

The School Board of Miami-Dade County, Florida

Single Audit Reports in Accordance With OMB Circular A-133
June 30, 2011



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**Independent Auditor's Report
on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Chairperson and Members of
The School Board of Miami-Dade County, Florida

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School Board of Miami-Dade County, Florida (the School Board), as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 22, 2011. Our report was modified to include a reference to other auditors and the adoption of the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No.54, *Accounting for Fund Balance Reporting and Governmental Fund Type Definition*, during fiscal year 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented component units, as described in our report on the School Board's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School Board in a separate letter dated November 22, 2011.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of management of the School Board, the Chairperson and Members of the School Board of Miami Dade County, Florida and the Chairperson and Members of the School Board Audit and Budget Advisory Committee, the Auditor General of the State of Florida, federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Miami, Florida
November 22, 2011



**Independent Auditor's Report
on Compliance With Requirements That Could Have a Direct
and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance
with OMB Circular A-133**

Chairperson and Members of
The School Board of Miami-Dade County, Florida

Compliance

We have audited the School Board of Miami-Dade County, Florida's (the School Board) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2011. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether, noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133, which is described in the accompanying schedule of findings and questioned costs as item CF 2011-01.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School Board of Miami-Dade County, Florida (the School Board), as of and for the year ended June 30, 2011 and have issued our report thereon dated November 22, 2011. Our report was modified to include a reference to other auditors and the adoption of the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No.54, *Accounting for Fund Balance Reporting and Governmental Fund Type Definition*, during fiscal year 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's response and, accordingly, we express no opinion on the response.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of management of the School Board, the Chairperson and Members of the School Board of Miami Dade County, Florida and the Chairperson and Members of the School Board Audit and Budget Advisory Committee, the Auditor General of the State of Florida, federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Miami, Florida

January 20, 2012, except for the Schedule of Expenditures of Federal Awards
which is dated November 22, 2011

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Grantor Number	Expenditures
United States Department of Agriculture:			
Indirect Programs:			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services: Food Donation	10.555	None	\$ 6,185,189
Florida Department of Education:			
School Breakfast Program	10.553	321	20,673,705
National School Lunch Program	10.555	300	85,818,301
After School Snack Program	10.555	None	1,916,624
			<u>87,734,925</u>
Summer Food Service Program for Children	10.559	323-325	692,965
Total Child Nutrition Cluster			<u>115,286,784</u>
Florida Department of Education:			
NSLP Equipment Assistance	10.579	371	4,184
Fresh Fruit and Vegetables Program	10.582	None	936,274
			<u>940,458</u>
Florida Department of Health:			
Child and Adult Care Food Program	10.558	11591	49,030
Child and Adult Care Food Program	10.558	11592	54,008
Child and Adult Care Food Program	10.558	11790	7,063
			<u>110,101</u>
Total United States Department of Agriculture			<u>116,337,343</u>
United States Department of Commerce:			
Direct:			
ARRA – Broadband Technology Opportunities Program (BTOP)	11.557	None	714,308
ARRA – Measurement and Engineering Research Standards NIST Summer Institute for Middle School Science Teachers	11.609	None	15,927
Total United States Department of Commerce			<u>730,235</u>
United States Department of Housing and Urban Development:			
Indirect:			
City of Miami Beach Community Development Block Grant	None	None	1,650
Total United States Department of Housing and Urban Development			<u>1,650</u>
United States Department of Justice:			
Direct:			
Public Safety Partnership and Community Policing Grant COPS Technology Program	16.710	None	527,804
Indirect:			
Edward Byrne Memorial Formula Grant Program Gang Abatement	16.579	None	60,998
Total United States Department of Justice			<u>588,802</u>
United States Department of Labor:			
Direct:			
Employment and Training Administration WIA Pilots, Demonstrations, and Research Projects Youth Offender Registered Apprenticeship	17.261	None	394,124
Indirect:			
WIA Incentive Grants Transition Program for Adult Learners into Post Secondary Education	17.267	None	74,325
Total United States Department of Labor			<u>468,449</u>

