

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**CURRENT STATUS OF THE IMPLEMENTATION OF FINDINGS AND
RECOMMENDATIONS IDENTIFIED IN THE JANUARY 2011 GRAND
JURY REPORT**

JANUARY 7, 2016

Patrick Reilly, Chief Auditor
Office of the Chief Auditor
The School Board of Broward County, Florida
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As agreed to in our engagement letter dated October 26, 2015, we performed limited consulting procedures (as described below) to The School Board of Broward County (the District) in accordance with the terms and conditions of RFP 11-013V. These procedures were performed solely to assist the District in determining whether or not certain action items relating to ethics as delineated by the Chief Auditor in the Plan of Action to Address the Findings and Recommendations of the Grand Jury Report have been implemented. In performing our services, we relied on the sufficiency, accuracy, and reliability of information provided by the Board. We did not independently verify the information provided to us.

Our work plan primarily consisted of reviewing documents and other records, making inquiries of the Board Chair and District personnel, observations, and analyzing the information obtained by us during the course of our procedures. The specific procedures and results are outlined below.

Our procedures were performed pursuant to the Standards for Consulting Services issued by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform, an audit or an examination, the objective of which would be the expression of an opinion on the financial statements of the District. Because the procedures do not constitute an audit or examination, we did not express an opinion on any of the accounts or any other items. If we were to perform additional procedures, other matters might have come to our attention that would be reported to you.

Our engagement cannot be relied upon to disclose errors, irregularities or illegal acts, including fraud or defalcations that may exist. Based on the procedures performed, we did not become aware of any material errors, irregularities or illegal acts. In addition, our engagement does not constitute any form of a fairness opinion.

Our findings below are intended solely for the use of the District and School Board Members in connection with evaluating and understanding the status of certain action items relating to ethics as delineated by the Chief Auditor in the Plan of Action to Address the Findings and Recommendations of the Grand Jury Report, and should not be used by the Board or any other parties for any other purposes without our prior written consent.

Current Status of Implementation of Findings and Recommendations Identified by the Grand Jury Relating to Ethics Issues

For full description of the findings identified and recommendations provided by the Grand Jury in their report dated January 2011, the reader should obtain a copy from the School Board of Broward County as well as a copy of the School Board of Broward County's (the District) Plan of Action to Address the Findings and Recommendations of the Grand Jury Report. For further description of the District's responses and items examined to determine the status of the implementation of the responses that did not pertain to any Ethics findings can be obtained from the Office of the Chief Auditor. In 2012, an initial review of the Status of Implementation of Findings and Recommendations Identified by the Grand Jury only related to Ethics findings was performed by an external Certified Public Accounting firm.

1. **Grand Jury Recommendation #2:** "Refuse campaign contributions from contractors, vendors and others doing business with the Board".
 - **HCT Status of Implementation:** The internal mechanisms have been implemented for Recommendation #2. HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on the evidential matter obtained HCT noted this recommendation continues to be in effect up to and as of January 7, 2016
 - **Original Response from School Board of Broward County Florida:** Solicitation of campaign contributions is incorporated in the proposed Ethics Code for School Board Members. School Board Members will discuss campaign contributions (from entities doing business with The School Board) when the proposed policy is presented at the March 8, 2011 School Board Workshop. The newly developed Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board Meeting. The amendments incorporated at its first reading add further accountability to this policy. One of the amendments specifically related to campaign contribution fundraising. The amendment states, "School Board Members shall not accept campaign contributions for their own campaigns or the campaigns of other candidates for political office from a person or an entity, its principals, or their lobbyists during the period in which said person or entity is attempting to sell goods or services to The School Board. This period of limitation upon the acceptance of campaign contributions shall be the "cone of silence" period for any solicitation for a competitive procurement as described in School Board Policy 3320, Part II, Section HH." This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.
 - **Prior External Auditor Reported Status as of October 8, 2012:** The recommendation has been implemented as described in the District's response. The initial policy 1007 that was obtained from the District's website did not include the language identified in the

District's response above. A more updated version was obtained from the District's intranet which contained the revised language mentioned above and has been updated on the website as of the date of our report. Per examination of the revised policy 1007, the language was added to page 9 of the document.

2. **Grand Jury Recommendation #3:** "Require mandatory ethics training and testing by an outside agency".

- **HCT Status of Implementation:** HCT attended the 2015 mandatory ethics training. WE noted that all School Board members were present. The ethics training was presented topics of relevance to the School district and areas noted by the State of Florida. Based on our attendance and observation at the 2015 ethics training, we noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** "Actions to be taken" subsequent to the receipt of the Grand Jury Report:
 - i. The draft Ethics Code for School Board Members will be discussed at the March 8, 2011 Board workshop. The draft policy was presented and thoroughly discussed at the March 8, 2011 Board Workshop.
 - ii. Feedback from the March 8, 2011 workshop will be considered and the Ethics Code for School Board Members will be placed on the March 21, 2011 Board meeting agenda for first reading. The Ethics Code will receive final approval in accordance with applicable statutes requiring public notice prior to final reading. The newly developed Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board Meeting. The amendments incorporated at its first reading added further accountability to this policy. This policy is scheduled to return to the Board for its final reading on May 3, 2011, in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.
 - iii. The District will invite the Executive Director and General Counsel of the Florida Commission on Ethics to present ethics training to the School Board at its April 14, 2011 retreat. At this retreat, the Executive Director of the Florida School Boards Association will also present training on school board governance. The District will retain the services of an independent audit firm, specializing in ethics testing, to perform comprehensive ethics testing of the District and its policies and procedures on an ongoing basis. These testing services will be coordinated through the District's Office of the Chief Auditor; and the initial testing will be conducted no later than the conclusion of the 2011-2012 school year. Subsequently, this ethics testing will minimally be conducted every three years or as requested by the Superintendent or the School Board Chair.

Prior External Auditor Reported Status as of October 8, 2012: Recommendation has been implemented as described in the District's response.

