

Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

SUBJECT: AUDIT OF DISTRICT FACILITY LEASING PRACTICES

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN: ENSURE ADEQUATE AND EFFECTIVE INTERNAL
 CONTROLS AND OPERATIONAL EFFICIENCY**

An audit of the District's Facility Leasing Practices revealed that the leasing process adequately provides for the District's supplemental space needs at reasonable cost. However there are opportunities to improve the current process by formalizing leasing procedures, improving documentation, and centralizing and enhancing the rental revenues collection function.

As a separate matter, outside the scope of this audit, we found that non-standard design features and other factors resulted in approximately \$6.5 million in retrofit cost overruns to a facility under lease for a five-year period with options for three additional five-year periods. District plans indicate that the facility is only needed for the initial five year period. This work was not performed as landlord improvements and, consequently, was not managed by Facilities Planning but rather Design and Construction.

The School Board Audit Committee reviewed this report at its June 26, 2007 meeting and recommends transmitting it to the School Board.

Copies of this report were distributed and placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the Audit of District Facility Leasing Agreement.