(Continued)

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Grantor Number	Expenditures
United States Department of Transportation:			
Indirect:			
Implementation of TraCS Software	20.600	TR-10-09-09	\$ 6,144
Total United States Department of Transportation			6,144
National Aeronautics and Space Administration			
Indirect:			
Science, Engineering, Mathematics & Aerospace Agency Aerospace Academy	None	NAS-0213-MDC	123,889
Total National Aeronautics and Space Administration			123,889
National Endowment for the Arts			
Direct:			
Promotion of the Arts-Grants to Organizations and Individuals			
Access to Artistic Excellence	45.024	09-3100-7240	12,225
Passport to Music	45.024	10-3100-7270	23,107
Total National Endowment for the Arts			35,332
National Science Foundation			
Indirect:			
University of Miami			
Promoting Science Amount English Language Learners	47.076	None	487
Total National Science Foundation			487
United States Department of Education			
Direct:			
Student Financial Aid Cluster			
Federal Supplemental Education Opportunity Grants	84.007	None	41,200
Federal Pell Grant Program	84.063	None	5,980,357
Total Student Financial Aid Cluster			6,021,557
Impact Aid	84.041	None	13,367
Magnet Schools Assistance	84.165	None	709,287
Safe Schools – Healthy Students Initiative	84.184	None	41,442
Fund for the Improvement of Education	84.215	None	5,938,165
Foreign Language Assistance	84.293	None	34,974
Transition to Teaching Program	84.350	None	291,267
Arts in Education	84.351	None	397,271
Voluntary Public School Choice – I Choose II	84.361	None	2,756,057
School Leadership	84.363	None	313,913
Teacher Incentive Program – Project Rise	84.374	None	2,886,665
Teacher Incentive Fund	84.385	None	241,899
ARRA – State Fiscal Stabilization Fund-Investing in Innovation (I3)	84.396	None	255,451
Total Direct			19,901,315

(Continued)

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Grantor Number	Expenditures
Indirect:			
Special Education Cluster:			
Florida Department of Education:			
Special Education – Grants to States	84.027	262, 263	\$ 73,775,484
Special Education – Preschool Grants	84.173	266, 267	1,454,043
ARRA – Special Education Grants to States, Recovery Act	84.391	263	26,040,227
ARRA – Special Education – Preschool Grants, Recovery Act	84.392	267	1,256,251
Total Special Education Cluster			102,526,005
Title I, Part A Cluster:			
Florida Department of Education:			
Title I Grants to Local Educational Agencies	84.010	212, 217, 223, 226, 228	117,189,075
ARRA – Title I Grants to Local Educational Agencies, Recovery Act	84.010	226	1,341,952
ARRA – Title I School Improvement Fund, Recovery Act	84.388	126	9,191,419
ARRA – Title I Grants to Local Educational Agencies, Recovery Act	84.389	212, 223	45,107,210
Total Title I Part A Cluster			172,829,656
Education of Homeless Children and Youth Cluster:			
Florida Department of Education:			
Education for Homeless Children and Youth	84.196	127	174,996
ARRA – Title X, Part C, Homeless Education, Recovery Act	84.387	127	44,864
Total Education of Homeless Children and Youth Cluster			219,860
Education Technology State Grants Cluster:			
Florida Department of Education:			
Education Technology State Grants	84.318	121, 122	200,758
ARRA – Education Technology State Grants, Recovery Act	84.386	121	655,002
Total Education Technology State Grants Cluster			855,760
State Fiscal Stabilization Fund Cluster:			
Florida Department of Education:			
ARRA – Education State Grants, Recovery Act	84.394	591	118,999,465
ARRA – Race to the Top Incentive Grants, Recovery Act	84.395	None	2,066,587
ARRA – Government Services, Recovery Act	84.397	592	2,863,557
Total State Fiscal Stabilization Fund Cluster			123,929,609

(Continued)