- i. Prior External Auditor examined the adopted Ethics Code for School Board Members.
 - ii. Prior External Auditor noted that the policy was approved on May 3, 2011 as documented by the District. This approval was identified on page 39 of the School Board minutes of May 3, 2011.
 - iii. The ethics training did occur at the April 14, 2011 Board retreat. In addition, the District retained the services of Prior External Auditor LLP, an independent audit firm, to determine the status of implementation of the ethics related responses to the Grand Jury Report findings.
3. **Grand Jury Recommendation #4:** "All late additions to the Board's agenda must be discussed at a public meeting".
- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
 - **Original Response from School Board of Broward County Florida:** Policy 1100A outlines the rules for the scheduling of meetings and establishment and disposition of agendas. To ensure added agenda items cannot be approved on the School Board's Consent Agenda, the Superintendent will initiate the necessary revision to this policy to require all added agenda items be included on the Board's Open Agenda to encourage public input and promote transparency. This policy will be presented to the School Board for discussion at its March 29, 2011 workshop. The revisions to the policy will be presented for first reading at the April 19, 2011 School Board meeting. The policy revisions will receive final approval in accordance with applicable statutes requiring public notice prior to final reading. The revision to Policy 1100A was presented to the School Board at its March 8, 2011 Board Workshop. The revisions include adding language that (1) Official action by the School Board shall be taken only at regular and special School Board Meetings, (2) Except for added speakers, all items added to an agenda for good cause are to be placed on the Open Agenda, (3) All items with a financial impact are to be placed on the Open Agenda, and (4) Items for reduction of retainage and receipt of audits are to be placed on the Open Agenda. The revised policy was presented for first reading and approved at the March 21, 2011 School Board Meeting. This policy is scheduled to return to the Board for its final reading on May 3,

2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.

- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response. Prior External Auditor examined the Policy 1100A - Rules for the Scheduling of Meetings and Establishment and Disposition of Agendas noting that the language included in the District's response above has been incorporated. Prior External Auditor examined page 42 of the School Board minutes of the Board meeting held on March 21, 2011 noting the approval of Policy 1100A.
4. **Grand Jury Recommendation #5:** "Add more detail to agenda items or provide a link to where more information concerning the item can be found".
- **HCT Status of Implementation:** HCT noted this recommendation has been formally implemented and continues to be in effect up to and as of January 7, 2016.
 - **Original Response from School Board of Broward County Florida:**
The School Board's e-agenda provides links to all of the supporting documentation contained within an ARF. The School Board's e-agenda is located at the following web address
<http://eagenda3.broward.k12.fl.us/cgi-bin/WebObjects/eAgenda.woa/wa/displayCalendar>.
The School Board's Agenda Request Form (ARF) includes summary information pertaining to the recommended Board action and a background section to explain the item and its history. The Superintendent of Schools will reiterate to the Executive Leadership Team the requirement to include adequate supporting documentation as a component of all ARFs. The Superintendent discussed this issue with his Executive Leadership Team (ELT) and directed all staff to provide complete explanation with the recommendation along with adequate supporting documentation to justify the recommendation and demonstrate compliance with applicable statutes and Board policies.
 - **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response. Prior External Auditor utilized the link in the District's response section above to access the School Board's E-Agenda site. Prior External Auditor obtained the School Board minutes for the Board meetings held June 19, 2012 and May 30, 2012, and selected items from each for testing of the Board's response to recommendation. Based on the District's response, the staff is to provide complete explanation with the agenda items along with adequate supporting documentation to justify the recommendation and demonstrate compliance with applicable statutes and Board policies. Prior External Auditor received support for items JJ-5 to JJ-6 in the May 30, 2012 minutes. Prior External Auditor examined Agenda Item JJ-4 noting that it was postponed (not approved) to allow the staff to provide additional information. Prior External Auditor examined the supporting documentation for the item including the Certificate of Occupancy (CO) which was presented as Exhibit 6

(associated with item JJ-5), noting that the project was substantially complete. The CO was signed by Henry Glass – Engineer and Robert Hamberger – Building Official. In addition, staff also included the certificate of final inspection which certifies that the work required under the contract was completed in accordance with the approved contract documents. Prior External Auditor examined the Agenda Request Form for item JJ-6 noting that the Board action was approved. The Agenda Request Form was signed by Ann Murray – School Board Chair. The amount to fund the increase in supplemental/reimbursable fees will be taken from the furniture and equipment line of the budget. The increase is requested since the current architect’s project specific professional liability insurance expired on March 30, 2012 and their contract administration services were extended at the Board’s meeting on May 1, 2012 to June 29, 2012; therefore the architect is required to extend the coverage.

5. **Grand Jury Recommendation #6:** “Reduce the threshold on spending items on the consent agenda.”

- **HCT Status of Implementation:** The District implemented Recommendation #6 as a part of its corrective action plan. HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** Policy 1100A outlines the rules for the scheduling of meetings and establishment and disposition of agendas. Currently, Rule #7 dictates all facility items above \$1 million and all other items above \$500,000 are to be placed on the Open Agenda. This does not include agenda items with a positive financial impact to the District. This policy will be presented to the School Board for discussion at its March 29, 2011 workshop. The revisions to the policy will be presented for first reading at the April 19, 2011 School Board meeting. The policy revisions will receive final approval in accordance with applicable statutes requiring public notice prior to final reading. The revision to Policy 1100A was presented to the School Board at its March 8, 2011 Board Workshop. The revisions include adding language that (1) Official action by the School Board shall be taken only at regular and special School Board Meetings, (2) Except for added speakers, all items added to an agenda for good cause are to be placed on the Open Agenda, (3) All items with a financial impact are to be placed on the Open Agenda, and (4) Items for reduction of retainage and receipt of audits are to be placed on the Open Agenda. The revised policy was presented for first reading and approved at the March 21, 2011 School Board Meeting. This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.
- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District’s response. Prior External Auditor examined the Policy 1100A - Rules for the Scheduling of Meetings and Establishment

and Disposition of Agendas noting that the required language has been incorporated. Prior External Auditor examined page 42 of the School Board minutes of the Board meeting held on March 21, 2011 noting that the approval of Policy 1100A.

