

Ms. Maria Teresa Rojas, Board Member

SUBJECT: REQUEST AUTHORIZATION FOR THE SCHOOL BOARD TO APPROVE THE PROCESS FOR THE DEVELOPMENT OF AN INDEPENDENT AUDIT/REVIEW OF THE GENERAL OBLIGATION BOND (GOB) FUNDED SCHOOL IMPROVEMENT PROGRAM

COMMITTEE: FACILITIES & CONSTRUCTION

LINK TO STRATEGIC PLAN: EFFECTIVE & SUSTAINABLE OPERATIONAL PRACTICES

In November 2012, Miami-Dade County Voters approved the funding of a plan for modernizing, constructing, acquiring, building, enlarging, furnishing, or otherwise improving school buildings throughout the District, including educational technology upgrades, by issuing General Obligation Bonds in the aggregate of \$1.2 billion.

At its November 15, 2017, meeting, the School Board approved the conduct of a mid-point external audit/review through the development of a Request for Proposals process. At that time, GOB expenditures approximated \$513 million, with an additional \$86 million under contract. The agenda item, in part, authorized the Chief Auditor to present to the ABAC the scope of the proposal, and to present said scope to the School Board for approval.

On May 16, 2018, RFP 17-017-CH was awarded to the firm of S. Davis & Associates, P.A., to conduct a performance audit of the GOB Funded School Improvement Bond Program from fiscal year 2012-2013 through fiscal year 2017-2018. Said audit report was issued in April 2019, and comprised findings, observations and recommendations associated with 16 tasks. The auditors also concluded: "Our consideration of internal control was for the limited purpose ... was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified."

As of June 2022, most of the school projects funded under the GOB have been completed and stakeholders are enjoying the many renovations and upgrades that have been finalized. As of September 30, 2022, GOB expenditures and encumbrances totaled approximately \$1.074 billion. Therefore, expenditures and contracted amounts currently total approximately 90% of the total GOB funds originally issued of \$1.2 billion.

As we approach the end of the GOB program, and in full transparency to the citizens of Miami-Dade County, this item seeks School Board authorization for the development of an end-of-program independent audit/review to include, but not be limited to, the following areas:

- a comprehensive review of the financial activities and operational aspects;
- reconciliation of the voter-approved referendum master project funding to the total budgeted allocation of funds;
- determinations of improved or built student stations, including those solely GOB funded;
- vendor participation benefiting the Miami-Dade County community;
- economic impact on SBE, MBE and M/WBE owned firms and businesses; and
- verification of technology equity being achieved.

Furthermore, this item enacts the fiduciary responsibilities of the School Board to ensure that all facets of the GOB have been conducted as promised to all stakeholders.

This item has been reviewed and approved by the School Board Attorney's office as to form and legal sufficiency.

ACTION PROPOSED BY

MS. MARIA TERESA ROJAS: That The School Board of Miami-Dade County, Florida,

1. approve the process for the development of an end-of-program independent audit/review of the General Obligation Bond (GOB) funded School Improvement Program;
2. authorize the Chief Auditor to define the scope, timelines, and final cost estimate not to exceed \$225,000, allowable under the GOB, for the selection of an independent auditing firm, pursuant with the School Board Policy 6320 in a manner consistent with the selection of external independent auditors;
3. authorize the Chief Auditor to present to the School Board Audit and Budget Advisory Committee the scope of the proposal, and to present said scope to the School Board for approval; and
4. present the award of the selected firm to the School Board for final approval, pursuant to Board Policy 6320, following the competitive solicitation process.