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Grantor Number	Expenditures
Florida Department of Education			
Adult Education – State Grant Program	84.002	191, 193, 194	\$ 5,834,154
Migrant Education – State Grant Program	84.011	211, 217	859,384
Career and Technical Education – Basic Grants to States	84.048	161	5,758,257
Safe and Drug-Free School and Communities – State Grants	84.186	103	217,946
Even Start – State Education Agencies	84.213	219	363,327
Fund for the Improvement of Education	84.215	215	292,373
Charter Schools	84.282	298	3,089,204
21st Century Community Learning Centers	84.287	244	2,127,656
Reading First State Grants	84.357	211	220,810
English Language Acquisition Grants	84.365	102	8,571,495
Mathematics and Science Partnerships	84.366	235	134,468
Improving Teacher Quality State Grants	84.367	224	17,329,358
School Improvement Grants	84.377	126	3,003,176
Ed Jobs Fund	84.410	541	72,864,375
Center for Civic Education:			
Civic Education – We the People and the Cooperative Education Exchange Program			65,212
Total Indirect			<u>521,092,085</u>
Total United States Department of Education			<u>540,993,400</u>
United States Department of Health and Human Services:			
Direct:			
Substance Abuse and Mental Health Services Administration			
Projects of Regional and National Significance	93.243	None	198,334
Programs to Prevent the Spread of HIV & Other Important Health Problems	93.938	None	283,659
Total Direct			<u>481,993</u>
Indirect:			
Florida Department of Children & Families			
Refugee and Entrant Assistance – State Administered Programs	93.566	LK904	745,761
Refugee and Entrant Assistance – State Administered Programs	93.566	XK011	2,988,356
Refugee and Entrant Assistance – State Administered Programs	93.566	XK016	103,579
Florida Department of Education			
Refugee and Entrant Assistance – Discretionary Grants	93.576	137	184,325
Florida Developmental Disabilities Council			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	758HC09	2,582
Miami-Dade County Health Department			
Prevention and Wellness Communities Putting Prevention to Work Funding			
Opportunities Announcement (FOA)	93.724	None	755,070
Total Indirect			<u>4,779,673</u>
Total United States Department of Health and Human Services			<u>5,261,666</u>

(Continued)

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Grantor Number	Expenditures
Corporation for National and Community Service:			
Indirect:			
Florida Department of Education			
Learn and Serve America – School and Community Based Programs	94.004	234	<u>\$ 48,471</u>
Total Corporation for National and Community Service:			<u>48,471</u>
United States Department of Homeland Security			
Direct:			
Citizenship Education and Training Citizen Integration	97.010	None	66,029
Indirect:			
Division of Emergency Management			
Homeland Security Grant Program	97.067	532	<u>122,513</u>
Total United States Department of Homeland Security			<u>188,542</u>
United States Department of Defense:			
Direct:			
Army Junior Reserve Officers Training Corps	None	None	<u>1,984,099</u>
Total United States Department of Defense:			<u>1,984,099</u>
Total Expenditures of Federal Awards			<u>\$ 666,768,509</u>

See Notes to Schedule of Expenditures of Federal Awards.

The School Board of Miami-Dade County, Florida

Notes to Schedule of Expenditures of Federal Awards

1. General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the expenditure activity of all federal awards of The School Board of Miami-Dade County, Florida (the School Board), for the year ended June 30, 2011. The School Board's reporting entity is defined in Note 1 of the School Board's basic financial statements. All federal awards received directly from federal and indirectly through state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule of expenditure of federal awards presents only a selected portion of the expenditures of the School Board, it is not intended to and does not present the financial position, changes in net assets or cash flows of the School Board. Some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

3. Subrecipient Awards

Of the federal awards presented in the Schedule of Expenditures of Federal Awards, the School Board provided the following amounts to subrecipients:

Name of Program/Projects	CFDA Number	Amount Provided to Subrecipient
Federal:		
Title I Grants to Local Educational Agencies	84.010	\$ 5,010,277
ARRA – Race to the Top Incentive Grants, Recovery Act	84.395	875,000
Charter Schools	84.282	3,051,560
Total Federal Awards		\$ 8,936,837