6. **Grand Jury Recommendation #7:** “Remove retainage reductions from the consent agenda”.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District’s responses to each finding. Based on our review of the District’s implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** The Superintendent will initiate revisions to Policy 1100A - Rules For the Scheduling of Meetings and establishment and Disposition of Agendas to require all recommendations to reduce retainage be processed on the School Board's Open Agenda encouraging public input and promoting transparency. Retainage reduction items will no longer be approved on the Consent Agenda. The proposed revisions will be presented to the School Board for discussion at its March 29, 2011 workshop. The revisions to the policy will be presented for first reading at the April 19, 2011 School Board meeting. The policy revisions will receive final approval in accordance with applicable statutes requiring public notice prior to final reading. The revision to Policy 1100A was presented to the School Board at its March 8, 2011 Board Workshop. The revisions include adding language that (1) Official action by the School Board shall be taken only at regular and special School Board Meetings, (2) Except for added speakers, all items added to an agenda for good cause are to be placed on the Open Agenda, (3) All items with a financial impact are to be placed on the Open Agenda, and (4) Items for reduction of retainage and receipt of audits are to be placed on the Open Agenda. The revised policy was presented for first reading and approved at the March 21, 2011 School Board Meeting. This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption. Additionally, staff has developed a new exhibit to be included as a component of all retainage reduction School Board Agenda items. The new exhibit outlines all pertinent information regarding the remaining work to be completed on the project, its estimated value of construction, and demonstrates there is adequate retainage to complete the outstanding work. The exhibit also documents the project has been issued a 110B form by the Building Department, and contains language affirming the retainage reduction recommendation complies with applicable statutes and Board Policy 7005. The exhibit is executed under signature of the Deputy Superintendent of Facilities & Construction Management.

- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District’s response. Prior External Auditor examined the Policy 1100A - Rules for the Scheduling of Meetings and Establishment and Disposition of Agendas noting that the required language has been incorporated. Prior External Auditor examined page 42 of the School Board minutes of the Board meeting held on March 21, 2011 noting the approval of Policy 1100A. Prior External Auditor examined the form noting that it has been developed and implemented. In the selections tested above (JJ-5 & JJ-6) the form was included in the supporting documentation. In addition, the retainage reductions were presented as open agenda items.
7. **Grand Jury Recommendation #9:** “Require recommendation of the Superintendent or the Deputy Superintendent for reduction in retainage be in writing and under their signature”.
- **HCT Status of Implementation:** Based on your procedures performed and the evidence obtained, this recommendation has a finding. The SBBC should implement a standard form for retainage reductions below 5% when over 50% of the project has been completed. We noted instances where the retainage was reduced below 5% before final project completion. School Board of Broward policy 1100A and policy 7005 specifically address steps for reduction in retainage. Exhibit 11 of policy 7005 – Reduction of Retainage – list the procedures and authorizations required.

Management Response from the Office of Facilities and Construction Management Department as of March 1, 2016

The District will continue to utilize the procedure established in response to the 2011 Grand Jury Report, Recommendation #9, and outlined in Policy 7005 in order to reduce retainage below 5%. In accordance with the policy, a Board Item is prepared requesting the reduction. The appropriate documentation to support the request is included in the item, specifically, that the project has achieved Substantial Completion, evidenced by a fully executed Form OEF 110b.

Additionally, the Board Item will include a Retainage Reduction Request Form that includes an explanation of the status of the work and a rationale as to why a reduction below 5% is being recommended. The item also identifies any remaining work to be performed, and an appropriate amount to be retained to complete the outstanding work (see attached form on page 27 and 28).

The Board item is placed on the Open Agenda of a Board Meeting, and is reviewed and signed off by the Chief Facilities Officer, prior to being presented for Board approval.

Excerpted from Board Policy 7005.

REDUCTION OF RETAINAGE:

PER STATUTE F.S. 255.078, RETAINAGE SHALL BE REDUCED TO FIVE (5) PERCENT AFTER THE PROJECT REACHES FIFTY (50) PERCENT COMPLETION. FURTHER REDUCTION OF RETAINAGE SHALL BE AUTHORIZED ONLY AFTER THE PROJECT ACHIEVES SUBSTANTIAL COMPLETION AND THE CERTIFICATE OF OCCUPANCY OR FORM OEF 110B HAS BEEN FULLY EXECUTED. THE RETAINAGE REDUCTION BELOW FIVE (5) PERCENT SHALL REQUIRE THE RECOMMENDATION OF THE SUPERINTENDENT OR DEPUTY SUPERINTENDENT OF FACILITIES AND CONSTRUCTION MANAGEMENT, AND BE AUTHORIZED BY BOARD ACTION

- **Original Response from School Board of Broward County Florida:** A standard written form will be developed to clearly document the approval of the reduction in retainage by the Deputy Superintendent of Facilities & Construction Management which will be submitted as part of the ARF. Included on this form will be statements assuring the necessary criteria for reducing the retainage have been met and will be signed by the Deputy Superintendent or Superintendent, per Policy 7005. The new form will be developed in concert with the revisions to Policy 1100A. It is anticipated the revisions to this policy will be presented for first reading at the April 19, 2011 School Board meeting. The form will be implemented when the policy is approved at final reading. The revision to Policy 1100A was presented to the School Board at its March 8, 2011 Board Workshop. The revisions include adding language that (1) Official action by the School Board shall be taken only at regular and special School Board Meetings, (2) Except for added speakers, all items added to an agenda for good cause are to be placed on the Open Agenda, (3) All items with a financial impact are to be placed on the Open Agenda, and (4) Items for reduction of retainage and receipt of audits are to be placed on the Open Agenda. The revised policy was presented for first reading and approved at the March 21, 2011 School Board Meeting. This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption. Additionally, staff has developed a new exhibit to be included as a component of all retainage reduction School Board Agenda items. The new exhibit outlines all pertinent information regarding the remaining work to be completed on the project, its estimated value of construction, and demonstrates there is adequate retainage to complete the outstanding work. The exhibit also documents the project has been issued a 110B form by the Building Department, and contains language affirming the retainage reduction recommendation complies with applicable statutes and Board Policy 7005. The exhibit is executed under signature of the Deputy Superintendent of Facilities & Construction Management.
- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response. Prior External Auditor examined policy 7005 noting that there is a requirement for the Superintendent and/or Deputy Superintendent to recommend the reduction of retainage below 5% as well as Board approval. Prior External Auditor noted that within the supporting documentation

for items JJ-5 and JJ-6, the retainage reduction forms were approved by the Board and signed by the Superintendent.

8. **Grand Jury Recommendation #13:** “Create independent office of Inspector General to monitor the Board and District”.

