

Administrative Operations**OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS**

The Chief Auditor and the Office of Management and Compliance Audits shall report to the 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 Office are submitted to the School Board, the Board's Audit Committee and the Superintendent of Schools at the same time.

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. Office of Management and Compliance Audits

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

B. Professional Standards

1. The Office staff shall comply with professional standards of conduct.
2. Internal auditing activities shall be performed with proficiency and due professional care.

C. Personnel

1. The Office should be adequately staffed to perform its auditing activities.
2. The Office personnel shall possess adequate technical proficiency, educational background and skills in human relations and communication to adequately perform the internal audit function.
3. Auditors shall maintain their technical competence through continuing education.
4. The Audit Committee shall serve as the Committee to provide recommendations on the selection of the Chief Auditor of the Office of Management and

Compliance Audits and provide said recommendations to the School Board on the person to fill the position. Any recommendation for the removal or transfer of the Chief Auditor and the reasons for such removal or transfer shall be brought before the Audit Committee; the Audit Committee will then transmit its recommendations to the Board.

IV. Procedures

The Chief Auditor will submit to the Audit Committee, the Superintendent of Schools, and the School Board 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 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 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 Office shall review the means of safeguarding assets and verify the existence of such assets.
4. The Office shall appraise the economy and efficiency with which resources are employed.
5. The 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 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 will make an annual report to the Audit Committee, to the School Board and to the Superintendent of Schools on the results of auditing activities. Periodic reports on the results of the audits will be made at the request of the Audit Committee. 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 annually, summarizing the auditing services for the prior year and major variances explained.

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

1. The audit report shall 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 to the Audit Committee, the School Board, the Superintendent of Schools, and administrative personnel. The Audit Committee may request periodic reports from audited schools, departments, offices, etc., regarding corrective actions taken to address reported deficiencies and audit recommendations.

Pursuant to Section 119.07(3)(y), Florida Statutes, work papers, notes and preliminary or draft audit reports shall be held confidential and exempt from public records disclosure until the audit is completed and submission of the final draft of the report to the School Board.

Specific Authority: 1001.41(1)(2); 1001.42(25); 1001.43(10) F.S.
Law Implemented, Interpreted, or Made Specific: 119.07(3)(y); 286.011; 1001.32;
1001.41(1)(2); 1001.42(12)(l); 1012.31 F.S.

History: THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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