

Jose F. Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

**SUBJECT: 2011 ANNUAL REPORT AND 2011-2012 ANNUAL AUDIT PLAN
AND BUDGET**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

School Board Policy number 6835 provides that the Chief Auditor will make an annual report to the Audit and Budget Advisory Committee (The Committee), to the School Board and to the Superintendent of Schools on the results of auditing activities every year. It also requires that a comprehensive audit plan for the following year be submitted. At its September 27, 2011 meeting, the Committee reviewed and approved the 2011 Annual Report and 2011-2012 Annual Audit Plan and Adopted Budget from the Office of Management and Compliance Audits.

This year's Annual Audit Plan long range audit projects include the Audit of the School Board Members Offices. This project was incorporated into the Plan at the recommendation of the former Committee Chair and was unanimously approved by the Committee at its June 28, 2011 meeting, when the Plan was initially presented to the Committee for review and discussion. During the September 27, 2011 meeting, after a long deliberation, the Committee recommended and unanimously voted to transmit the Annual Report and Annual Audit Plan as presented; however, it also recommended that the School Board give consideration to include in the Plan financial audits of the School Board Attorneys Office, the Office of the Superintendent and the Office of Management and Compliance Audits. The School Board at its Innovation, Efficiency and Governmental Relations Committee meeting of October 17, 2011, recommended these audits to be conducted by the external independent audit firm of McGladrey & Pullen, LLP, currently conducting the financial audit for Miami-Dade County Public Schools, at no additional cost to the District.

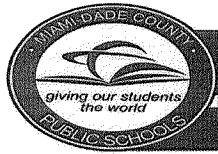
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Copies of this report were previously distributed and placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the 2011 Annual Report and 2010-2011 Annual Audit Plan and Budget.

JFM:lig

**Revised
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Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Alberto M. Carvalho

Miami-Dade County School Board
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Dr. Lawrence S. Feldman, Vice Chair
Dr. Dorothy Bendross-Mindingall
Carlos L. Curbelo
Renier Diaz de la Portilla
Dr. Wilbert "Tee" Holloway
Dr. Martin Karp
Dr. Marta Pérez
Raquel A. Regalado

October 18, 2011

Members of The School Board of Miami-Dade County, Florida
Members of The School Board Audit and Budget Advisory Committee
Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

The audit plan for fiscal year 2011-2012 was developed by supervisory personnel from the Office of Management and Compliance Audits applying a systematic risk assessment that assist us in deciding the audits that should be conducted this coming year.

This year, school audits will again follow a plan whereby schools with a change of principal since the previous audit and schools with high audit risk will be given top priority. District-wide audits will encompass a wider spectrum of areas such as: grants, credit card purchases, internal control over cafeteria receipts and IT controls and security, among others. We will also conduct follow-ups to the FY 2009-10 Auditor General's Operational and Single Audit reports and our previously published reports, as deemed appropriate.

Although the primary responsibility for the audit plan rests with the Chief Auditor and the Office of Management and Compliance Audits, we encourage and welcome input from the School Board and Audit and Budget Advisory Committee members, the Superintendent, and senior management staff, to make this plan complete and successful. At its June 28, 2011, the Audit and Budget Advisory Committee members unanimously recommended an audit of the School Board Member's office expenditures. The School Board at its Innovation, Efficiency and Governmental Relations Committee meeting of October 17, 2011, recommended an audit of its members' office expenditures, along with expenditures from the offices of the Superintendent, School Board Attorney and Chief Auditor be conducted by the external independent audit firm of McGladrey & Pullen, LLP, currently conducting the financial audit for Miami-Dade County Public Schools, at no additional cost to the District.

Respectfully yours,

Jose F. Montes de Oca, CPA, Chief Auditor

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District Audits Division

Eight Internal Audits

} Revised

- Pre-Construction Services (In progress)
- Food & Nutrition Cafeteria Receipts (In progress)
- Grants Management and Controls (In progress)
- Miami Partnership In Action Community Task Force (MPACT) Grant (Fieldwork completed; report finalization and distribution pending the closure of investigations by other investigative agencies)
- Maintenance Dept. Procurement Process (In progress)
- Energy Management (Carryover from FY 2010-11)
- Audit of Procurement Credit Card Controls (New)
- Audit of Inventories as of June 30, 2011 (New)

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Three IT Audits

- School Site Network & Information Security (Ongoing)
- District Offices Network & Information Security (Ongoing)
- ERP/SAP – User Survey (New)

District Audits Division

ERP/SAP – User Survey

- The District has implemented SAP America Public Sector, Inc. (SAP) enterprise resource planning (ERP) software to support various administrative functions. Due to its recent implementation dates, staff's use of the system is still maturing and provides a good opportunity to obtain valuable feedback from users.
- The audit objective will be to assess the functionality of SAP in terms of user comfort and its usefulness in streamlining the work process. We will seek to identify areas for improvement in training and communication between the user and the ERP/SAP implementation team.

District Audits Division (Long Range)

Two Long Range Audits

} Revised

- Audit of Capital Construction Direct Purchases
- Audit of Information Technology Security Controls

Forensic/Investigative Audits/Charter Schools Audits Division

Perform Forensic Audits In The Following Areas:

- Misappropriation of Funds
- Missing Inventory/Equipment
- Payroll Fraud and Other Fraudulent Activity
- Charter School Misfeasance/Malfeasance
- Attestation services or similar audit services related to charter schools as requested by the School Board and/or Audit and Budget Advisory Committee

Oversee Investigations Conducted By:

- Civilian Investigative Units – CIU

Support And Collaborate With:

- Miami-Dade School Police
- Office of Professional Standards – OPS
- State Attorney's Office
- Inspector General – IG
- Other Law Enforcement Agencies
- District Offices