- **HCT Status of Implementation:** HCT reviewed this area for improvement as outlined by the 2011 Grand Jury report. HCT noted this recommendation has not been implemented by the District as of January 7, 2016. The District has chosen not to create an office of Inspector General.
- **Original Response from School Board of Broward County Florida:** Broward County Government recently adopted an ordinance, which was later approved by the voters as a charter amendment, to create an Inspector General's Office. The General Counsel's Office for the School Board has been in communication with the County Attorney's office to discuss the feasibility for this Inspector General to provide the same oversight to the District. The District will continue discussions with the County Attorney's Office to explore this alternative. The District has also developed the Broward County Public Schools Professional Ethics website (www.broward.k12.fl.us/ethics). The purpose of this website is to provide School Board Members and District employees a single point of reference for ethics related issues and concerns. Included in this site are frequently asked questions, a direct link to the Florida Commission Ethics Website, a PowerPoint for "Sunshine Amendment and Code of Ethics for Public Officers and Employees", instructions for filing an anonymous complaint directly with the Commission, copies of District ethics-related policies, and the State Commission Ethics Hotline. The PowerPoint was included in a presentation to School Board Members on May 11, 2010 by Mr. Phillip Claypool, Executive Director and General Counsel for the Florida Commission on Ethics.
- **Prior External Auditor Reported Status as of October 8, 2012:** It is our understanding that as of the date of our report that the District has elected not to contract with the Broward County Inspector General's office or to create a separate office or to monitor the Board and District. The link provided in the response above (www.broward.k12.fl.us/ethics) is an active link as of the date of these procedures.

9. **Grand Jury Recommendation #15:** “Remove all involvement by Board members in the selection of contractors, vendors, or financial institutions.”

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this

recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.

- **Original Response from School Board of Broward County Florida:** This recommendation was fully implemented prior to the release of the Grand Jury's Final Report. By November 2010, the School Board removed itself from all committees involving the procurement of goods or services for the District. This includes the Superintendent's Insurance Committee/ Financial Advisory Committee, and the Qualification Selection Evaluation Committee (design professional and contractor selection committee). Currently, Board Members do not participate in the evaluation or selection process for any goods or services procured by the District.
 - **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response. Prior External Auditor examined the Revised Policy 1007 - Ethics Code for School Board Members noting the following language was included in the policy "A School Board Member shall not serve as a member of a school district procurement selection or evaluation committee, shall not influence the selection of persons serving on such committees, shall not participate or interfere in any manner with the functions or activities of such committees, and shall not interfere with the performance by school district staff of their duties pertaining to the selection process".
10. **Grand Jury Recommendation #16:** "No official business conducted between school board members and staff nor should Board members attempt to influence staff regarding official business. All business should be done with Superintendent or manager of department, or personally at public school board meeting".
- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
 - **Original Response from School Board of Broward County Florida:**
 - i. Section 286.011, Florida Statutes, requires official business must be conducted in a public meeting. An annual training program will be developed for School Board Members to be held each year as part of the opening of the school year in July. The training will include pertinent topics regarding board governance, public records, Sunshine Law requirements, and ethics. This training will be developed by May 31, 2011, in order to deliver the first training in July 2011.
 - ii. A review of this statute, School Board Policy 1005, and the appropriate role of School Board Members in daily operations will be incorporated within this annual training. The newly developed Ethics Code for School Board Members was

approved as amended at its first reading at the March 21, 2011 School Board Meeting. The amendments incorporated at its first reading added further accountability to this policy. This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.

ii. Additionally, the District's new Ethics Code for School Board Members requires, "Each School Board Member shall annually attend or participate in a minimum of four hours of continuing education training on the topics of the Florida Sunshine Law, Florida Open Public Records Act, and Ethical Standards contained in part III of Chapter 112, Florida Statutes (The Code of Ethics for Public Officers and Employees), and under this policy."

• **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response.

- i. Prior External Auditor examined the PowerPoint slides of training noting that the topics maintained in the District's response were covered.
- ii. Ethics code was developed and approved as described above.
- iii. The 4 hours of training mentioned above required for Board Members is present on the new ethics policy for Board Members. See pages 10 and 11 of School Board policy 1007.

11. **Grand Jury Recommendation #18:** "No decisions, formal or informal, should be made other than at a regularly scheduled Board meeting".

• **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.

• **Original Response from School Board of Broward County Florida:** An annual training program will be developed for School Board Members to be held each year as part of the opening of the school year in July. The training will include pertinent topics regarding board governance, public records, Sunshine Law requirements, and ethics. This training will be developed by May 31, 2011, in order to deliver the first training in July 2011. Similar training already exists to orient newly elected School Board Members within 30 days of the School Board's November Organizational Meeting. The revision to Policy 1100A was presented to the School Board at its March 8, 2011 Board Workshop. The revisions include adding language that (1) Official action by the School Board shall be taken only at regular and special School Board Meetings, (2) Except for added

speakers, all items added to an agenda for good cause are to be placed on the Open Agenda, (3) All items with a financial impact are to be placed on the Open Agenda, and (4) Items for reduction of retainage and receipt of audits are to be placed on the Open Agenda. The revised policy was presented for first reading and approved at the March 21, 2011 School Board Meeting. This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.

- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response. This recommendation is addressed by Policy 1005 "School Board Responsibilities and Authority", item #3. This item states that "The School Board is a corporate entity and shall take action only when the Board meets in accordance with Florida Statutes. School Board Members are free to express their opinion; however, they cannot make a representation on behalf of the School Board unless official action has been taken".

12. **Grand Jury Recommendation #19:** "No discussions should be had other than at Board meetings or workshops as per Sunshine Law requirements".

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** An annual training program will be developed for School Board Members to be held each year as part of the opening of the school year in July. The training will include pertinent topics regarding board governance, public records, Sunshine Law requirements, and ethics. This training will be developed by May 31, 2011, in order to deliver the first training in July 2011. Similar training already exists to orient newly elected School Board Members within 30 days of the School Board's November Organizational Meeting.
- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented through Policy 1005. This policy states that "School Board Members are free to express their opinion; however they cannot make a representation on behalf of the School Board unless official action has been taken." Secondly, per examination of policy 1100A, official action is required to be taken only at regular or special meetings

13. **Grand Jury Recommendation #20:** "Prohibit gifts of any value to any Board member or District employee from anyone doing business with the District or lobbying the Board".

