	Special Meeting. Screening of Chief Auditor Applicants
September 14, 2021	OMCA's 2020-2021 Annual Report
September 21, 2021	Special Meeting. Oral Interview of Chief Auditor Applicants
October 20, 2021	Appointment of Chief Auditor Mr. Jon Goodman
December 7, 2021	Election of ABAC Chair and Vice Chair
February 1, 2022	
March 8, 2022	
May 10, 2022	Results of OMCA Peer Review Proposed OMCA's 2022-2023 Audit Plan
July 19, 2022	OMCA's 2022-2023 Audit Plan Approved by ABAC Proposed ABAC Meeting Dates for September and December 2022

Organizational Chart

The office's organizational chart as of August 2022 is as follows:



THE ROLE OF THE AUDIT AND BUDGET ADVISORY COMMITTEE (ABAC)

As an advisory committee to the School Board, the ABAC is responsible for the following activities:

- It advises on auditing activities at the school district. This includes the work and the activities of the internal auditors from the OMCA.
- It serves as the committee to select and recommend the hiring of the external auditing firm to conduct the District's annual audit according to Florida Statutes and assists in the development of the external audit contract.
- It reviews the work of the external auditors, other auditors who provide financial audits on charter schools and other components of the school District; and the reports from the State Auditor General.
- It also reviews proposed annual budgets, revenues and expense forecasts assumptions, and budget amendments. In addition, it receives periodic reports and consults with the Chief Financial Officer on the adequacy of the District's budget and tracking system. Finally, it makes recommendations to the School Board and the Superintendent on the quality and reliability of the budget, without opining on policies and programmatic implications.

The general purpose of the ABAC is to ensure that the overall audit coverage of Miami-Dade County Public Schools is sufficient and appropriate to protect the interests of the citizens of Miami-Dade County, Florida; to ensure that an adequate system of internal control has been implemented in Miami-Dade County Public Schools and is being effectively followed; and to assist and advise The School Board of Miami-Dade County, Florida, and the Superintendent of Schools in fiscal matters pertaining to the District.

AUDIT AND BUDGET ADVISORY COMMITTEE MEMBERSHIP

The OMCA is entrusted with the responsibility of providing service and logistical support to the ABAC, including publishing meeting notices, keeping its minutes, establishing the agenda in collaboration with its Chair, gathering the supporting documentation for distribution, and ensuring the smooth operation of the Committee affairs. As of June 30, 2022 the ABAC was composed as follows:

Audit and Budget Advisory Committee Membership	ABAC Title	Professional Affiliation	School Board Member Represented/ Appointment Information
Mr. Christopher Norwood, J.D.	Chair	Public Affairs Professional The Norwood Consulting Group	Dr. Dorothy Bendross-Mindingall
Dr. Freddie G. Young	Alternate Member	Former M-DCPS Principal (Retired)/Community Leader	
Mr. Stephen Hunter Johnson, Esq.	Vice-Chair	Partner Lydecker Law Firm	Dr. Steve Gallon III, School Board Vice Chair
Ms. Mary Lee Snipes	Alternate Member	Former M-DCPS employee (Retired)	
Ms. Chloe Bordon Gillenwater	Voting Member	Attorney/Real Estate Berkshire Hathaway Home Services EWM Realty	Ms. Lucia Baez-Geller
Fr. Roberto M. Cid	Alternate Member	Pastor St. Patrick Catholic Church	
Ms. Anna Hochkammer	Voting Member	Councilmember Seat 1 Village of Pinecrest	Ms. Luisa Santos
Mr. Joshua Clarin	Alternate Member	Business Owner	
Mr. Jeff Kaufman	Voting Member	President and CEO United Food Brands	Dr. Marta Pérez
Mr. Javier A. Lopez, Esq.	Alternate Member	Partner Kozyak Tropin & Throckmorton Law Firm	
Mr. Albert D. Lopez, CPA	Voting Member	BDO International CEO of the Americas, BDO USA LLP	Dr. Lubby Navarro
Mr. Ernie Saumell, CPA	Alternate Member	Assurance Partner; Latin America BDO USA LLP	
Mr. Julio C. Miranda, CPA, CFE	Voting Member	Former M-DCPS employee (Retired)	Ms. Mari Tere Rojas
Mr. Rudy Rodriguez, CPA	Alternate Member	Certified Public Accountant and retired M-DCPS Controller	
Ms. Mari Tere Rojas	Voting Member	School Board Member Representing the Board	Ms. Perla Tabares Hantman School Board Chair
Ms. Lucia Baez-Geller	Alternate Member	School Board Member Representing the Board	
Ms. Zeida C. Sardiñas	Voting Member	Asset Manager City of Coral Gables Economic Development Dept.	Ms. Christi Fraga
Mr. Erick Wendelken, CPA	Voting Member	Tax Partner, BDO USA LLP	Ms. Perla Tabares Hantman School Board Chair
Mr. Alexander Admire	Alternate Member	Tax Managing Director, BDO USA LLP	
Mr. Juan del Busto	Voting Member	Chairman and CEO of del Busto Capital Partners, Inc.	Dr. Jose L. Dotres, Superintendent of Schools
Mr. Ron Steiger	Non-Voting Member	Chief Financial Officer	
Ms. Sharon Watson	Voting Member	PTA/PTSA Representative	Ms. Sandra West (Ms. Maria Norton effective 6/2022) PTA/PTSA President
Dr. Nancy Lawther	Alternate Member	PTA/PTSA Representative	

2022-2023 ANNUAL AUDIT PLAN

As required by Board Policy 6835, "The Chief Auditor will submit to the Audit and Budget Advisory Committee, the Superintendent and the Board for review a comprehensive Audit Plan for a year." This plan is intended to identify the overall scope of scheduled audits, reviews and examinations in both financial and non-financial areas.

