

Financial Affairs
Edward Marquez, Chief Financial Officer

SUBJECT: AUTHORIZATION TO ENGAGE ERNST & YOUNG LLP

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

Permission is requested to enter into a contractual agreement between Miami-Dade County Public Schools and Ernst & Young LLP, to conduct a review related to the business and technical processes of the transmission of payroll transactions to the bank. The review will ensure that the business and technical processes are secure, stable, well controlled and reliable for both the production and the back-up transmission of the payroll transactions. Ernst & Young was selected because of its prior audit review and familiarity with the District's computer system as well as its continuing role as the District's outside auditor.

Recently, M-DCPS opted, with bank approval, to implement a new process utilizing File Transmission Protocol "FTP" to transmit the payroll information across a public internet connection using encryption controls. M-DCPS has further decided to use, as a back-up procedure, a modem-to-modem transmission of the unencrypted payroll file from a personal computer at M-DCPS directly to the bank server.

The Professional Services Committee reviewed this request at its meeting of April 27, 2004 and recommended that an exception to the rule regarding bids or Request for Proposals be granted, as otherwise determined by the Committee. At its meeting of May 4, 2004, the Audit Committee concurred on the need for the review.

The contract with Ernst & Young LLP will be up to a cost of \$16,580.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. authorize the Superintendent to enter into a contractual agreement with Ernst & Young LLP at an amount not to exceed \$16,580 for the review of electronic transmission processes, and
2. grant an exception to School Board Rule 6Gx13- 3F- 1.021.