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** The District established an Ethics Committee to develop recommendations for a comprehensive ethics policy. The School Board conducted several workshops to discuss the recommendations presented by the Ethics Committee. The feedback has been incorporated into a draft Ethics Code for School Board Members, which will be discussed at the March 8, 2011 Board workshop. The draft code includes specific information discussing the receipt of gifts, in accordance with applicable Florida Statutes. Feedback from the March 8, 2011 workshop will be considered and the Ethics Code for School Board Members will be placed on the March 21, 2011 Board meeting for first reading. The Ethics Code received final approval in accordance with applicable statutes requiring public notice prior to final reading. The newly developed Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board Meeting. The amendments incorporated at its first reading added further accountability to this policy. This policy was scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption. The District has a current policy that discourages gifts from students and/or parents to employees. The District completed a public forum to receive feedback regarding a major revision to this policy on February 18, 2011. The new policy was presented to the School Board at their March 8, 2011 workshop. Management made applicable modifications to the draft policy based on the discussion at the workshop. The modified policy was placed on the next regularly scheduled School Board meeting agenda on March 21, 2011 for first reading. The policy revisions received final approval in accordance with applicable statutes requiring public notice prior to final reading. The District's revised gift policy for employees was presented for first reading and approved at the March 21, 2011 School Board Meeting. This policy was scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.
- **Prior External Auditor Reported Status as of October 8, 2012:** Recommendation has been implemented as described in the District's response. The Ethics Code for School Board Members (Policy 1007) was developed and approved. The policy reads as follows for solicitation or acceptance of gifts: "No School Board Member shall solicit or accept anything of value to the School Board Member, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the School Board Member would be influenced thereby" (page 3 of policy). The policy reads as follows for no solicitation of gifts from a lobbyist: "School Board Members shall not solicit any gift from a lobbyist, or from any principal

or employee of such lobbyist, or from any vendor or contractor that provides goods or services to The School Board, where such gift is for the School Board Member's benefit or that of any other person on his or her behalf" (page 3). Also see section 2.3 (limitations upon acceptance of gifts from a lobbyist) and 2.4 (acceptance of other gifts) of this policy for additional guidance. Prior External Auditor examined the Agenda Request form dated March 21, 2011 approving the policy (5202 Gift: Solicitation and Receipt).

In addition to the recommendations above, HCT Certified Public Accountants and Consultants, LLC also examined other items noted in the Grand Jury Report as delineated by the Chief Auditor. See additional items and the status of implementation below:

Finding – Letter B Title – Failures of the Board Condition – (1) Micromanaging and lack of Accountability

B.1.a. – The Consultant: A series of contracts for consulting services between 2007 and 2010 are an example of how the consent agenda can be used to hide both wasteful spending and micro-managing by the Board. In 2005 the District and Board underwent an accreditation review by the Southern Association of Colleges and Schools (SACS). SACS determined that Board members were not acting in a collegial, cohesive manner, and in fact the Board was dysfunctional and prone to petty infighting. As a result, it was determined that an outside consultant would be hired to provide training to the Board. Before the deputy superintendent who was tasked with finding/screening candidates could finish, she met with the former Board chair who told her “we found someone we like”. While the deputy assumed the “we” meant the Board as a whole, in fact the Board chair was simply passing on a name given to her by another Board member who in turn had met the consultant at dinner with her lobbyist husband. The consultant, we were told, had previously worked with the Board member's husband on a similar project. Neither the deputy, nor the superintendent questioned why a Board member would be hand picking a consultant. After meeting with the Board chair, the deputy superintendent requested that the proposal to hire the consultant be placed on the Board agenda. Because the contract was under \$1 million, it went on the consent agenda and without public discussion or debate the contract was approved. A series of contract renewals were placed on the consent agenda over the next three years, ultimately paying the consultant \$331,000. The first two agenda items dated February 20, 2007 and May 22, 2007, were for contracts with caps of \$75,000 and \$100,000. Neither Board item mentioned the SACS recommendation as justification. The first consent agenda item to mention the SACS recommendation was dated October 21, 2008. That agenda item also added the “facilitation” of the Superintendent's evaluation to the scope of the consultant's work, though using a consultant to assist the Board in evaluating the Superintendent was never mentioned in the SACS audit recommendations. Previously that had been done for free by District staff. Later the scope of his work was expanded again to include transitioning the current Board attorney to an emeritus position, and helping to hire a new Board attorney. These decisions to expand the scope of the consultant's work were not made at regular Board meetings not even workshops, but instead during the Board training sessions

with the consultant. These decisions were then ratified without debate or public discussion by using the consent agenda. In July 2008 the Board voted to pay dues to the Florida School Boards Association in the amount of \$23,649 for the year. One of the perks of belonging to that organization (besides free life insurance for Board members) is leadership training for Board members, leading to certifications such as Certified Board Member, Advanced Boardmanship Certification, Master Board and Certified Board Distinction. So far as we know the Board never considered this or any other option. Here we see how an individual Board member, acting behind the scenes and off the record can push through an entire school with little discussion and virtually no accountability with the help of the consent agenda.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.

- **Original Response from School Board of Broward County Florida:**
 - i. The Grand Jury Report indicates the consultant agreement was approved on the Consent Agenda and is suggestive that placing this Agenda item on the Consent Agenda allowed it to garner approval without any debate or public input. This is not accurate and demonstrates a misunderstanding of the Consent Agenda, which is repeated within several findings within the Grand Jury Report. The Board Agenda item to hire this consultant did not pass on the Consent Agenda. It was pulled by a Board Member for discussion. Exhibit J in the Board Minutes from the February 20, 2007 School Board Meeting summarizes the discussion regarding the issue prior to a vote approving the item. Board Members and the general public have the ability to "pull" any Agenda Item on the Consent Agenda, as in the case with this consultant agreement, for discussion prior to the Board's voting on the item. In such instances, the item receives all of the attention that an item on the Open Agenda would receive. The only distinction of the Open Agenda is that each item requires an individual vote by the Board prior to approval of items. Routinely, items are approved by the Board on its Open Agenda, which receive no discussion prior to the vote. The Consent Agenda does not serve to circumvent discussion on an item; it is merely intended to make the Board Meeting more efficient by grouping items where Board Members and the public do not have questions or comments and approve them under a single vote.
 - ii. Any concerns regarding the Board's Consent Agenda should be resolved by the changes to Policy 1100A. The changes in this policy require all items with a financial impact to be placed on the Open Agenda. This policy is scheduled to return to the Board for its final reading on May 3, 2011 in accordance with applicable statutes requiring 28-day public notice prior to final reading.