This plan was presented (as "Proposed") to the ABAC at its May 10, 2022, meeting for its initial review and feedback from the various stakeholders. At the following ABAC meeting on July 19, 2022, the plan was officially presented for the Committee's discussion, final consideration, and recommendation to transmit to the School Board for approval. The plan was provided to the School Board for consideration and receipt at the August 15, 2022, School Board meeting.

AUDIT REPORTS PRESENTED BY THE OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS

We have classified the audits, services and activities performed and presented by the OMCA into the following categories:

- School Audits Division
- Property Audits
- Investigative Audits
- District Audits Division
- Information Technology (IT) Audits Division
- Charter School Audits and Fiscal Oversight Division
- External Audits
- Non-Audit Services and Activities
- We have also included the work performed by the Civilian Investigative Unit (CIU). During 2021-2022, this unit reported directly to the Chief Auditor.

SCHOOL AUDITS DIVISION

Section 1011.07, Florida Statutes, *Planning and Budgeting-Internal Funds*, states “the district school board shall be responsible for the administration and control of all local school funds derived by any public school from all activities or sources, and shall prescribe the principles and procedures to be followed in administering these funds consistent with regulations adopted by the State Board of Education.” State Board of Education Rule 6A-1.001, *District Financial Records*, refers to the Florida Department of Education’s *Financial and Program Cost Accounting and Reporting for Florida Schools (Red Book - Chapter 8, Section III, 4.2)*, which states the School Board shall provide for an annual audit of the schools’ internal funds.

The scope of our school audits was based on individual evaluations at each school, considering materiality, past audit findings/experience, size of school student body, principals’ tenure, school performance grades, etc. At all schools, however, we reviewed internal funds and property procedures, and conducted physical inventories of equipment with an individual cost of \$1,000 or more.

SUMMARY OF RESULTS AND ANALYSIS

For the FY 2021-2022, we reviewed the internal funds at 334 of 361 schools/centers (93%). Of the 334, 23 were two-year audits. The scope of these two-year audits involved fiscal years 2019-2020 and 2020-2021. Schools with one-year audits encompassed fiscal year 2020-2021. Also, of the 334 schools audited, 69 represented schools with a change of Principal since the prior audit. At selected schools we reviewed the following areas:

- **Payroll records and procedures at 21 schools/centers (6.3%).** This consisted of a review of payroll procedures and documentation related to the preparation of payroll records, which include time, attendance, and leave records. This also included a review of the internal controls over the payroll function at the schools, including the reporting of payroll. Reviews consist of follow-ups to prior findings, corollary to conditions identified during the school audit, requests from other departments or from a Title I Program audit performed at the school (which would involve the review of payroll expenditures charged to Title I Program accounts).
- **The Purchasing Credit Card Program (P-Card) at 10 schools/centers (3%).** This consisted of the review of the procurement credit card reconciliations and supporting documentation, and a test of expenditures to ensure schools followed established procedures. Reviews are customarily follow-ups to prior findings, corollary to conditions identified during the school audit or when reviewing Title I Program purchases.

SCHOOL AUDITS DIVISION (Continued)

- **Data security management report audit assessment at 21 schools/centers (6.3%).** At these schools, we reviewed data security management reports to ensure that staff access to computer system applications was appropriate. Reviews consist of follow-ups to prior findings, corollary to conditions identified during the school audit or from a Title I Program audit performed at the school.
- **Title I Program audits were selectively conducted at 20 schools/centers (6%).** At schools, principals administer Title I programs with oversight from the Region Offices, and under general direction from the Department of Title I Administration. To promote district and school-wide compliance with Federal, State, and District regulations and guidelines, and to ensure that appropriate evidence sources document compliance, the Office of Management and Compliance Audits incorporated the audit of this program into the school audits.
- **Full-Time Equivalent (FTE) audits were conducted at 85 schools (25.4%) based on audit criteria developed by this office.** FTE audits were incorporated as part of the school audits routinely performed by this office. Miami-Dade County Public Schools receives a significant portion of its State funding through the Florida Education Finance Program (FEFP). During our FTE audits, we examined 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 the FEFP.
- In FY 2021-2022, we found that of 334 schools audited, 327 schools (98%) conducted their financial affairs in accordance with District policies and maintained good internal controls. At 7 schools (2%), there were opportunities for improvement.
- For the 2021-2022 fiscal year the projected goal was to complete between 75% and 85% of total school-site audits (361). This year, the School Audits Division surpassed the projected goal when audit staff conducted a total of 334 of 361 total school-site audits. These results represent audit coverage of 93% of the total population.

SCHOOL AUDITS DIVISION (Continued)

- **Summary of Audit Findings.** During FY 2021-2022, school audit reports disclosed a total of 9 audit findings at 7 schools. During FY 2020-2021, school audit reports disclosed a total of 11 audit findings at 10 schools. This year, we reported findings in the areas of Internal Funds, Payroll and FTE.

In addition, this year, internal funds findings decreased (from 8 last year to 4 this year), payroll findings increased (from 1 last year to 3 this year), FTE findings decreased (from 2 last year to 1 this year) and property findings increased from (zero to 1 this year).

Regarding FTE, although the number of findings decreased when compared to last year's activity, this is an area that is audited by the State of Florida Auditor General every two years, and the AG findings that are reported to the Florida Department of Education, may cause an unfavorable effect on the District's funding levels. Consequently, this area should continue to receive close attention from school site administration to ensure that going forward, the requirements established by the District are adhered to.

The findings in the payroll area related to misreporting of payroll for an employee on worker's compensation and non-compliance with the recording, documenting, and reporting of payroll's time and attendance. Consequently, this area should continue to receive close attention from school site administration to ensure that going forward, the requirements established by the District are adhered to.

Regarding the findings in internal funds, we cited certain noncompliance with internal funds procedures related to the disbursement function, recordkeeping of student activities, grants and donations and prenumbered forms inventory. The area of bookkeeping requires close attention, and we always encourage the site administration to provide training and assistance to the school treasurers and administrators overseeing the bookkeeping function.

PROPERTY AUDITS

The Office of Management and Compliance Audits is responsible for ensuring that the School District is accounting for all its tangible property. At M-DCPS, the management of tangible property must comply with the guidelines established in the *Manual of Property Control Procedures*.

