

**MINUTES OF THE SCHOOL BOARD AUDIT COMMITTEE  
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS  
APRIL 24, 2007**

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The School Board Audit Committee met on Tuesday, April 24, 2007 at 2:00 p.m. in the School Board Administration Building, Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

**Members Present:**

Voting:

Mr. Jeffrey B. Shapiro, Chair  
Ms. Perla Tabares Hantman, Board Member  
Ms. Betty Amos  
Mr. Manuel A. Gonzalez  
Mr. Robert W. Schomber  
Mr. Robert Stein  
Mr. Nick Tootle  
Mr. Vidal Velis

Non-Voting:

Mr. Allen M. Vann

**Members Absent:**

Mr. Carlos M. Trueba, Vice Chair  
Mr. Willie Kemp  
Ms. Lidia Monzon-Aguirre

**Call to Order**

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Mr. Jeffrey B. Shapiro, Chair called the meeting to order at 2:00 p.m.

**Introductions**

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Mr. Shapiro greeted everyone and asked them to introduce themselves, and they did. The following persons were present:

Dr. Marta Perez, Board Member  
Ms. Ofelia San Pedro, Deputy Superintendent  
Mr. Freddie Woodson, Associate Superintendent  
Mr. Michael Bell, Assistant Superintendent  
Ms. Maria Teresa Rojas, Asst. Superintendent  
Ms. JulieAnn Rico, School Board Attorney  
Mr. Luis Garcia, Sr. Assistant Board Attorney  
Ms. Mindy McNichols, Assistant Board Attorney  
Ms. Connie Pou, Controller  
Ms. Daisy Naya, Asst. Controller  
Ms. Magaly Abrahante, Asst. Superintendent  
Mr. Joseph A. Gomez, Asst. Superintendent  
Ms. Maria T. Gonzalez, Asst. Chief Auditor

Mr. Trevor Williams, Asst. Chief Auditor  
Ms. Ana Lara, Adm. Asst. to Ms. Hantman  
Ms. Vivian Lissabet, Adm. Asst. to  
Ms. Rivas-Logan  
Mr. Carlos Saladrigas, Adm. Asst. to Mr. Barrera  
Mr. George Nuñez, Regional Supt., Region III  
Ms. Neyda Navarro, Regional Supt., Region VI  
Mr. James O'Donnell, Chief Info. Sec. Officer  
Ms. Consuelo Dominguez, Administrative Dir.  
Dr. Steve Gallon, III, Administrative Director  
Ms. Cynthia Gracia, Administrative Director  
Mr. Jerry Klein, Administrative Director  
Mr. Albert Payne, Administrative Director

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Mr. Craig Rinehart, Administrative Director  
Ms. Janice Cruse-Sanchez, Director, Region VI  
Ms. Ellen Wright, Administrative Director  
Ms. Bertha Valcarcel, Staff Member,  
    Ms. Hantman's Office  
Mr. Julio Miranda, District Director  
Ms. Jennifer Steven, District Director  
Ms. Tiffanie Pauline, Executive Director  
Ms. Cheryl Golden, Instructional Supv.  
Mr. Orlando Alonso, Director  
Ms. Magaly Betancourt, Director  
Mr. Jon Goodman, Director  
Ms. Jeanethe D. Thompson, Director  
Ms. Dina Pearlman, Inf. Sys. Design  
Ms. Teresita Rodriguez, Audit Supervisor  
Mr. Dario Rosendo, Audit Supervisor  
Mr. Luis Baluja, EDP Audit Supervisor  
Ms. Tamara Wain, Director  
Ms. Catrina Carswell, Staff Auditor

