

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

**SUBJECT: INTERNAL AUDIT REPORT – DISTRICT BUDGET PRACTICES**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO STRATEGIC**

**FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

The Office of Management and Compliance Audits reviewed the District's budget development, approval, amendment and monitoring processes to determine whether adequate controls are in place, best practices in budgeting and budget management are being followed, the budget is developed in compliance with Florida State Statutes and school board rules, and estimates and assumptions made are reasonable. Overall, our audit found the District's processes and systems in place over the budget development and monitoring function to be generally adequate. All of the Government Finance Officers Association's (GFOA) recognized and recommended budgeting practices are generally followed by the Office of Budget Management.

In addition, the process was generally compliant with the governing laws and rules, with the exception of the following School Board rule. Although the level of Unreserved General Fund balance was less than the 5.5% target level delineated in School Board Rule 6Gx13-3A-1.012, as of June 30, 2010, Unreserved General Fund balance has increased exponentially to \$96 million from a low of just \$8 million as of June 30, 2008. There are, however, areas where certain processes and documentation could be improved upon that would enhance internal controls.

The School Board Audit Committee reviewed this report at its May 17, 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 and file the Internal Audit Report – District Budget Practices.