According to Chapter 274.02 of the Florida Statutes, "The Chief Financial Officer shall establish by rule the requirements for the recording of property and for the periodic review of property for inventory purposes." Florida Department of Financial Services, Rule Chapter 69I-73.002 was amended October 2020 to increase the threshold of property items reported for inventory purposes from \$1,000 to \$5,000. This rule states that "all property with a value or cost of \$5,000 or more and a projected useful life of 1 year or more shall be recorded in the local government's financial system as property for inventory purposes... Attractive items with a value or cost less than \$5,000 shall be recorded in the local government's financial system as property for inventory purposes". The administration continues to assess the feasibility and is considering various factors in determining whether to increase the threshold for property control tagging as permitted by State of Florida Rules to make a recommendation to the School Board.

In compliance with Florida Administrative Rule Chapter 69I-73.006, an inventory of all property shall be taken annually and whenever there is a change of custodian. According to School Board Policy 7450, *Property Inventory*, a complete inventory of all District owned tangible personal property shall be conducted annually and submitted to the Board. Our office conducts yearly inventories at each school/center of all property items with an original cost of \$1,000 or more. These inventories are customarily scheduled and performed at the sites after the first day of school and before the end of the school year. Consequently, the property inventories of schools/centers audited during the summer months of July and August are customarily conducted later, unless staff is available at the sites and time permits. Inventories pending at year-end will be conducted and reported during the following fiscal year.

PROPERTY AUDITS (Continued)

During FY 2021-2022, our Property Auditors visited approximately 343 work locations (which included 328 school sites) and accounted for approximately 71,800 items with a combined cost of approximately \$225 million. Close to \$112,900 was reported as “unlocated” and approximately \$7,300 was reported missing through the Plant Security Report process. The combined loss rate was 0.05 percent.

PHYSICAL INVENTORY RESULTS 2021-2022 FISCAL YEAR					
Region Schools/ Department	Total Property Cost	Total Property That Could Not Be Accounted For			Percentage Unaccounted For
		Per Physical Inventory (over threshold)	Per Plant Security Reports	Total Property Losses	
North Region Schools	\$ 56,232,912	\$ 53,921	\$ -	\$ 53,921	0.10%
Central Region Schools	63,684,381	4,468	4,056	8,524	0.01%
South Region Schools	51,083,039	1,311	3,208	4,519	0.01%
Other Centers	10,348,633	5,489	-	5,489	0.05%
District Departments	43,709,027	47,701	-	47,701	0.11%
Totals	\$ 225,057,992	\$ 112,890	\$ 7,264	\$ 120,154	0.05%

INVESTIGATIVE AUDITS

Investigative audits involving school audits are performed by the School Audits Division. Once concluded, the cases are referred to the Miami-Dade Schools Police Department (MDSPD) for their evaluation and consideration of charges.

School investigative audits will continue to be performed by the School Audits Division, and the Division plans to continue its assistance/collaboration with the investigative unit of the MDSPD and with pertinent outside entities (such as the Civilian Investigative Unit or the Office of the Inspector General).

Similarly, the other divisions within the office (District and Charter Schools) will be responsible for handling any investigative issues that may surface during the performance of their District and charter school audits, or from referrals submitted to our office by District Administration, School Board members, or other pertinent outside entities (such as the U.S. Department of Education Office of Inspector General).

DISTRICT AUDITS DIVISION

The District Audits Division performs non-school audits, reviews, investigations, and non-audit services. The areas of services covered by this division include the District support units and operations, such as Financial Services, Construction, Maintenance, Procurement, Transportation, Grants Administration, School Operations, Food Services, Instructional Support, Human Resources, Risk and Benefits, and District Security and Safety. The scope and objective of the audits and reviews performed by the District Audits Division usually necessitates the concurrent interaction of multiple support units/operations.

Nature of Work

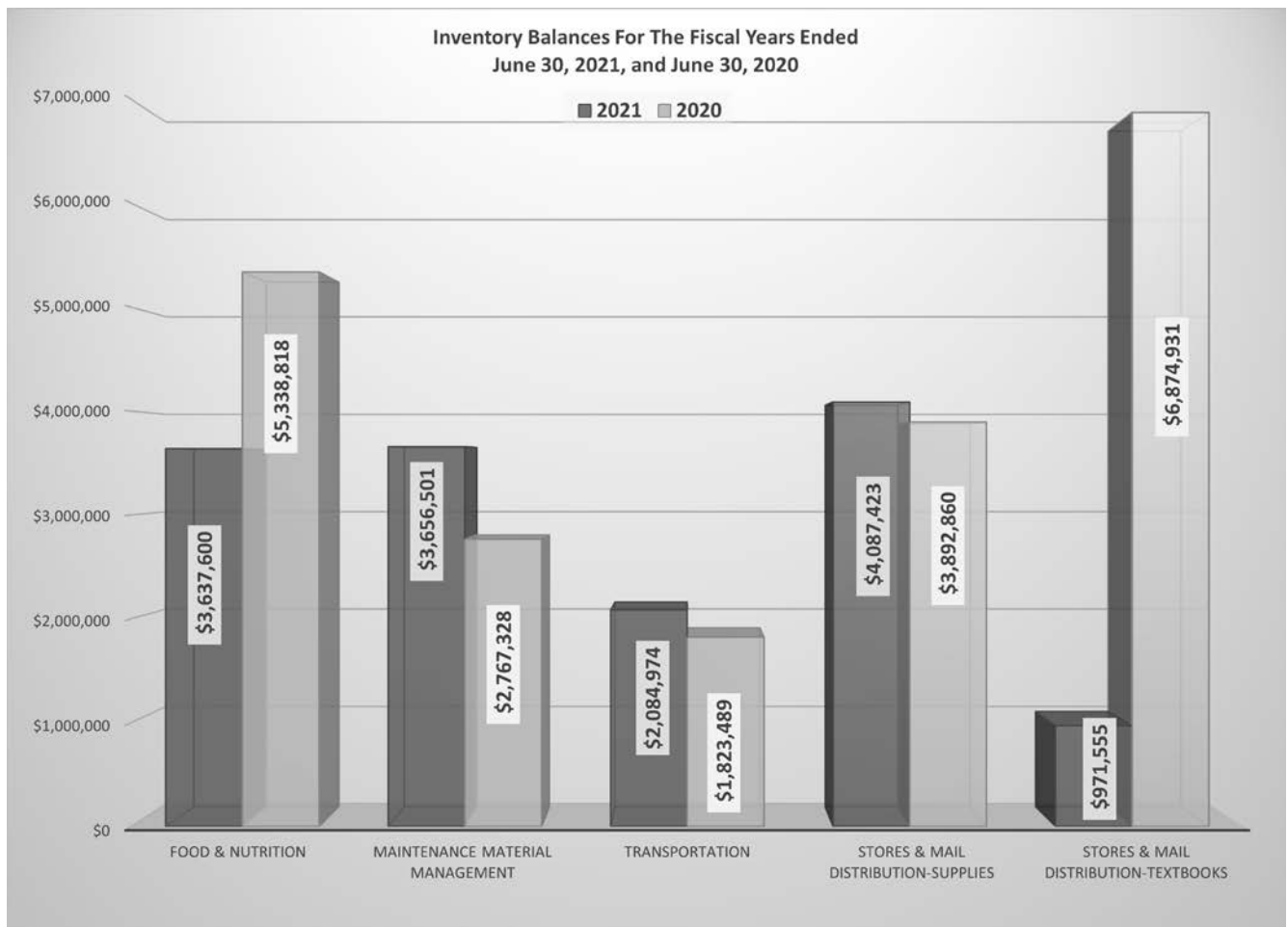
The engagements performed by this division are primarily performance audits and reviews, which assess a unit's or program's performance, operational effectiveness and efficiency, and compliance with established guidelines and statutes. Each audit and review conducted includes an assessment of the system of internal controls of the unit's or program's operations.

From time to time, the administration will request an audit, review, or investigation of a specific area of concern, such as a program, process, service, or contract. Where these areas of concern fall within the division's area of audit coverage, we will perform the requested service as time and resources allow.

DISTRICT AUDITS DIVISION (Continued)

Audit of Inventories as of June 30, 2021 – Annually, to augment the work of the external auditors in their audit of the District’s financial statements, we perform an audit of inventories held at the four organizational units that maintain equipment, fuel, supplies, food, and textbook inventories. The purpose is to determine the accuracy of the inventory balance reported in the District’s unaudited Annual Financial Report and to assess internal control over the inventory counting and reconciliation processes.

Our audit concluded that the inventory balance of \$14,438,053 reported in the unaudited Annual Financial Report as of June 30, 2021, was fairly stated, in all material respects. There were no material adjustments to the inventories resulting from our physical counts, and there were no findings to report (December 2021).



DISTRICT AUDITS DIVISION (Continued)

Audit of District-Issued Instructional Mobile Devices (IMDs)

This audit was performed pursuant to the OMCA's approved 2021-2022 FY Audit Plan. This audit evolved from various pandemic-related impacts to the District and the resulting strategies that were implemented to continue the mission of student learning, which was facilitated using computing devices such as tablets and laptops (IMDs) for remote instruction. The rapid shift to this method of instruction required the distribution of over 100,000 District-issued IMDs. We found that significant improvements were needed regarding the tracking, distribution, disposition, and overall accountability surrounding IMDs (March 2022).

INFORMATION TECHNOLOGY (IT) AUDITS DIVISION

The IT Audits Division conducts IT audits, coordinates and oversees IT-related services and testing provided by external vendors, and manages the technology resources of both the OMCA and Civilian Investigative Unit (CIU). Furthermore, some of the audits and reviews performed by other divisions of the OMCA frequently require support from the IT Audit division in the form of data extraction, manipulation, and analysis. This division also provides extensive technical support to the ABAC in the conduct of its periodic meetings throughout the year.

Nature of Work

This division focuses on potential areas of high risk involving the District's information systems, technology hardware, and overall IT infrastructure. The division's goal is to provide the School Board, ABAC, and management with independent assessments of the aforementioned areas in order to improve the District's security posture, promote accountability, improve efficiencies, and safeguard student, employee and business data.

Consulting Services:

Network Security Assessment, Testing, and Consultation Services

Background:

Significant concerns surrounding the issue of network security have been extensively discussed by the School Board, ABAC, and the recently established Technology Advisory Committee (TAC). The OMCA is proactively and aggressively addressing those concerns both internally via the internal IT Audit function as well as by leveraging external partners.

At the conclusion of an extensive vetting and scoring process, the School Board awarded RFP-21-034-CM, Network Security Assessment, Testing, and Consultation Services at the June 8, 2022, School Board Meeting (Agenda Item E-142). This 3-year contract, with an option to extend for two additional one-year terms, will provide comprehensive IT Risk Assessment, Penetration Testing, and Consultation services. This engagement will be managed by the OMCA under the direction of the Chief Auditor.

Methodology, results, reports, findings, and recommendations resulting from this work are typically exempt by Florida Statutes from public access or disclosure due to the confidentiality of the subject matter.

Audit of Virtual Private Network (VPN) - Security Controls and Access Management

This audit was performed pursuant to the OMCA's approved 2021-2022 FY Audit Plan. Our audit presents three findings and six corresponding recommendations, including the need for detailed process documentation, periodic reviews, and actionable audit/event logging. Furthermore, updating the organization's Network Security Standards document is required. Certain confidential findings and recommendations were discussed with Management and are exempt from public disclosure to further strengthen activities and processes related to VPN (July 2022).

Technology Advisory Committee (TAC)

The goal of a TAC is to review and discuss IT-related issues and provide guidance in the form of advisory opinions and recommendations to the Board and management on safeguarding the District's technology assets, protecting student, employee and business data, as well as other IT trends that may impact the District. The IT Audits division attends all TAC meetings and presents audit reports and other related activities to the committee.

