

Management and Accountability
Carol Cortes, Deputy Superintendent

SUBJECT: INTERNAL AUDIT REPORT - REVIEW OF TREASURY MANAGEMENT, JUNE 2000

In accordance with the Audit Plan for the 1999-2000 Fiscal Year, the Office of Management and Compliance Audits, has performed a review of the district's cash and investment management function administered by the Office of Treasury Management under Financial Affairs. We also reviewed certain activities of the Office of the Controller, also under Financial Affairs, only in the area that is responsible for monitoring and reviewing the daily banking transfers executed by Treasury Management.

The primary objectives of this review were to ascertain that the district's cash and investment management function is executed following the recommended best practices of the banking and finance industry, that investments are competitively purchased, adequately safeguarded from credit, collateral and market risks, and that an adequate control environment has been implemented to minimize such risks and assure compliance with the applicable laws, regulations and School Board rules. Recommended guidelines and best practices are also established by Florida State Law, federal regulatory agencies and professional associations.

Our report concludes that the control environment over the cash and investment management function is adequate and that the function is properly administered following the recommended best practices, applicable laws, regulations and Board rules, and investment guidelines. There are, however, several issues that merit the administration's attention, which are intended to enhance the operating and control environment by increased automation, periodic updating of the procedures manual and controls over returned checks.

In accordance with the procedures for the Office of Management and Compliance Audits, the Internal Audit Report - Review of Treasury Management, June 2000, is submitted to the School Board. The School Board Audit Committee reviewed the report at its June 27, 2000 meeting and will submit its recommendations to the School Board and the Superintendent of Schools by July 12, 2000.

Copies of this report will be distributed to Board Members, the Superintendent of Schools, and appropriate district staff and will be placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the Internal Audit Report - Review of Treasury Management, June 2000, presented by the Office of Management and Compliance Audits.