

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

**SUBJECT: MANAGEMENT LETTER FOR FISCAL YEAR ENDED JUNE 30,
2008**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

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

In conjunction with the yearly external audit of the school system's financial statements, Ernst & Young LLP's (E&Y) issued the above-captioned management letter. E&Y reported that they did not identify any deficiencies in internal controls that they would consider a material weakness. Notwithstanding, E&Y identified significant deficiencies in internal controls relative to the financial statement closing process resulting in reclassifications and adjustments.

Management made appropriate adjustments as recommended by E&Y and has taken steps to enhance the year end closing process to ensure appropriate classifications for financial statement purposes.

E&Y also determined that deteriorating financial conditions exist that may impair the School Board's ability to generate enough revenue to meet its expenditures. If not addressed this could result in financial emergency conditions. The Superintendent and the Associate Superintendent/Chief Financial Officer are vigorously pursuing a cost cutting program to ensure that expenditures are aligned with significantly declining revenues.

The School Board Audit Committee reviewed this report at its December 2, 2008 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 and file the Management Letter for Fiscal Year Ended June 30, 2008.