Ms. Veretas Fernandes, Staff Auditor II  
Ms. Glendys Valls, FTE Auditor  
Ms. Jeannie Vilato, FTE Auditor  
Ms. Lourdes Amaya, Administrative Aide  
Ms. Elsa Berrios-Montijo, Rec. Secretary  
Mr. Alvaro Florez, Ernst & Young  
Ms. Ana Martinez, Academica  
Mr. Woolton E. Anderson, Richmond-Perrine  
Ms. Christy Berry-Wilson, Richmond-Perrine  
Mr. Richard Nzeribe, CPA, Richmond-Perrine  
Mr. Larry Brown, Auditor Rosa Parks Charter  
Ms. Jessica Rivera, Rosa Parks Charter  
Ms. Ana Fernandez, Sunshine Academy Charter  
Mr. James J. Rizzo, GRS Actuary, Consultant  
Mr. Dan Ricker, Watchdog Reporter  
Ms. Susan Kairalla, Director of Volunteer Svs.

**1. Approval of the Minutes of the Audit Committee meeting of January 30, 2007**

There was no discussion and a motion was made by Mr. Schomber, seconded by Mr. Stein, which carried unanimously, to approve the Minutes of the Audit Committee of January 30, 2007.

**2. Implementation of GASB 45 in 2007-08**

Ms. San Pedro gave an update on the implementation of GASB 45.

Mr. Rizzo gave an overview of the actuarial valuation of the long term costs and liabilities associated with retiree medical coverage and related disclosure requirements. Mr. Rizzo mentioned that M-DCPS retiree health subsidies are on the low side, compared to other organizations and noted that M-DCPS permits retirees to stay on the health plan for life. With regard to the actuarial valuation, he said that MOST OF the data has been received and reviewed. He expects that the M-DCSPS costs and liabilities to be relatively low.

There was no further discussion and a motion was made by Ms. Amos, seconded by Mr. Schomber, which carried unanimously, to recommend that the Implementation of GASB 45 in 2007-08, be received and filed by the School Board.

**3. Review of Charter Schools/Community Based Organization of Financial Statements**

Mr. Williams, Assistant Chief Auditor for Operational and Performance Audits, introduced the four reports which were originally presented to the Audit Committee at its January 30, 2007 meeting but were deferred. He included with the reports a letter outlining the individual concerns. After some discussion the Audit Committee recommended transmitting the financial statements to the School Board, but expressed concern over Sunshine Academy Charter School, and proposed that the School Board Attorney, Charter Schools Operations, and the Office of Management and Compliance Audits follow up on its concerns.

The following schools' financial statements were forwarded to the Board:

- International Studies High School
- Rosa Parks Charter School – Florida City
- Florida School for Integrated Academics and Technologies
- Sunshine Academy Charter School

### **Community Based Organizations**

Mr. Williams noted that the independent auditors concluded that the financial statements of each Community Based Organization were fairly stated. Ms. Amos inquired about the litigation noted on Pg. 19 of the Educational Services of America statement and asked that we follow up on this.

A motion was made by Ms. Amos and seconded by Mr. Schomber, which carried unanimously, to transmit all schools noted with a follow up and a status memorandum regarding the litigation at the next audit committee.

## **4. Office of Management and Compliance Audits Activity Report**

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Mr. Vann introduced the report and noted that the Office of Management and Compliance Audits has an unusually high number of jobs in progress attributed to the amount of time devoted to investigations for the Office of the Inspector General and staff turnover.

He announced that Mr. Jose F. Montes de Oca has retired and the promotion of Ms. Maria T. Gonzalez and Mr. Trevor Williams are the new Assistant Chief Auditors. Ms. Gonzalez will be responsible for all school-related audits and Mr. Williams will be performing all non-school audits and reviews of Charter Schools and Community Based Organizations.

He also announced, pursuant to the recommendation of the Audit Committee, to improve District monitoring practices in the area of student attendance, the audit staff has increased with the addition of two FTE Support Specialists. Ms. Glendys Valls and Ms. Jeannie Vilato recently transferred to the Office of Management and Compliance Audits from the FTE Office. They will be responsible for conducting FTE audits as part of the school audits under the direct supervision of the Audit Director from the School Audits Division.

