

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

**SUBJECT: AGREED – UPON PROCEDURES PERFORMED PURSUANT TO
AGENDA ITEM H-27 OF THE MARCH 9, 2011 SCHOOL BOARD
MEETING: FINANCIAL COSTS ASSOCIATED WITH DISTRICT
ADMINISTRATION OF CHARTER SCHOOLS**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

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

At the March 9, 2011 School Board meeting, in accordance with agenda item H-27, the School Board directed the Superintendent to prepare a cost-analysis report on the financial costs associated with district administration of charter school contracts, and provide said report to the District's Chief Auditor for his review, transmittal to the Audit and Budget Advisory Committee, and presentation to the School Board.

The objective of this engagement was to apply to the above-referenced cost-analysis report certain agreed-upon procedures to provide a level of review, verification and validation of costs asserted by the administration, associated with legally mandated charter school administration, oversight and support. The scope of the engagement was limited to the one year period ended June 30, 2010. We were not engaged to perform an audit of or issue an opinion on charter school administrative costs. Similarly, as specified in agenda item H-27 of the March 9, 2011 School Board meeting, application of our procedures was limited to costs and not applied to charter school revenues.

The administration asserted that it accounted for direct and indirect costs of \$6,056,002 associated with compliance, monitoring, support and oversight of charter schools for Fiscal Year 2009-10. After applying the agreed upon procedures, we recommended and the administration accepted 15 adjustments to the reported costs resulting in a net reduction of \$106,565, adjusting the reported costs to \$5,949,437.

The School Board Audit and Budget Advisory Committee reviewed this report at its September 27, 2011 meeting and recommended transmitting it to the School Board.

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 Agreed – Upon Procedures Performed Pursuant to Agenda Item H-27 of the March 9, 2011 School Board Meeting: Financial Costs Associated with District Administration of Charter Schools.