- iii. The draft Ethics Code for School Board Members was presented and discussed at the March 8, 2011 Board workshop. The draft policy was presented and thoroughly discussed at the March 8, 2011 Board workshop.
 - iv. The newly adopted Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board meeting. The amendments incorporated at its first reading added further accountability to this policy. This policy is scheduled to return to the Board for its final reading on May 3, 2011, in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.
 - v. The District will invite the Executive Director and General Counsel of the Florida Commission on Ethics to present second ethics training to the School Board at its April 14, 2011 retreat. At this retreat, the Executive Director of the Florida School Boards Association will also present training on school board governance.
 - vi. Section 286.011, Florida Statutes, requires official business must be conducted in a public meeting. An annual training program will be developed for School Board Members to be held each year as part of the opening of the school year in July. The training will include pertinent topics regarding board governance, public records, Sunshine Law requirements, and ethics. This training will be developed by May 31, 2011, in order to deliver the first training in July 2011. A review of this statute and School Board Policy 1005 will be incorporated within this annual training.
- **Prior External Auditor Reported Status as of October 8, 2012:** Response to the condition example has been implemented as described in the District's response.
 - i. Prior External Auditor examined the minutes for the meeting of February 20, 2007 noting that the Board Agenda item to hire this consultant did not pass on the Consent Agenda. It was pulled by a Board Member for discussion. The Board Minutes from the February 20, 2007 School Board Meeting summarize the discussion regarding the issue prior to a vote approving the item.
 - ii. Prior External Auditor examined the minutes of the March 21, 2011 noting that the changes were approved at first reading.
 - iii. Prior External Auditor examined the final and approved Ethics Code for School Board Members.
 - iv. The newly developed Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board Meeting.
 - Prior External Auditor examined the PowerPoint slides developed for the training noting that the topics mentioned on the district's response were covered. vi. Prior External Auditor examined the PowerPoint slides developed for the training noting that the topics mentioned on the district's response were covered

B.1.b. – Beachside Boondoggle (Montessori): The issue with Beachside is neither the Montessori nor the K-8 concept but rather whether it was fiscally responsible to build a new school in an area of under enrolled schools particularly in light of overcrowding in other areas of the county. The process was not open and transparent and the Board engaged in underhanded tactics to build this and other schools at a time when it knew the District had an excess of capacity. The project was prematurely rushed to contract without final plans in place in order to avoid a looming building moratorium by the State DOE, which led to millions of dollars in change orders and months of delay. This practice of starting schools before plans are finalized was condemned by the 2002 Grand Jury. If one were to simply look at the official Board and District records for Beachside Montessori, there would be no definitive way to tell why it was built, who decided it should be built, who decided it should initially be a kindergarten through 5th grade school, who decided to change it to kindergarten through 8th grade school and finally, who decided it should be a Montessori school. In our view the inaction of both the Board and the District leadership allowing an individual Board member to unilaterally shove through a “pet project” was a gross dereliction of duty on their parts. This “process” doesn’t sit well with us and we doubt it will sit well with the taxpayers who in the end had to pay over \$25 million for an unnecessary school building.

- **HCT Status of Implementation** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District’s responses to each finding. Based on our review of the District’s implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.

- **Original Response from School Board of Broward County Florida:**
 - i. All school construction is required to be identified within the District's Educational Facilities Plan. This plan is updated annually and receives formal Board approval. Additionally, issues relating to boundaries and student enrollment projections are also reviewed at School Board Workshops. The construction of this facility was identified within the District's Educational Facilities Plan and at the onset of the determination to build this facility future enrollment projections for this boundary supported its construction.
 - ii. The draft Ethics Code for School Board Members was presented and thoroughly discussed at the March 8, 2011 Board workshop.
 - iii. The newly adopted Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board meeting. The amendments incorporated at its first reading added further accountability to this policy. This policy is scheduled to return to the Board for its final reading on May 3, 2011, in accordance with applicable statutes requiring 28-day public notice prior to policy adoption.

- iv. The District will invite the Executive Director and General Counsel of the Florida Commission on Ethics to present second ethics training to the School Board at its April 14, 2011 retreat. At this retreat, the Executive Director of the Florida School Board Association will also present training on school board governance.

Effective immediately, all business involving the District's plant survey will be presented and discussed at Board Workshops and require formal Board approval at a School Board Meeting to further ensure transparency and build public trust.

Prior External Auditor Reported Status as of October 8, 2012: Response to the condition example has been implemented as described in the District's response.

- i. Prior External Auditor received the District Educational Facilities Plan for fiscal years 2007 - 2008 noting that the Montessori school was present.
- ii. Ethics Code for School Board Members was developed and approved. The School Board conducted several workshops to discuss the recommendations presented by the Ethics Committee. Feedback has been incorporated into a draft Ethics Code for School Board Members. The Ethics Committee's goal was to complete the Ethics Code for School Board Members. Once the Code was created and adopted (on March 21, 2011) the committee ceased to exist. In addition, Prior External Auditor examined agendas for meetings that took place July, August, October and November 2010.)
- iii. Ethics Code for School Board Members was developed and approved. The School Board conducted several workshops to discuss the recommendations presented by the Ethics Committee. Feedback has been incorporated into a draft Ethics Code for School Board Members. The Ethics Committee's goal was to complete the Ethics Code for School Board Members. Once the Code was created and adopted (on March 21, 2011) the committee ceased to exist. In addition, Prior External Auditor examined agendas for meetings that took place July, August, October and November 2010.)
- iv. Prior External Auditor examined the PowerPoint slides developed for the training noting that the topics mentioned on the district's response were covered

Finding – Letter B Title – Failures of the Board Condition (2) – Ethical Blind Spots

16. **B.2.a. – Failure to Report Gifts:** At the semi-annual FSBA meetings, corporate sponsors treat guests to free cocktails and dinners at expensive restaurants. Several sponsors combine to host the dinner and disclose on the invitation itself that the meal need not be reported because each sponsor contributed less than \$25.00. This of course pertains to the sponsor's reporting requirement not the Board members. Board members must report all gifts valued at over \$100.00, regardless of how many donors contributed. Unfortunately it appears some Board members may have misinterpreted this footnote on the invitation as applying to them,

either out of ignorance or convenience. According to witnesses and records we reviewed, numerous Board members have attended these dinners yet our investigation reveals only one Florida Quarterly Gift Disclosure Form has been filed with the Florida Commission on Ethics by any Board member in the last five years, a remarkable record. Of course it is possible that the Board members subsequently reimbursed the sponsors for the event, which points out one of the difficulties of the current law, i.e., investigators not only have to prove the acceptance of the gift they have to prove a negative, that the value of the gift was not returned.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.