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (Continued)

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	X	No
Noncompliance material to financial statements noted?	_____ Yes	X	No

Federal Awards

Internal control over major program:			
Material weakness(es) identified?	_____ Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	X	None reported

Type of auditor's report issued on compliance for major programs:		Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ X _____ Yes	_____ No

Identification of major programs:

Federal CFDA No.	Name of Federal Program or Cluster
84.010, 84.389	United States Department of Education Title I, Part A Cluster
84.027, 84.173, 84.391, 84.392	United States Department of Education Special Education Cluster
84.395	United States Department of Education State Fiscal Stabilization Fund Cluster
84.377, 84.388	United States Department of Education School Improvement Grants
84.394, 84.397	United States Department of Education State Fiscal Stabilization Fund Cluster
10.553, 10.555, 10.559	United States Department of Agriculture Child Nutrition Cluster
84.002	United States Department of Education Adult Education – State Grant Program
84.215	United States Department of Education Fund for the Improvement
84.367	United States Department of Education Improving Teacher Quality State Grants
84.410	United States Department of Education Ed Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?	_____ Yes	X	No
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The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (Continued)

Section II – Financial Statement Findings

None reported.

Section III – Federal Awards Findings and Questioned Costs

A. *Internal Control over Compliance*

None reported.

B. *Compliance*

CF 2011-01 Reporting

**U.S. Department of Education – Passed through Florida Department of Education:
Adult Education – Basic Grants to States (CFDA No. 84.002)**

Criteria: Per review of the Florida Department of Education Project Award Notification Letter, “For federal cash advance projects, monthly expenditures must be submitted to the State Comptroller’s Office by the 20th of each month for the preceding month’s disbursements utilizing the On-line Disbursement Reporting System”.

Condition: Of the three months selected out of twelve monthly reports for testing of expenditure reporting, we noted that one of the three, the June 2011 report for one of the programs under this CFDA was not submitted until August 19, 2011 which is beyond the reporting due date of July 20, 2011 per the award notification letter.

Questioned costs: Not applicable.

Context: This is an isolated incident.

Effect: Report was not submitted within the prescribed timeline, however it was subsequently submitted the following month and accepted by the granting agency. Failure of management to timely submit the report could result in programmatic noncompliance by management which may result in the grantor agency reducing or terminating funding under the program.

Cause: Administrative oversight.

Recommendation: We recommend that management review its current policies and procedures with respect to reporting to ensure that all reports are submitted within the prescribed timelines of the grant program.

Views of responsible officials and planned corrective action: On a monthly basis the District reports expenditures for approximately 300 programs that represent over \$660 million in annual expenditures for federally funded programs. The omission of the interim expenditure report for one program was purely an oversight.

The School Board of Miami-Dade County, Florida

Schedule of Prior Year Audit Findings

I – Financial Statement Findings

No material weaknesses or significant deficiencies reported.