CHARTER SCHOOL AUDITS AND FISCAL OVERSIGHT DIVISION

Charter schools in Miami-Dade County represent a substantial and growing segment of public schools under the sponsorship and oversight of the School Board. During FY 2020-2021, 139 charter schools operated in Miami-Dade County with student enrollment of approximately 75,000 and combined annual revenues exceeding \$710 million.

Review Of 139 Charter School Certified Financial Statements FYE June 30, 2021

During FY 2021-2022, we reviewed and analyzed the audited financial statements of the District's 139 charter schools for the fiscal year ended June 30, 2021.

The review of said audits is one of the primary mechanisms used by the District for fiscal oversight of its charter schools pursuant to Section 1002.33, Florida Statutes.

The objective of our Office's review process is to work with the District administration and the charter schools themselves, to report on and promote adequate controls and fiscal oversight of public funds flowing to and through the charter school sector. This process includes reviewing year-end financial statements and associated documents for charter schools that have been subject to a financial statement audit by their own contracted external audit firms. During these reviews our office corresponds, when necessary, with the schools' management and external auditors to better understand or clarify any germane fiscal issues. Our work product herein is reported to the School Board, ABAC and Administration through multiple transmittal letters throughout the fiscal year.

Highlights of our review process during FY 2021-2022 included:

- Working collaboratively with the District's Charter School department, and with the charter schools' representatives to identify and correct any non-compliance with applicable laws and charter contracts.
- Identifying cases of apparent or perceived conflicts of interest involving charter school governance, and/or management and vendors, and working with the schools' representative to correct it.
- Assisting Charter School Compliance & Support in obtaining close-out financial statement audits for the charter school whose contract was terminated.

CHARTER SCHOOL AUDITS AND FISCAL OVERSIGHT DIVISION (Continued)

Other Charter School And Community Based Organizations (CBO's) Fiscal Oversight

During FY 2021-2022, OMCA staff served in a non-voting capacity on the District's Charter School Application Review Committee and the Charter School Contract Review Committee. In that role, OMCA staff selectively attended committee meetings, and offered recommendations to staff to protect the District, School Board and Taxpayers in the charter school approval and contract processes. Also, in FY 2021-22, OMCA reviewed the audited financial statements of five CBO's with various fiscal years ending in 2021, and presented them to the ABAC for discussion and transmittal to the School Board.

EXTERNAL AUDITS

Financial and Compliance Audits

The following audits of the School Board and its component units were conducted by independent certified public accounting firms and presented to the ABAC on the parenthetical dates.

Audit	Audit Firm
Annual Comprehensive Financial Report and Auditor's Communication of Audit Results for Fiscal Year Ended June 30, 2021 (December 2021)	RSM US LLP
Audit of Educational Facilities Impact Fee Fund, Special-Purpose Financial Statements for FYE June 30, 2021 (December 2021)	C. Borders – Byrd, CPA LLC
Special-Purpose Financial Statements and Report of Independent Certified Public Accountants Operation of WLRN Television and Radio Stations for the year ended June 30, 2021 and 2020 (February 2022)	C. Borders – Byrd, CPA LLC
Single Audit Report in Accordance with the Uniform Guidance Fiscal Year Ended June 30, 2021 (March 2022)	RSM US LLP
Financial Statements of the Magnet Education Choice Association, Inc. (MECA) for FYE June 30, 2021 and Independent Auditors Report (March 2022)	HLB Gravier, LLP
Financial Statements of The Foundation for New Education Initiatives, Inc. for the Year Ended June 30, 2021 (March 2022)	BDO USA, LLP
Educational Facilities Impact Fees Custodial Fund of Miami-Dade County, Florida, Financial Report as of September 30, 2021 (May 2022)	RSM US LLP
139 Charter School Financial Statement Audits FYE June 30, 2021 (Presented to ABAC from December 2021 to May 2022)	Various Firms

EXTERNAL AUDITS (Continued)

Community Based Organizations (CBOs)

Providers of alternative education services are required to submit audited financial statements each year. Our office reviewed and presented these five audited financial statements with various fiscal years ending in 2021 to the ABAC for discussion at its May 10, 2022 and its July 19, 2022, meeting and they were subsequently transmitted to the School Board.

Community Based Organizations	Audit Firm
Acceleration Academies, LLC (We Work For Kids, LLC)	MacNeill Accounting & Consulting, LLP
AMIkids Miami-Dade, Inc.	Carr, Riggs, & Ingram CPAs and Advisors
Pace Center for Girls, Inc. and Affiliates	Warren Averett CPAs and Advisors
Path Academy (Specialized Education of Florida, Inc.)	Maillie Accountants-Advisors
Richmond-Perrine Optimist Club, Inc. of Miami Florida	Nzeribe & Co., P.A. Certified Public Accountants

OTHER REPORTS/INVESTIGATION REPORTS ISSUED BY OTHER ENTITIES

The following reports, prepared by other entities, were also presented to the ABAC throughout the year as noted on the parenthetical dates.

