

Mercedes Toural, Chief Education Officer
and Deputy Superintendent of Schools

**SUBJECT: INTERNAL AUDIT REPORT – AUDIT OF MAINTENANCE SERVICE
CONTRACTS, JUNE 2004, PRESENTED BY THE OFFICE OF
MANAGEMENT AND COMPLIANCE AUDITS**

In accordance with the Audit Plan for the 2003-2004 Fiscal Year, the Office of Management and Compliance Audits has performed an audit to determine whether maintenance service contracts provide for equitable services, limit risks, comply with terms and conditions, and are administered properly. For the audit period, there were 64 maintenance term contracts (including renewals and extensions) for services that amounted to approximately \$29 million.

The costs of services provided by vendors were commensurate with market rates as a result of the competitive bid process. The lowest qualified responsive bidder or bidders were selected. The levels of approval, review, and verification (except where noted in the case of chiller service contracts) over service contracts, were adequate. The administration of service contracts was assigned to administrators with sufficient knowledge and experience, based on documented qualifications, needed to adequately administer these contracts.

Underutilization of term contracts indicated a need for strengthening contract monitoring and enforcement. Files for credentials and performance evaluations of contractors must be more up-to-date and vendor payments must be processed more timely.

The observations/recommendations and report contents were discussed in draft form with management. They provided verbal input along with written responses and explanations to assure that the findings and recommendations would be properly addressed.

In accordance with the procedures for the Office of Management and Compliance Audits, the *Internal Audit Report – Audit of Maintenance Service Contracts, June 2004*, is submitted to the School Board. The School Board Audit Committee reviewed and accepted the audit report at its June 29, 2004 meeting and recommends forwarding it to the School Board and the Superintendent of Schools by July 9, 2004.

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Copies of the *Internal Audit Report – Audit of Maintenance Service Contracts, June 2004* will be transmitted to School Board Members under separate cover and are available for inspection by the public in the Office of Board Recording Secretary, Room 924, and the Citizen Information Center, Room 158, 1450 NE Second Avenue, Miami, Florida 33132.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the *Internal Audit Report – Audit of Maintenance Service Contracts, June 2004*, presented by the Office of Management and Compliance Audits.

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