II – Federal Awards Findings and Questioned Costs

Finding #	Finding Title	Prior Status	Prior Explanation	Updated Status	Updated Explanation
2010 -01	The District used Improving Teacher quality program funds to supplant other district moneys, resulting in \$286,441 of questioned costs.	Partially Implemented	Management disagrees with Auditor General's conclusion that supplanting had occurred. Nevertheless, management has submitted explanations and documentation to the Florida Department of Education (FLDOE) to justify the district's use of the funds in question. Through our follow-up review, management also indicated that it has enhanced its monitoring procedures over grant funded positions with a more diligent review of budget allocations during budget development and will continue to fund schools, as warranted, but any additional positions requires a signed memorandum from District/School Operations detailing justification for grant-funded instructional positions.	Corrected	To date the Florida Department of Education (FLDOE) has not requested the District to restore any portion of the funds to the program following our response to their request for justification. The District has strengthened its monitoring, reconciliation and communication procedures with Program Managers from the application budget development, budget creation and amendments. Additionally, the District has developed an expanded monthly program projections of expenditures that are sent to the corresponding Program Manager for review and follow-up with Grants Administration. Issuance of additional positions and amendments require additional documented justification and approval.
2010 -02	Payroll expenditures were not always properly documented and supported for the Improving Teacher Quality, Special Education, and English Language Acquisition programs: resulting in \$85,647 of Special Education program questioned costs.	Partially Implemented	To properly document support of payroll expenditures, the district developed a substitute time distribution reporting system. Full implementation of this system, which has been approved by the FLDOE, is scheduled to take place in November 2011 once the SAP payroll goes live. In addition, the questioned costs were documented in the district's response to the FLDOE as errors in calculation and certification, which will not recur once the new system is implemented. Concerning the questioned costs, the district responded to the FLDOE's follow-up request for information on June 22, 2011, and to date, has not been asked to restore the said funds.	Corrected	Beyond the current periodic Circular A-87 certification requirements, the District has taken steps to ensure that timely and accurate certifications are secured for all transfers of expenditures of federally funded positions. Additionally, in order to further strengthen controls, the District has sought and obtained approval from the FLDOE for a substitute Circular A-87 certification procedure that fully automates the certification requirement electronically. The programming phase of the development has been completed and testing is currently underway. Actual implementation will occur at the next scheduled certification cycle.
2010 -03	Improvements were needed to ensure that invoices submitted to the grantor for reimbursement from WIA Youth Activities program are properly supported and timely submitted.	Partially Implemented	According to management, they have not considered executing similar program contracts that would require staff to make reporting adjustments, but recommends that feasibility reviews be conducted prior to executing any future collaborative WIA projects. Management also indicated that upon the engagement of any future contracts with South Florida Workforce Investment Board, pertinent internal processes will be clearly identified. Management met with staff and discussed the audit finding and strategies to address the finding. Management has collaborated with various district departments to develop protocol to address grantee programs, which they believe require impractical demands and/or extensive program implementation directives; and will maintain documentation of the process. Subsequent to completing our fieldwork, Title I Administration, Early Childhood and Summer Services management indicated to us that only grants/contracts deemed to be acceptable through the ongoing interdepartmental review process will be recommended for approval.	Corrected	The District has placed procedures to carefully review and consider grant contracts to ensure that reporting requirements are feasible within District Processes. Additionally, upon the engagement of future contracts that have special reporting demands, staff will meet to develop strategies to ensure that invoices submitted to grantors are timely and properly documented.

The School Board of Miami-Dade County, Florida

Schedule of Prior Year Audit Findings (Continued)