Other Reports	Entity
Miami-Dade County Office of the Inspector General-Miami-Dade County Public Schools Driver Education Program; IG-17-0001-SI (September 2021)	Miami-Dade County Office of the Inspector General
Office of the Inspector General Annual Report (December 2021)	Miami-Dade County Office of the Inspector General
OIG Final Report of Investigation – Able Business Services, Inc.’s Performance Cleaning School Buses under M-DCPS Contract, Ref. SB21-0001-SI (May 2022)	Miami-Dade County Office of the Inspector General
OIG Request for a Second Status Report Regarding the Implementation of Driver Education Program Recommendations; Ref. IG-17-0001-SI (July 2022)	Miami-Dade County Office of the Inspector General
Receipt of 2 nd Status Report Pertaining to the Implementation of the OIG’s Driver Education Program Recommendations and Request for a 3 rd and Final Update in November 2022; Ref. IG-17-0001-SI (July 2022)	Miami-Dade County Office of the Inspector General
Review of K12 Florida, LLC Transfer of Funds to the Foundation for New Education Initiatives, Inc., Ref. IG-20-0008-SI (July 2022)	Miami-Dade County Office of the Inspector General
The School Board of Miami-Dade County, Florida - Audit Plan and AU-C 260 Communication for the Fiscal Year Ending June 30, 2022 (July 2022)	RSM US LLP
FY 2022-2023 Executive Summary Tentative Budget (July 2022)	M-DCPS

NON-AUDIT SERVICES AND ACTIVITIES

Training Sessions to Principals and School Staff

During various sessions offered throughout the year to principals and school staff, the Assistant Chief Auditor and staff from the School Audits Division participated in the presentations. Topics related to the school audit process, Title I Programs, FTE, purchasing, and included tips/best practices for sound fiscal management, compliance with applicable procedures, oversight over payroll, and the proper safeguarding of school assets.

- On October 16, 2021, the Chief Auditor and Assistant Chief Auditor from the School Audits Division presented at the Annual Money Does Matter Training for PTA and Principals. Additionally, on October 28, 2021, the Assistant Chief Auditor from the School Audits Division presented at the October session of the Money Does Matter Support Program.
- On January 28, 2022, the Internal Audit Supervisor attended the Title I Programs Task Force virtual meeting.
- On February 8 and 24, 2022, the Assistant Chief Auditor, FTE Staff Auditor, and Property Audit Manager from School Audits Division presented at the Principal Induction Academy and Principal Bench Academy for new and aspiring Principals.

Procurement and Business Development Services Support

Throughout the year, the School Board awards bids and contracts for various goods and services. Each solicitation for goods or services is vetted before the District's Goal-setting Committee to determine whether aspirational goals should be designated for the solicitation, and the extent thereof, if so determined. Generally, this Committee convenes often and staff from the District Audits Division attends the meetings to provide advisory support as a non-voting member of the Committee.

- OMCA staff attended the bi-weekly Goal Setting Committee meetings as a non-voting member on July 27, 2021; August 10 and 24, 2021; September 14 and 28, 2021; October 12 and 26, 2021, November 9 and 21, 2021; December 12, 2021 and January 25, 2022.
- During the month of April 2022, the IT Audits Division also attended a Q&A session hosted by Procurement Management Services relative to a solicitation for IT Risk Assessment and Testing Services.
- On September 8, 2021, OMCA staff attended the Epicenter virtual training session provided by Charter School Compliance and Support.
- On April 27, 2022, OMCA management attended the State Auditor General's entrance conference for the District-Wide Financial, Operational, and Single Audits for Fiscal Year 2021-22.

NON-AUDIT SERVICES AND ACTIVITIES (Continued)

Facilities and Construction Support

During the year, the District performed different activities that are necessary to execute its building facilities' needs. These activities included evaluating architects', engineers', and construction managers' responses to request for qualifications issued by the District. Staff from the District Audits Division routinely provided support as non-voting members/advisors in these activities.

- On August 24, 25, and 26, 2021, OMCA staff verified the scoring evaluation presentations on three GOB projects for an Architect/Engineer (A/E).

21st Century Schools Bond Advisory Committee (GOBAC)

- OMCA Management attended the 21st Century Schools Bond Advisory Committee meeting held on September 14, 2021, December 7, 2021, April 19, 2022, and June 14, 2022.

Technology Advisory Committee

- On January 6, 2022, the IT Audits Division shared its Cybersecurity work plan with the Technology Advisory Committee (TAC).
- On April 7, 2022, the Chief Auditor and District Director for IT Audits attended the Technology Advisory Committee (TAC) meeting where the District's Office of Information Technology Services presented the technology-related activities and updates.

OMCA Peer Review

In April 2022 the Association of Local Government Auditors (ALGA) completed a Peer Review of the Office of Management and Compliance Audits' operations for the period of July 1, 2018 through June 30, 2021 and issued a report. The Office has undergone these reviews since the 1990s. The review team provided us the highest rating and stated: "It is our opinion that the Miami-Dade County Public Schools, Office of Management and Compliance Audit's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards and applicable legal and regulatory requirements for audit and attestation engagements during the peer review period, July 1, 2018 through June 30, 2021."

In a companion letter, the review team offered one suggestion relating to the classification of certain work we perform. I was very gratified with the team's recognition of the range and quality of audit work my office performs on behalf of the School Board, which concluded: "The Miami-Dade County Public Schools, Office of Management and Compliance Audits employs an extensive group of audit professionals who perform a comprehensive range of audits covering a broad

NON-AUDIT SERVICES AND ACTIVITIES (Continued)

spectrum of areas throughout the organization. There is a collaborative atmosphere which contributes to the production of quality audits.”

Training Sessions for OMCA Staff

OMCA staff attended various sessions for training.

- On November 8 and 9, 2021, OMCA staff attended Grant Audit training sessions.
- Beginning on December 13, 2021, the IT Division attended a virtual week-long session provided by an internationally recognized cybersecurity training organization.
- On March 30, 2022, the Chief Auditor and District Director for IT Audits attended the School Board’s Technology Workshop.
- On April 11 and 12, 2022, the Chief Auditor and the District Director for District Audits attended the Council of Great City Schools Conference for Chief Financial Auditors, Chief Human Resource Officers, Purchasing Directors, Risk Managers and Internal Auditors.
- On May 2 and 3, 2022, OMCA management virtually attended the ALGA Annual Conference.

THE CIVILIAN INVESTIGATIVE UNIT (CIU)

The Work of the CIU

The Civilian Investigative Unit (CIU) investigates serious non-criminal incidents of misconduct made against Miami-Dade County Public Schools personnel as assigned by the District's Incident Review Team (IRT). IRT is comprised of members from CIU, Civil Rights Compliance (CRC), School Operations or Human Resources, School Police, The School Board Attorney's Office (SBAO), Labor Relations, and the Office of Professional Standards (OPS).