As well, Mr. Luis Baluja recently joined the Office of Management and Compliance Audits as an EDP Audit Supervisor.

Apart from these personnel changes, the Office of Management and Compliance Audits will be recruiting for two Staff Auditor positions that resulted from staff exiting. Furthermore, two senior level auditors have accepted positions in the District Budget Department and the Office of Management and Compliance Audits will be working on filling these positions in the near future.

There was no action required, since this item was presented to the Audit Committee for information purposes only.

### **5. Internal Audit Report – School Audit(s) of Regional Center III, IV Elementary and Secondary Schools and Centers, Selected Schools and Centers**

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Ms. Gonzalez introduced the five reports and noted that the reports contain the audit results of 90 schools and the audit of the Dade County Athletic Equalization Fund. She explained that for the first time and as part of the school audits, the Title I Program expenditures were reviewed at three schools in Regional Center III. Ms. Gonzalez also explained that of the 90 schools seven schools were cited with audit exceptions. She thanked Ms. Gracia, School Operations and Ms. Thompson, School Improvement Zone for facilitating the responses on a timely manner.

Mr. Woodson spoke about the success of the web cast of Money Matters, and noted that it increased the audience of viewers that otherwise might not have received the training.

Mr. Vann commented on the need to streamline the internal funds school audit reports. The Audit Committee whole heartedly agreed.

There was no further discussion and a motion was made by Mr. Gonzalez, seconded by Mr. Stein, which carried unanimously, to recommend that the Internal Audit Report – School Audit(s) of Regional Center III, IV Elementary and Secondary Schools and Centers, Selected Schools and Centers be received and filed by the School Board.

### **6. Audit of Fuel Inventory**

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Mr. Williams summarized the findings. Overall, the Department of Transportation appears to maintain safe and relatively compliant fueling islands. He noted that physical access controls to the fuel storage tanks were evident at all but one of the sites inspected and also noted that the fuel inventory levels maintained at the various sites are proper for the operations. However, fuel quantities invoiced and paid did not agree with quantities received according to the fuel tank readings and several small errors in pricing were noted and fuel tax rebates were not always filed.

Ms. Hantman inquired about a comment on page 19 and expressed concerns about fuel controls. Mr. Klein explained that programming problem, which have since been corrected had caused the

problems. Mr. Stein expressed concern about the fuel tax rebates that were not always filed. After some more inquiries from several audit committee members, a motion was made by Mr. Schomber, seconded by Ms. Amos, which carried unanimously, to take under consideration Mr. Stein's observation and the recommendations noted that the Audit of Fuel Inventory be received and filed by the School Board.

## **7. IT Intrusion Test**

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Ms. Pearlman presented an overview of the intrusion tests Ernst & Young's (EY) Advanced Security Center performed to assess Miami-Dade County Public School's network, applications and related infrastructure and risk of exposure to security threats and vulnerabilities. She explained the exploitation activities performed during this review demonstrate the threats associated with unauthorized access and illustrate the risk of potential compromise. She said that the observations and recommendations communicated identify the key vulnerabilities identified and are intended to further increase the overall security posture of Miami-Dade County Public School's network and applications.

After some discussion, E&Y indicated that the IT Department earned a letter grade of "A" based on the tests performed. Due to security concerns and specific legal exemptions the report was not forwarded to the Board.

## **8. Update – Inspector General Selection Process**

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Mr. Shapiro stated that he has no new information to report, in regards to the selection process. Dr. Marta Perez suggested that the Audit Committee should request to receive the materials distributed at the Inspector General workshop held and also the minutes or recording of the workshop. She also suggested they receive the email sent by Mr. Emmons. Ms. San Pedro said she would get the information and forward it to the Audit Committee.

## **9. Other Business**

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Dr. Perez inquired about an attendance roster for audit committee members. Mr. Vann outlined the procedures for the annual attendance roster.

## **Adjournment**

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The meeting was adjourned at 4:08 p.m.