Finding #	Finding Title	Prior Status	Prior Explanation	Updated Status	Updated Explanation
2010-04	Procedures over Federal funds provided to charter schools could be enhanced to demonstrate compliance with the OMB Circular A-133 monitoring requirements.	Corrected	The District has adopted a working capital advance basis reimbursement system. The full amount of the planning grant (\$25,000) will be advanced to the school for planning purposes. Thereafter, the school will be required to submit documentation of how the initial \$25,000 was spent, before they can be awarded 25% of the implementation award amount. Proper documentation is required before each additional 25% increment is disbursed. Notification was sent to Charter Schools on August 18, 2011. In addition, a Visit Monitoring Rubric has been developed to be used to monitor Charter Schools compliance with Federal requirements.		
2010-05	Twenty-First Century program expenditures were not always properly documented and supported, resulting in \$182,312 of questioned costs.	Partially Implemented	Management has implemented procedural enhancements, including the addition of contract terms that will reference the Project Deliverable and Invoices Form. In addition, final payments will be contingent on meeting monthly performance goals. District's attorney has approved the inclusion of the deliverables as part of the contract as an addendum, contingent upon mutual agreement by all parties involved. Management indicated that they will provide training to Program Managers and sub-grantees on district's expectations and procedures.	Corrected	Contact terms with the City of Miami were revised to include the requirement in meeting and documenting monthly deliverables as detailed in the Project Deliverable and Invoice Form. Additionally, program staff and sub-grantee have attended the annual conference and training activities, and as part of training / guidance, Grant Administration staff have met with District program staff and sub-grantee to provide direction and expectation regarding program deliverables and outcome.
2010-06	Controls over food service inventories and program operations could be enhanced.	Partially Implemented	The Department of Food and Nutrition developed a module in the Food and Nutrition Priority System that went live on August 15, 2011. This system will allow cafeteria managers to gather information on items purchased/received at the school site, sales information, production records and other data that will enable management to establish parameters and variances. Full implementation will take place once the parameters and variances that will assist in adequately monitoring operations of the food service program have been established. Subsequent to completing our fieldwork, Food and Nutrition management indicated to us that the food service managers have been recording purchased food received, menu production records and food ordering in the PRIORITY system since the opening of school. They also indicated that the Department of Food and Nutrition is actively working with the Office of Information Technology to review the PRIORITY system data collection, and that this process will continue through the 2011/2012 school year.	Partially Implemented	Implementation of the PRIORITY System has taken place. Cafeteria managers continue to record purchased food received, menu production records and food ordering in the PRIORITY system. The Department of Food and Nutrition continue to work with the Office of Information Technology in reviewing the PRIORITY system data collection and have made appropriate adjustments of the system, as required. Food and Nutrition Management will utilize data from the PRIORITY system in conjunction with additional key performance indicators to enhance controls over food service inventories and program operations.
2009 -02	Charter Schools (CFDA No. 84-282)/Period of Availability	Partially Implemented	The situation was an isolated incident impacted by internal processing delays due to the District offices closing for Tropical Storm Fay. The grantor has not yet made a determination regarding restoration of questioned costs.	Corrected	This was an isolated case due to Tropical Storm Fay, and also the old MSAF legacy system contributed to the delay in processing the payment. Under the current SAP Accounts Payable module, electronic payment capability is available and used, thus payments to grant recipients are expedited. The funds were actually sent to the charter school with only a six day delay. To-date the Florida Department of Education (FLDOE) has not requested the District to restore any portion of the funds.
2009 -03	Teacher Incentive Fund (CFDA No. 84.374), Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391, and 84.392), English Language Acquisition Grants (CFDA No. 84.367), Title I, Part A Cluster (CFDA Nos. 84.010 and 84.389), School Improvement Grants (CFDA No. 84.377), and Refugee and Entrant Assistance - Discretionary Grants (CFDA No. 93.576)/Allowable Costs	Not Corrected	District is implementing procedures to ensure that salaries and benefits are properly documented and certified. The grantor has not yet made a determination regarding restoration of questioned costs. A similar finding is noted in the 2009-10 fiscal year audit report.	Corrected	Please refer to the status and response to finding # 2010 -02 above. To-date the Florida Department of Education (FLDOE) has not requested the District to restore any portion of the funds to the program following our response to their request for justification.
2009-04	Charter Schools (CFDA No. 84.282)/Subrecipient Monitoring	Not Corrected	Procedures have been developed and implemented during the 2010 -11 fiscal year. All charter schools have been notified of compliance requirements. A similar finding is noted in the 2009 - 10 fiscal year audit report.	Corrected	Please refer to status and response to finding # 2010 -04.
2007-03	Fund for the Improvement of Education (CFDA No. 84.215)/Activities Allowed or Unallowed.	Partially Implemented	The District has implemented procedures to obtain the approval of the grantor for any programmatic changes, such as changes in key grant personnel specified in the application or award document. A letter was submitted to grantor program administrators formalizing the positions of all grant directors. The grantor has not yet made a determination regarding restoration of questioned costs.	Corrected	The District has implemented stricter certification procedures to assure that all employees receiving salary compensation comply with the certification requirements. Moreover, a fully-automated certification system has been developed, with the approval of the FLDOE, and is currently being tested prior to implementation which will provide additional control over program certifications. Implementation of this automated system will begin in February 2012. Grantor has not requested replenishment of any costs associated with this finding.