The CIU values honesty, integrity, and professionalism and strives to promote and facilitate compliance with District Policies and the State Board of Education Rules by performing unbiased personnel investigations. To maintain independence, integrity and impartiality in our investigations, CIU reports to the Office of Management and Compliance Audits.

Mission

The CIU's mission is to ensure effective and efficient processing of complaints against District personnel by applying fair and equitable due process to all investigations. CIU strives to provide a safe learning and working environment for all students and personnel. To achieve this mission, CIU is given the authority to investigate allegations of violations of School Board Policies and Procedures, which encapsulate state statutes, Federal law, and rules of the State of Florida Board of Education.

Nature of Work

The CIU has been delegated the authority to investigate allegations of violations including, but not limited to, the following categories:

- **Rules of the State of Florida Board of Education**
 - Principles of Professional Conduct for the Education Profession in Florida 6A-10.081, Florida Administrative Code (FAC), regarding categories that reflect the obligation to the student, obligation to the public, and obligation to the profession of education.
 - Criteria for Suspension and Dismissal 6A-5.056 with regard to subparts 1 through 6 involving immorality, misconduct in office, incompetency, incapacity, gross insubordination, willful neglect of duty and drunkenness.
- **School Board Policies and Procedures**

CIVILIAN INVESTIGATIVE UNIT (CIU) (Continued)

Personnel Investigative Model (PIM)

- The CIU follows the PIM as a model for conducting investigations of allegations made against M-DCPS employees. This model was initially approved by the School Board on November 17, 2004, School Board Agenda Item A-4 Revised. Updates and revisions to the model were approved by the School Board at its May 12, 2010, meeting (via School Board Agenda Item D-65) in order to increase effectiveness and streamline processes. The PIM underwent additional revisions, which the School Board approved at its regularly scheduled meeting of September 4, 2019, via School Board Agenda Item D-22 *Request That the School Board of Miami-Dade County, Florida, Approve The Recommended Revisions To The Personnel Investigative Model (PIM)*.
- Cases completed by CIU are submitted to the Office of Professional Standards (OPS) for administrative disposition.

CIU's Current Staffing

- The 2021–2022 fiscal year saw the highest number of case assignments in CIU history.
- Due to increased workload and the departure of a CIU Supervisor, the CIU was reevaluated for appropriate staffing.
- The CIU Supervisor position was downgraded to an investigator position and two additional investigator positions were added. Of these additional investigators, one was identified as a grant funded position, using ESSER funds.
- CIU's current investigative staff includes personnel with former law enforcement experience and prior work experience with the Florida's Department of Children and Families. Further, the CIU now possesses the linguistic ability to conduct investigations in English, Spanish, and Haitian Creole.

CIU's Response to the COVID-19 Pandemic

During 2021–2022, the CIU has returned to conducting most interviews in person. CIU still retains the ability to conduct interviews via video conferencing, which are performed at the request of the interviewee or when warranted by the circumstances.

CIVILIAN INVESTIGATIVE UNIT (CIU) (Continued)

- For FY 2021–2022, CIU continued to closely monitor the school year to adjust internal operational procedures to accommodate any changes made by M-DCPS.

CIU Training

- In light of the “new normal” we are all facing, the CIU has shifted part of its training methodology to leverage existing knowledge resources in the areas of video conferencing (ZOOM) and virtual collaboratives (Microsoft’s Teams). Time management software is also being modified to allow for virtual case assignments, case reviews, case closures, and personnel performance monitoring and time management.
- Internally, CIU is utilizing existing virtual training resources, such as the National White Collar Crime Center (NW3C), to meet Continuing Professional Education (CPE) requirements and gain advanced training in the areas of financial fraud and cybercrimes.

CIU Caseload

During the 2021–2022 Fiscal Year (FY), the CIU was assigned a total of 270 investigations and closed 202 (75%). This marks the busiest year in CIU history and a 90% increase from the previous FY. On average, CIU was assigned 23 new investigations a month, which is a 92% increase from the previous FY’s monthly average of 12 new investigations a month.

CIU attempted to interview approximately 1,800 people (reporters, victim, witnesses, and subjects) and completed the interview of approximately 800. On average, 57% of potential interviewees consented to being interviewed, and 43% either declined or did not respond to a request for interview. Thirty-four (34) written exception requests for supplemental reports were received by the CIU and completed. This is an increase of 127% from the previous FY.

CIVILIAN INVESTIGATIVE UNIT (CIU) (Continued)

The following table provides a summary of the CIU caseload and determination of results corresponding to 2021-2022, and a comparison to 2020–2021.

FY	CIU Cases Total	CASE DETERMINATION					
		Probable Cause	No Probable Cause	Unfounded	Returned	Total Closed	Total Pending
2020-2021 (Prior Year)	142	72	23	0	8	103	39
2021-2022 (New Cases)	270	124	67	1	10	202	68

Note: Table does not include supplemental reports, which are submitted to the CIU with a request for a re-evaluation of a Final Case Determination. In 2020-2021, 15 requests were received by CIU. In 2021-2022, 34 were received.

Case Determination Terminology:

- **Probable Cause** – It is more likely than not that the alleged incident occurred.
- **No Probable Cause** – The absence of probable cause.
- **Unfounded** – A baseless, unsupported accusation, not based on fact or sound evidence.
- **Returned** – Cases may be returned to OPS for reassignment upon determining that it would be more appropriately investigated by another unit.
- **Pending** – Cases that remained open at the end of the fiscal year, to be completed during the next fiscal year.

