

Office of Superintendent of Schools  
Board Meeting of December 12, 2001

November 28, 2001

Johnny Brown, School Board Attorney

**SUBJECT: PROPOSED AMENDMENT OF SCHOOL BOARD RULE: FINAL READING  
6Gx13- 2C-1.14, DEPARTMENT OF MANAGEMENT AUDITS,  
STATEMENT OF POLICIES AND PROCEDURES**

The School Board of Miami-Dade County, Florida, announced on October 24, 2001 its intention to amend School Board Rule 6Gx13- 2C-1.14, Department of Management Audits, Statement of Policies and Procedures, at the meeting of December 12, 2001.

The Notice of Intended Action was published in the *Miami Daily Business Review* on October 30, 2001, posted in various places for public information and mailed to various organizations representing persons affected by the amended rule and to individuals requesting notification.

The time to request a hearing or protest the adoption of this rule has elapsed.

In accordance with the provisions of the Administrative Procedure Act, this amended rule is presented to The School Board of Miami-Dade County, Florida, for adoption and authorization to file the rule in the official records of The School Board of Miami-Dade County, Florida.

Attached are the Notice of Intended Action and the amended rule. Changes from the current rule are indicated by underscoring words to be added and ~~striking through~~ words to be deleted.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, adopt amended School Board Rule 6Gx13- 2C-1.14, Office of Management and Compliance Audit, and authorize the Superintendent to file the rule with The School Board of Miami-Dade County, Florida, to be effective December 12, 2001.

**B-27**

## NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on October 24, 2001, its intention to amend Board Rule 6Gx13- 2C-1.14, Department of Management Audits, Statement of Policies and Procedures, at its meeting of December 12, 2001.

**PURPOSE AND EFFECT:** The revision to the Board Rule will provide the specific reporting line for the Office of Management and Compliance Audits in accordance with Florida Law, and update the name from the Department of Management Audits, Statement of Policies and Procedures to Office of Management and Compliance Audits.

**SUMMARY:** The rule as amended will provide for policies and procedures by which the Office of Management and Compliance Audits will function and will clarify the reporting line of the department.

**SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED:** 230.22(2); 230.23(22) F.S.

**LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC:** 11.45(3)(a)1; 230.23005(2); 230.33(6); 230.33(7)(a); 230.33(15) F.S.

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING OF December 12, 2001, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), F.S., must do so in writing by November 19, 2001, to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by The School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. (Section 286.0105, Florida Statutes)

A COPY OF THE PROPOSED AMENDED RULE is available for inspection and copying at cost by the public in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Originator: Mr. Johnny Brown  
Date: October 10, 2001

Administrative Operations**DEPARTMENT OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS,**  
**STATEMENT OF POLICIES AND PROCEDURES**

The Department Office of Management and Compliance Audits reports operationally to the Superintendent of Schools and administratively to the School Board through its Audit Committee, the School Board's designee. To enhance the objectivity and effectiveness of the internal auditing activities, reports, audit findings and recommendations emanating from the Department Office are submitted to the School Board, and the Board's Audit Committee and the Superintendent of Schools at the same time they ~~are submitted to the Superintendent of Schools.~~

**I. Purpose**

Internal auditing is an independent appraisal activity within an organization for the review of operations as a service to management. The objective of internal auditing is to assist the administration, the Audit Committee, and the School Board by reviewing and appraising the activities of the school system, the integrity of its records, and the general effectiveness of its operations.

**II. Department Office of Management and Compliance Audits**  
**Objectives and Responsibilities**

The Department Office of Management and Compliance Audits is responsible for providing the Superintendent of Schools, the Audit Committee and the School Board with an independent and objective evaluation of the operation of the school system.

**A. Objectives**

1. Perform examinations of the financial records in accordance with generally accepted auditing standards.
2. Ascertain the reliability and adequacy of accounting and reporting systems and procedures.
3. Perform an independent appraisal of the adequacy and effectiveness of internal controls.
4. Assure compliance with policies and procedures established by the School Board and the administration, and with state and federal laws and regulations.

5. Improve the efficiency of the school system's operations by providing recommendations in audit reports.
6. Ascertain the extent to which the assets of the school system are accounted for and safeguarded from loss.

