

Paul R. Philip, Chief of Staff

**SUBJECT:    ENGAGEMENT LETTER AND AUDIT PLAN FOR THE EXTERNAL  
              AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2002**

As part of the yearly audit by the external auditors, an Engagement Letter and the Audit Plan are developed by KPMG LLP that establish the parameters by which the audit of the school system for the 2001-02 fiscal year is to be conducted.

The Engagement Letter sets forth the professional standards and contractual provisions that the external auditors must follow. The Audit Plan indicates the areas to be emphasized in their audit process for this year, which includes GASB 34 implementation, finance/financial trends, purchasing/procurement/credit cards, construction management, revenue/grant revenue, information technology, and insurance management.

The School Board Audit Committee reviewed the Engagement Letter and the Audit Plan at its May 7, 2002 meeting and will submit its recommendations to the School Board and the Superintendent of Schools by June 12, 2002.

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 Engagement Letter and Audit Plan for the External Audit for the Fiscal Year Ending June 30, 2002.