OFFICE STAFFING SCHEDULE

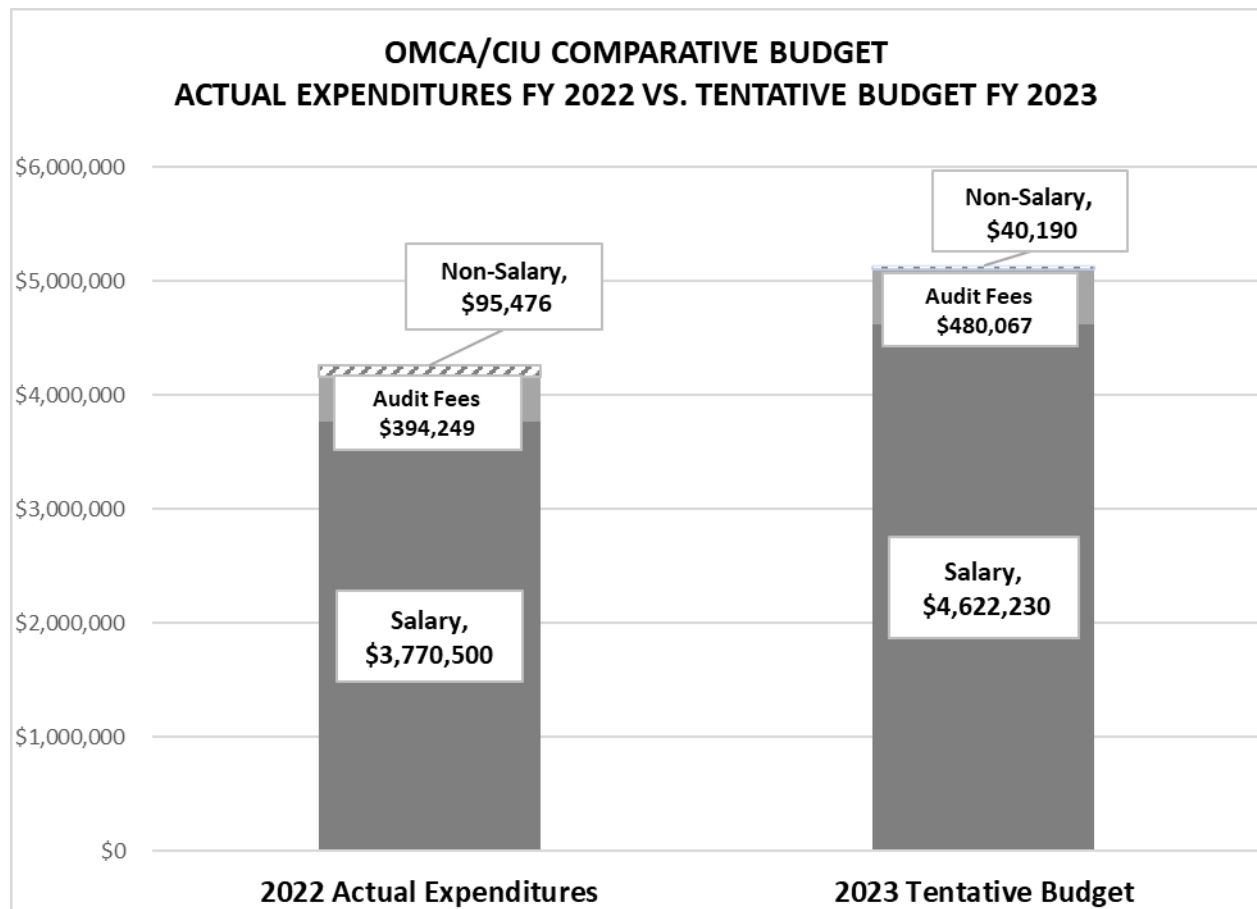
OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS - STAFFING SCHEDULE AS OF AUGUST 2022				
Resource Allocation	Number of Positions	Filled Positions ⁽¹⁾	Open Positions	Comments
Chief Auditor, Assistant Chief Auditor + 2 Administrative Support Staff	4	4	0	
School Audits Division	14	13	1	See Note (2).
Property Audits Division	5	5	0	See Note (3).
District Audits Division	7	6	1	See Note (4).
Information Technology (IT) Audits	3	3	0	
Charter School Audits Division	2	2	0	
Civilian Investigative Unit	9	7	2	See Note (5).
Totals	44	40	4	

Notes as of August 2022:

- (1) Office staffing based on 40 filled Full-Time (F/T) positions, four open F/T positions and two Part-Time (P/T) positions.
- (2) Two F/T audit positions fully dedicated to FTE audits and one F/T audit position dedicated to Title I audits. One P/T clerical position to support division (not included).
- (3) One P/T audit position to conduct property audits of equipment purchased with Title I funds (not included in the table above).
- (4) One open F/T staff auditor position.
- (5) Seven full-time investigative positions and one F/T support position overseen by Executive Director, Civilian Investigative Unit. Two open F/T CIU investigative positions.

ANNUAL BUDGET

A comparison between the actual expenditures for 2021-2022 and the proposed tentative budget for 2022-2023 for the OMCA/CIU is as follows:



Category	2022 Actual Expenditures	2023 Tentative Budget
Salary	\$ 3,770,500	\$ 4,622,230
Audit Fees	394,249	480,067
Non-Salary	95,476	40,190
Total	\$ 4,260,225	\$ 5,142,487

The salary category increased due to three positions added to our office of which two are in CIU and one is in the IT Audit Division (two of the three positions are ESSER funded). Also, positions which had been vacant were filled in the latter part of FY 2021-22. Overall, for 2022-23, audit fees will increase, due to new contracted IT services, which include network security assessment, testing and consultation services. The non-salary budget for 2022-23 decreased as a result of no major IT equipment purchases as was the case in 2021-22.

Anti-Discrimination Policy

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. M-DCPS does not discriminate on the basis of sex in any education program or activity that it operates as required by Title IX. M-DCPS also does not discriminate on the basis of sex in admissions or employment.

Age Discrimination Act of 1975 - prohibits discrimination based on age in programs or activities.

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 years old.

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 race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, sex/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 about Title IX or any other discrimination/harassment concerns, contact the U.S. Department of Education Asst. Secretary for Civil Rights or:

**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: <https://hrdadeschools.net/civilrights>**

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2021-2022 Annual Report
*Office of Management and
Compliance Audits*

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