**B. Responsibilities**

1. Perform examinations of financial records and supporting information for the purpose of determining the accuracy of financial records and conformity with generally accepted accounting principles.
2. Perform investigative audits by applying various audit techniques and procedures for the purpose of detection of fraud or as a deterrent to fraud.
3. Review and evaluate the existence and effectiveness of adequate controls on electronic data processing systems either under development or for existing applications.
4. Undertake comprehensive and constructive examinations of functional units within the school system, including plans and objectives, methods of control and use of human and other resources.
5. Keep the Superintendent of Schools, the Audit Committee and the School Board informed on audit plans and activities and to assist them by providing analyses, pertinent comments and recommendations concerning the activities reviewed.
6. Coordinate internal audit activities so as to best achieve the audit objectives of the school system and the objectives of the Audit Committee and the administration.
7. Keep abreast of new developments in the school system by attending the School Board meetings and meetings of school system-wide committees.

8. Act as liaison between the school system and external auditors (federal, state and independent auditors). To monitor the responses from school system officials to audit findings and recommendations made by external auditors.
9. Bring to the attention of the Superintendent of Schools, the Audit Committee, and the School Board material matters of concern.

III. Policies

A. Authority

1. The ~~Department~~ Office of Management and Compliance Audits shall have access to all records and areas within the school system.
2. The ~~Department~~ Office shall have direct communication and free access with the Superintendent of Schools, members of the Audit Committee, School Board members and school system officials to discuss audit findings.
3. The ~~Department Office of Management Audits~~ shall report administratively to the School Board through its Audit Committee ~~Office of the Superintendent of Schools~~ in order to ensure an unrestricted audit coverage and appropriate action in response to audit findings.
4. The ~~Department~~ Office shall be free of organizational pressures that limit their objectivity in selecting areas to be examined or in evaluating these areas.
5. The ~~Department~~ Office shall have adequate support from school system officials to perform its auditing activities.

B. Professional Standards

1. The ~~Department's~~ Office staff should comply with professional standards of conduct.
2. Internal auditing activities should be performed with proficiency and due professional care.

**C. Personnel**

1. The Department Office should be adequately staffed to perform its auditing activities.
2. The Department's Office personnel should possess adequate technical proficiency, educational background and skills in human relations and communication to adequately perform the internal audit function.
3. Auditors should maintain their technical competence through continuing education.
4. The Audit Committee should review and provide their recommendations to ~~the Superintendent of Schools and the School Board~~ and the Superintendent of Schools regarding the selection of the person to fill the position of Chief Auditor Director. The reasons for termination of employment of the Chief Auditor Director should also be reviewed by the Audit Committee.

**IV. Procedures**

The Chief Auditor Director will submit to the ~~Superintendent of Schools and to the~~ Audit Committee and the Superintendent of Schools for review a comprehensive Audit Plan for a year. This plan should identify the overall audit scope of scheduled examinations in both financial and nonfinancial areas. Audit reviews, as requested by the Superintendent of Schools, the School Board, the Audit Committee, and members of the administration, will be included to the degree feasible in the Audit Plan.

**A. Scope of Auditing Activities**

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and the quality of performance in carrying out assigned responsibilities.

1. The Department Office shall review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.

2. The Department Office shall review the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and shall determine whether the school system is in compliance.
3. The Department Office shall review the means of safeguarding assets and verify the existence of such assets.
4. The Department Office shall appraise the economy and efficiency with which resources are employed.
5. The Department Office shall review business and financial operations and controls to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
6. The Department Office shall review and evaluate the existence and effectiveness of controls on electronic data processing systems either under development or controls on existing applications.

**B. Performance of Auditing Activities and Communication of Results**

The Chief Auditor Director will make periodic reports to the ~~Superintendent of Schools, to the Audit Committee, and to the School Board~~ and to the Superintendent of Schools on the progress of auditing activities. These reports will contain a concise summary of audit scope and findings and major recommendations not implemented.

A comparison with the Audit Plan will be made and major variances explained.

The Department Office will issue an audit report at the conclusion of the performance of an audit or review.

1. The audit report should be objective, clear, concise, constructive and timely.
2. The audit report will present the purpose, scope, results of the audit and applicable recommendations.

3. The responses from school system officials to the audit findings and recommendations will be presented with the audit report.

An evaluation of compliance with audit recommendations will subsequently be performed and major recommendations not implemented reported.

Specific Authority: 230.22(2); 230.23(22) F.S.

Law Implemented, Interpreted, or Made Specific: 11.45(3)(a)1; 230.23005(2); 230.33(6); 230.33(7)(a); 230.33(15) F.S.

History

New: 3-31-82

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA