

Ms. Perla Tabares Hantman, Board Member

SUBJECT: CHIEF AUDITOR AND OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS REPORTING LINE

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: REFORM BUSINESS PRACTICES TO ENSURE EFFICIENCY, EFFECTIVENESS AND HIGH ETHICAL STANDARDS

Florida Statute 1001.42(12)(l) *Internal Auditor*, states that a district school board “may employ an internal auditor to perform ongoing financial verification of the financial records of the school district. The internal auditor shall report directly to the district school board or its designee.” The current School Board Rule 6Gx13- 2C-1.14 Office of Management and Compliance Audits, allows for the Chief Auditor and the Office of Management and Compliance Audits to report to the Superintendent of Schools as the School Board’s designee.

The main responsibility of the Chief Auditor and the Office of Management and Compliance Audits is to provide an independent and objective evaluation of the operation of the school system. The independence and objectivity of the internal auditor function are best preserved and upheld by having it report directly to the School Board or to the Audit Committee. This reporting line, independent from management, allows for enhanced effectiveness and reliability, while avoiding conflicts of interest.

The U.S. General Accountability Office (GAO) is the standard setting body for governmental auditing. The Government Auditing Standards require that “In all matters relating to the audit work, the audit organization and individual auditor ... must be free from ... organizational impairments to independence...” According to the GAO, the ability of audit organizations in government entities to perform work and report the results objectively can be affected by its placement within the organization. The GAO further states that an audit organization in a government entity may be presumed to be free from organizational impairments if the head of the audit organization is accountable to, reports to, and can only be removed by a statutorily created governing body whose members are independently elected.

This item proposes to amend appropriate School Board Rules in one of the following ways: to have the Chief Auditor and the Office of Management and Compliance Audits report directly to the School Board or to the Audit Committee as its designee.

**ACTION PROPOSED BY
MS. PERLA TABARES HANTMAN:**

That The School Board of Miami-Dade County, Florida, direct the Superintendent and the Interim School Board Attorney to initiate rulemaking at the February 11, 2009 School Board meeting to amend appropriate School Board Rules in one of the following ways:

1. to have the Chief Auditor and the Office of Management and Compliance Audits report directly to the School Board; or
2. to have the Chief Auditor and the Office of Management and Compliance Audits report to the Audit Committee as the School Board designee.