- **Original Response from School Board of Broward County Florida:**
 - i. The District established an Ethics Committee to develop recommendations for a comprehensive ethics policy. The School Board conducted several workshops to discuss the recommendations presented by the Ethics Committee. Feedback has been incorporated into a draft Ethics Code for School Board Members, which will be discussed at the March 8, 2011 Board workshop. The draft code includes specific information discussing the receipt of gifts, in accordance with applicable Florida Statutes. Feedback from the March 8, 2011 workshop will be considered and the Ethics Code for School Board Members will be placed on the March 21, 2011 Board meeting agenda for first reading. The Ethics Code will receive final approval in accordance with applicable statutes requiring public notice prior to final reading. The newly developed Ethics Code for School Board Members was approved as amended at its first reading at the March 21, 2011 School Board Meeting. The amendments incorporated at its first reading added further accountability to this policy. This policy is scheduled to return to the Board for its final reading on May 3, 2011, in accordance with applicable statutes requiring 28day public notice prior to policy adoption.
 - ii. The District has a current policy that discourages gifts from students and/or parents to employees. The District completed a public forum to receive feedback regarding a major revision to this policy on February 18, 2011. Management will make any applicable modifications to the draft policy based on the discussion at the workshop. The modified policy will be placed on the next regularly scheduled School Board meeting agenda on March 21, 2011 for first reading. The policy revisions will receive final approval in accordance with applicable statutes requiring public notice prior to final reading. The District's revised gift policy for employees was presented for first reading and approved at the March 21, 2011 School Board Meeting.

- **Prior External Auditor Reported Status as of October 8, 2012:** The District has resolved this condition example as described in their response.
 - i. The revised Ethics Code for School Board Members was examined by Prior External Auditor.
 - ii. Prior External Auditor examined the Agenda Request for dated March 21, 2011 approving the Policy (5202 Gift: Solicitation and Receipt). Subsequently this item was approved on May 3, 2011.

17. **B.2.b. – Breaches of Confidentiality:** Sometimes ethical blind spots are revealed not by actions taken but by actions not taken. For example, recent news reports detailed how a website run by a former Board member published confidential background information about a sitting Board member. The information concerned a confidential document that contained a notation that suggested it came from the District’s Special Investigation Unit. Though the breach apparently occurred back during the 2006 election cycle, it only came to light in October of 2010. Given the Board’s penchant for micromanaging in other areas we are shocked to see that the Board has taken no action to direct or ask the District to determine who was responsible for the breach; how or why such a breach occurred; what policies, if any, were violated; what policies need to be created or strengthened to prevent such a disclosure in the future, and perhaps most importantly—given the regular practice of Board members bypassing chain of command to speak directly to District personnel—whether the breach was the result of Board member action. This failure to act is either another example of nonfeasance or a failure of the Board to even recognize a serious breach of ethics, if not outright criminal conduct, possibly by one of their own. It may ultimately turn out that there is no misconduct by anyone on the Board or at the District, but the failure to even inquire and demand answers is inexcusable.

- **HCT Status of Implementation** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District’s responses to each finding. Based on our review of the District’s implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** The District has a Privacy Officer within the Risk Management Department. This individual is primarily responsible for ensuring the District protects the personal health information of employees in accordance with HIPAA regulations. The Privacy Officer will augment existing privacy training to include information regarding confidentiality of all employee information. This will be completed by April 1, 2011. Training will be specifically provided to the department involved with the reported breach immediately following its development. The District’s Privacy Officer developed a training program regarding confidentiality. This training was presented to staff of the Special Investigative Unit on

March 22, 2011 and the Security Clearance Center on March 24, 2011. The Privacy Officer will also present this training to additional departments that routinely process employee information. This information will also be incorporated within the District's employee orientation process to review policies mandated for annual training. This will begin with the 2011-2012 school year orientation. All employees, including substitute teachers will receive training regarding privacy matters. This new confidentiality training will be provided in an annual orientation.

- **Prior External Auditor Reported Status as of October 8, 2012:** The District has resolved this condition as described in the District's response. Prior External Auditor examined the PowerPoint slides developed for the training noting that the topics mentioned on the district's response were covered.

18. **B.2.d. – Voting Conflicts:** Back in July of 2010, another press report suggested that there may have been an inappropriate relationship between a Board member and a vendor to the Board. Included within that report were a series of personal and embarrassing e-mails between the two. This Board member at no time disclosed the relationship with the vendor to the public or the rest of the Board, yet voted on matters concerning the vendor that came before the Board. There appears to be no Board policy that prohibits voting in this situation, or that even requires disclosure. No Board member has, to our knowledge, inquired into the feasibility of creating a policy to cover such situations, and no one has so much asked for an agenda item to discuss this issue in general.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** Florida Statute 112.3143 contains the requirements for School Board Members regarding voting conflicts. An annual comprehensive training program will be developed for School Board Members to be held each year as part of the opening of the school year in July. The training will include pertinent topics regarding board governance, public records, Sunshine Law requirements, anti-bullying, and ethics. This training will be developed by May 31, 2011, in order to deliver the first training in July 2011. The contents of Section 112.3143, Florida Statutes will be incorporated within this annual training program.
- **Prior External Auditor Reported Status as of October 8, 2012:** The District has resolved this condition example as described in their response. Prior External Auditor examined the PowerPoint slides developed for the training noting that the topics mentioned on the district's response were covered.

19. **B.2.e. – Self Servicing:** Last May, the Board voted 5-3 to honor one of its own by naming a high school athletic field, track facility and press box after a sitting Board member. It was the second track facility named after this Board member, both of which are in that Board member's District. The principal of the affected school implied that the Board member was "involved" with the school. It's their job to be involved. If the implication is that the Board member favored this school (and the other with a track named after him) because it was in his District, then we question the wisdom of rewarding a Board member for acting parochially. Despite the fact that Board members technically represent their own district, we hope they remain aware of their responsibility to look at the big picture and act for the good of the District as a whole. We find it hard to believe that with all the people in Broward County they couldn't find one single person to honor who has done something big, something noble, made some sacrifice or done something beyond the call of duty, something other than just being an elected official. If that wasn't possible they could have at least honored the people truly responsible for the building of the facility and called it the Taxpayers of Broward County Athletic Field and Track Facility.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** School Board Policy 1401 extends naming privileges for a section of a facility to a person living or dead.
- **Prior External Auditor Reported Status as of October 8, 2012:** The District has not resolved this condition as of the date of our report. Prior External Auditor obtained the most updated 1401 policy noting that the last revision date was July 26, 2005. In addition, Prior External Auditor examined the School Board workshop minutes for the meeting held November 18, 2011 noting that there were two proposed revisions to this policy that have not been incorporated as of the date of our report

20. **B.2.f. – Stalling the Plant Survey:** Finally, in what might be the worst example, it is our conclusion that there was a deliberate, conscious effort by senior officials at the District in collusion with or at the direction of certain Board members to avoid the timely filing of an updated Plant Survey with the State Department of Education between 2006 and 2008 for the express purpose of continuing what was by then an out of control and badly mismanaged construction program. Minutes from a Project Management Staff Meeting on September 25th, 2007 attribute to Deputy Garretson the statement that "projects had to be bid because of the new state survey which is due the last of October, which will most likely remove all of our capacity additions." Each time the survey was stalled and the new deadline approached, the alarm would sound throughout the facilities department to rush plans and contracts

through to have them in place before the freeze. The Board knew as early as 2003 that enrollment was projected to flatten out by the time the new plant survey was due. In 2002 the Board had commissioned a private consultant to create a Long-Range Facility Master Plan covering the years 2003-2013. It was provided in April of 2003 at a cost of \$1.1 million. It was then promptly shelved and ignored according to high level district employees. The problem was the consultant predicted enrollment numbers well below what the District was projecting and well below what the Board wanted to hear. In hindsight the consultant's numbers were much closer to the mark than the District's.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.
- **Original Response from School Board of Broward County Florida:** Effective immediately, all business involving the District's plant survey will be presented and discussed at Board Workshops and require formal Board approval at a School Board Meeting to further ensure transparency and build public trust. The Acting Deputy Superintendent of Facilities & Construction Management issued a written communication on March 18, 2011 directing the Director of Growth Management to schedule all proposed plant survey amendments and requests for spot surveys on Board Workshop agendas.
- **Prior External Auditor Reported Status as of October 8, 2012:** The District has resolved this condition example as identified as described in their response. Prior External Auditor examined the written communication noting that it was dated March 18, 2011. In addition, the written communication contained the items mentioned in the response.

21. Condition (3) – The Problem with Single Member Districting

One of the issues raised by having single member districting is that it intensifies politician's instinct to act parochially and play to their perceived power base. This is especially a problem when the politician is a member of a Board that is supposed to act in concert for the good of the entire larger organization, i.e., the school District as a whole. Instead of fostering cooperation single-member districts tend to divide the Board as members compete for dollars for their particular district.

- **HCT Status of Implementation:** HCT reviewed the areas for improvement that were outlined by the 2011 Grand Jury report coupled with the District's responses to each finding. Based on our review of the District's implemented corrective action plan and the evidence obtained in support of the implemented steps, we, HCT noted this

recommendation has been implemented and continues to be in effect up to and as of January 7, 2016.

- **Original Response from School Board of Broward County Florida:** The District will immediately incorporate Section 1001.363, Florida Statutes, and School Board Policy 1005 within the District Resource Manual for New School Board Members. An annual training program will be developed for School Board Members to be held each year as part of the opening of the school year in July. The training will include pertinent topics regarding board governance, public records, Sunshine Law requirements, and ethics. This training will be developed by May 31, 2011, in order to deliver the first training in July 2011. The training will incorporate Section 1001.363, Florida Statutes, School Board Policy 1005, the District's ethics code, and other pertinent governance issues. Section 1001.363, Florida Statutes, and School Board Policy 1005 will be incorporated as part of emerging administrative training by April 8, 2011. Section 1001.363, Florida Statutes, and School Board Policy 1005 will be incorporated within the annual training for administration prior to the opening of the school year. This will begin with the opening of the 2011-2012 school year.
- **Prior External Auditor Reported Status as of October 8, 2012:** The District resolved this condition example as described in their response. Prior External Auditor examined policy 1005 noting that the language contained in Section 1001.363 of the Florida Statutes has been added.

This report is intended solely for the use of the Board and the District in connection with evaluating whether or not certain action items relating to ethics as delineated by the Chief Auditor in the *Plan of Action to Address the Findings and Recommendations of the Grand Jury Report* have been implemented, and should not be used by any other parties for any other purposes.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
January 7, 2016

Retainage Reduction Request

To: (Insert Project Manager's Name)

From: (Insert Contractor's Name)

Subject: (Insert Project Title)

Date: (Insert Date)

In accordance with Policy 7005 (Insert Contractor's Name) is hereby requesting a reduction of retainage below 5% to (Insert Numerical Percentage).

Excerpted from Board Policy 7005.

REDUCTION OF RETAINAGE:

PER STATUTE F.S. 255.078, RETAINAGE SHALL BE REDUCED TO FIVE (5) PERCENT AFTER THE PROJECT REACHES FIFTY (50) PERCENT COMPLETION. FURTHER REDUCTION OF RETAINAGE SHALL BE AUTHORIZED ONLY AFTER THE PROJECT ACHIEVES SUBSTANTIAL COMPLETION AND THE CERTIFICATE OF OCCUPANCY OR FORM OEF 110B HAS BEEN FULLY EXECUTED. THE RETAINAGE REDUCTION BELOW FIVE (5) PERCENT SHALL REQUIRE THE RECOMMENDATION OF THE SUPERINTENDENT OR DEPUTY SUPERINTENDENT OF FACILITIES AND CONSTRUCTION MANAGEMENT, AND BE AUTHORIZED BY BOARD ACTION.

Substantial Completion has been achieved

_____ Contractor initial and attach supporting documentation

Certificate of Occupancy or OEF 110b has been fully executed

_____ Contractor initial and attach supporting documentation

Status of Work:

(Insert Narrative)

Rationale for reducing retainage below 5%

(Insert Narrative)

Remaining work to be performed:

(Insert Narrative)

Current Retainage: (Insert percentage and dollar amount)

Retainage being requested to be released: (Insert percentage and dollar amount)

Retainage Reduction Request

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Project Managers Recommendation:

Approve Reject Request Additional Information (See attached)

Actual Retainage recommended for released: (Insert percentage and dollar amount)

Recommended Retainage to be withheld: (Insert percentage and dollar amount)

Contractor's Authorized
Representative

_____ (Print Name) _____ (Signature) _____ (Date)

Project Manager
Recommendation

_____ (Print Name) _____ (Signature) _____ (Date)

Director
Construction

_____ (Print Name) _____ (Signature) _____ (Date)

Superintendent or
Designee

_____ (Print Name) _____ (Signature) _____ (Date)

Note: If project manager rejects or requests additional information, additional signatures are not required.