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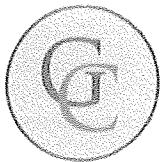
Since 1979

External Quality Control Review

of the
**Broward County
Public Schools**
Office of the Chief Auditor

Conducted in accordance with guidelines of the
Association of Local Government Auditors

for the period
July 1, 2010 through June 30, 2014



July 28, 2014

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor,
Broward County Public Schools
600 S. E. 3rd Avenue
Fort Lauderdale, Florida 33301

Dear Mr. Reilly,

We have completed a peer review of the Office of the Chief Auditor, Broward County Public Schools, for the period July 1, 2010 to June 30, 2014. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published in 2011, by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine whether your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures included:

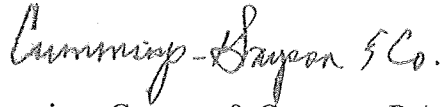
- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit and attestation engagements and workpapers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff and management to assess their understanding of, and compliance with, relevant quality control policies and procedures.
- Reviewing the authority, mission, and bylaws of the Audit Committee

Due to the variance in individual performance and judgment, compliance does not imply adherence to standards in every case, but does imply adherence in most situations.

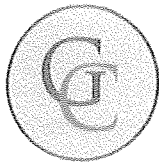
Based on the results of our review, it is our opinion that the Office of the Chief Auditor, Broward County Public Schools' internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the period July 1, 2010 to June 30, 2014.

We have prepared a separate letter noting areas in which your office excels, and offering suggestions to further strengthen your internal quality control system.

Sincerely,

A handwritten signature in cursive script that reads "Cummings Grayson & Co.".

Cummings Grayson & Company P.A.
Marcia G. Grayson-Carty, CPA
Managing Principal



July 28, 2014

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor
Broward County Public Schools
600 S. E. 3rd Avenue
Fort Lauderdale, Florida 33301

Dear Mr. Reilly,

We have completed a peer review of the Office of the Chief Auditor, Broward County Public Schools for the period July 1, 2010 through June 30, 2014 and issued our report thereon dated July 28, 2014. We are issuing this companion letter to offer observations and suggestions stemming from our peer review.

First, we would like to mention some of the areas in which we believe your office excels:

- The Chief Auditor's Office has attracted highly qualified staff with expertise and credentials in a variety of areas. The twenty-one current staff members had a total of eight (8) professional designations including five (5) Certified Public Accountants, one (1) Certified Construction Auditor, and two (2) other professional designations.
- In response to its 2010 peer review, the department developed an extensive action to ensure adherence to its quality control system, enhancing ethics and independence training, with an emphasis on continued professional education, including other disciplines necessary in order to effectively audit property, facilities (construction included), and operations.
- The Chief Auditor's Office has developed and implemented an effective and efficient system for following up on the status of outstanding audit recommendations, which has improved workpaper support and credibility.
- The work paper files are exceptionally well organized, and support all conclusions derived; with the OCA staff maintaining a superior quality of work performed, referencing and cross-referencing documentation carefully.
- Because the department is constantly conducting self-assessment, which incorporates the results of prior peer review, training and professional development opportunities and knowledge expansion, the Office of the Chief

Auditor has expanded its provision of services to include consulting, financial viability analysis, and other non-audit services. This process has promoted the expertise, dedication, and enthusiasm of professional staff.

We offer the following observations and suggestions to enhance your organizations demonstrated commitment and adherence to Government Auditing Standards:

- Condition: Consideration of Independence on Non-Audit Services

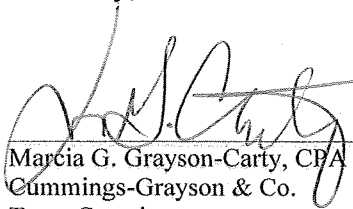
In 2011, GAGAS revision requires that the auditor considers whether independence has been adversely impacted by the provision of non-audit services [GAS 2.12]. There must be a consideration of the threats to independence, such as a self-review for subsequent related audits [GAS 3.34]. Policies and procedures for conducting and reporting on non audit services must include assessments of independence impairment [GAS 3.36], applications of safeguards [GAS 3.43, 3.44], documentation of the analysis [GAS 2.13], management assumption of responsibilities [GAS 3.37], and conclusions. While the independence consideration is well documented with audit engagements, several non-audit engagements reviewed did not always document the independence consideration.

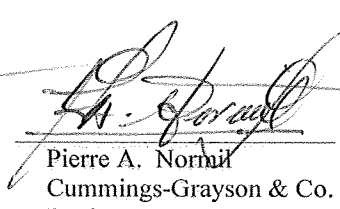
Recommendation:

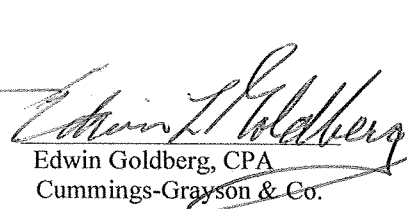
Modify the existing report for non-audit services provided by the Office of the Chief Auditor, consistent with GAGAS in the external communication to the party requesting the service; and reflect the consideration of independence, management's assumption of responsibilities, and the auditor's understanding of the audited entity's management role [GAS 3.39,3.59] on the non-audit program, workpapers, and reports (including property audits). ***This modification was implemented before the issuance of this peer review report.***

We want to commend the Office of the Chief Auditor for its accomplishments, including professional and superior work performed by its management and staff, and its hospitality and cooperation extended to us during our review.

Sincerely,


Marcia G. Grayson-Carty, CPA
Cummings-Grayson & Co.
Team Captain
Miami, Florida


Pierre A. Normil
Cummings-Grayson & Co.
Reviewer
Miami, Florida


Edwin Goldberg, CPA
Cummings-Grayson & Co.
Reviewer
Miami, Florida

CC: Audit Committee Chairperson



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

600 SE 3rd AVENUE • FORT LAUDERDALE, FLORIDA 33301 • TEL 754-321-2400 • FAX 754-321-2719

Office of the Chief Auditor
Patrick Reilly, Chief Auditor
www.browardschools.com

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Superintendent of Schools

August 4, 2014

Cummings Grayson & Company P.A.
Marcia G. Carty, CPA
915 N.W. 1st Avenue
Suite 3 A
Miami, FL 33136

Dear Ms. Carty:

Re: Peer Review and Management Letter Response

Thank you for participating in the Office of the Chief Auditor's Peer Review. We appreciate your time and the expertise that you brought to this endeavor.

We are pleased that your review found the Office of the Chief Auditor to be in full compliance with Government Auditing Standards (GAS). As the second peer review that this internal audit organization has undergone, your input throughout the review has proven to be an invaluable, quality enhancing asset for our staff. Your recognition of our staff as highly trained and extensively well qualified is appreciated.

We concur and we have implemented your recommendations in the management letter. We appreciate your comments on ways to further strengthen our internal quality control system. As mentioned in your management letter, our department takes extensive steps to ensure adherence to its quality control system, enhancing ethics and independence training, with an emphasis on Continuing Professional Education.

Our entire staff found the peer review to be a valuable and constructive process. We greatly appreciate the professionalism that you displayed and the insights that you shared with us from your experiences.

Thank you so much for participating in our peer review.

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor