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BROWARD
County Public Schools

The School Board of Broward County, Florida
Operational Assessment of
Broward Education Communications Network (BECON)

Prepared By:
Carr, Riggs & Ingram
May 3, 2018



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May 3, 2018

Ms. Ann Conway
Office of the Chief Auditor
School Board of Broward County
600 S. E. 3rd Avenue Ft. Lauderdale, FL 33301

Dear Ms. Conway:

Pursuant to our engagement letter dated October 16, 2017, we have performed operational consulting services for the School Board of Broward County specifically related to the Broward Education Communications Network (BECON).

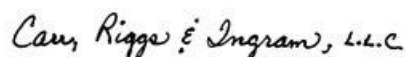
Our report is organized in the following sections:

- **Executive Summary** – The executive summary is a concise outline of our observations included in this report.
- **Background** – This section provides a brief overview of BECON as a whole along with the key departments and selective financial data.
- **Objectives and Approach** – The objectives and approach are expanded upon in this section, which provides an outline of the various phases of our assessment.
- **Observations, Recommended Actions and Management Responses** – This section provides the results of our procedures, including our recommended action and management’s response.

As described in our objectives and approach, the findings and conclusions are based on our analysis of the processes, documents, records, and information provided to us by management. If our scope had been expanded, including performance of additional procedures and / or sample sizes in the period under review, it may have resulted in findings of questionable or inappropriate transactions. We reserve the right to supplement our findings in the event of any of these circumstances. We offer no assurances that schemes or fraudulent activities have not or are currently not being perpetrated by any person within the District.

The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures performed either for the purpose for which this report has been requested or for any other purpose. The procedures performed did not constitute an audit in accordance with generally accepted auditing standards. Accordingly, we express no opinion on any of the items assessed. Our procedures were performed in conformity with the *Statements on Standards for Consulting Services* of the American Institute of Certified Public Accountants.

Respectfully submitted,



CARR, RIGGS & INGRAM LLC

Executive Summary

Executive Summary

Overview

We have conducted an assessment of BECON in order to identify and recommend opportunities for operational, process and internal controls improvement including best practices.

Our work plan included a risk assessment, an operational assessment, an overall assessment of internal controls and compliance with District policies and procedures, BECON internal policies and procedures, Florida Statutes, and other applicable statutes relevant to BECON's industry. The BECON departments / functions / programs, subject to our assessment included:

- Programming / Traffic
- Production
- Marketing / Public Relations
- School Services
- Engineering
- Distance Learning

The results of our procedures indicated various opportunities for improvements / best practices primarily related to what we consider to be operational activities. The matrix below outlines the Risk Ratings for each observation and identifies whether the observation is related to operational improvements / best practices or control / compliance matters. This evaluation addresses the priority of the observation and the potential impact on the operations. Items are rated as High, Moderate, or Low.

- *High – Risk Items* are considered to be of immediate concern and could cause significant operational issues if not addressed in a timely manner.
- *Moderate – Risk Items* may also cause operational issues and do not require immediate attention, but should be addressed as soon as possible.
- *Low – Risk Items* could escalate into operational issues, but can be addressed through the normal course of conducting business.

Observations	Risk Rating
<u>Operational:</u>	
1. Additional Revenue / Funding Sources – pursue similar and new resources	High
2. Cost Benefit/Saving Analysis – perform by service type and by department	High
3. Capital Equipment – assess critical needs for failing equipment	High
4. Strategic / Operations Plan – define more clearly or redefine	Moderate
5. Job Descriptions – update for current job skills needed to operate systems	Moderate
6. Training – provide additional technical training in areas deemed most vital	Moderate
7. Operations Manual – develop to facilitate greater consistency and efficiency	Moderate
8. Financial Reporting – standardize, formal reporting process and related KPI's	Moderate
9. Spending Limits – develop spending limits for each department for better fund management	Moderate
10. Management Continuity Plan – minimize significant operational interruption	Moderate
<u>Control / Compliance:</u>	
11. Purchasing Cards – add controls / procedures to mitigate misuse of funds	Moderate
12. School Services – add controls for proper supervision of work order completion	Moderate
13. Distance Learning – add controls for proper supervision of work order completion	Moderate

Background

Background

Overview: (Source: BECON Management)

BECON (Broward Education Communications Network) provides and facilitates a wide range of critical media services to the students, staff, and administrative departments of Broward County Public Schools (BCPS). BCPS is among the largest school districts in the country and has an extensive media services operation. BECON's portfolio of services includes multiple channels of targeted educational video content, equipment and support for presenting live distance learning events to BCPS students from anywhere in the world, production services for coverage of events from anywhere in the district, and maintenance and repair of broadcast, display and security equipment. All of these services are available in every school and administrative department throughout the District.

BECON staff play a key role in advancing the educational experience of students throughout the District, through production services, direct instruction in media, planning and facilitating distance learning sessions, providing instructional content to the classroom, and creating opportunities for students to learn by participating directly in media content creation. BECON also provides essential services to District leadership and departments.

Now just halfway through the current school year, BECON teams have already produced or facilitated thousands of direct touchpoints of specialized content and services that enhance the educational experience of Broward County students and serve the School Board, administrative team, and various departments of Broward County Public Schools. Statistics noted below cover the current fiscal year to date (July 1, 2017 through January 2018).

Distance Learning/Videoconferencing Team:

- Coordinated **over 1900 live Distance Learning teacher sessions**, bringing targeted instruction by three expert teachers **to 135 classrooms** via BECON videoconferencing equipment.
- Organized 160 Virtual Field Trips, bringing live audio and video presentations from museums, libraries, and cultural centers directly **into 338 Broward County classrooms**.
- Facilitated over **1500 ad hoc videoconferences** for District leadership, staff, and teachers.

Programming Team:

- Over **3000 BECON-produced educational programs** scheduled and delivered to Broward County schools via the BECON broadcast network and new IPTV delivery system.
- Over **8000 syndicated educational programs** licensed by BECON and delivered to Broward County school classrooms via BECON broadcast and IPTV.

School Services Team:

- **Over 1500 service calls to schools**, repairing video and display equipment in classrooms.
- Over **150 security camera systems checked and repaired**, keeping these critical systems operational.
- Nearly **1800 preventive maintenance checks in classrooms** during the summer break, when classes are not in session.
- Repairs for over **350 incident reports** of equipment damage **caused by Hurricane Irma**.

Background - continued

Production Team:

- Produced over **75 video segments** for schools and departments, highlighting student achievements and district initiatives.
- Directed production of **multiple full-length television programs**, including episodes of *The Zone*, *Broward Teen News (BTN)*, and *Short Cutz*. *The Zone* profiles the work of dozens of Broward County Public Schools. *BTN* and *Short Cutz* feature the production work of over 750 Broward County students supported with hands-on training from BECON producers. All programs broadcast throughout Broward, Palm Beach, and Miami-Dade counties on WBEC-TV.
- Produced and broadcast **19 episodes of *School Duel***—a high school quiz show offering scholarships to winning teams. *School Duel*'s online qualifying round involves approximately **240 high school scholars**, with 100 students participating in the televised rounds of the competition.
- Captured, produced and broadcast numerous school sports events, including four basketball games, the BCAA All-Star Football Championship, Girls Volleyball All-Star Classic, BCCA Cheerleading Competition, and several sports magazine shows that have involved **over 40 students from 13 area high schools as interns, reporters, and crew members**.
- Produced and broadcast over **30 episodes of community service programs**, including *Spotlight on the Arts*, *County Line*, *Future First: Focus on Broward's Children*, and *New Haitian Generation*. WBEC also airs *Dateline Health*, produced by Nova Southeastern University.
- Provided media support, production, and distribution of numerous **BCPS events**, including the Superintendent's annual State of the District address, Seasons of Learning, NESPO (New Education Support Professionals Orientation), Forum on School Safety, and many others.
- Generated **revenue from production services** for clients including Broward County Animal Care and Control, Children's Services Council, and Broward College.

Engineering Team:

- In 2014, the School Board signed an agreement to lease two of its EBS broadcast frequencies to Sprint Communications. This transaction provided an \$8,000,000 initial payment; \$2.4 million annually for 30 years for a total of \$80 million. The new IPTV delivery system will make it possible to transition away from dependence on these frequencies to deliver digital-quality on-demand video content to every school in the District.
- In conducting the FCC-mandated Repack project to change WBEC's broadcast channel, this team successfully renegotiated BECON's current broadcast tower lease, per management, **saving the District \$84,000** during this fiscal year, and **over \$3,000,000** over the remainder of the lease.
- The Repack project will, per management, bring in approximately **\$2,500,000 in new digital broadcast equipment to WBEC at FCC expense**; however, the Repack will result in various expenses not reimbursed by the FCC.
- This team also negotiated an agreement with T-Mobile Communications that is bringing **\$645,500 in revenue** which will help offset various Repack project expenses, per management.
- Thirty **School Board meetings recorded, streamed, and broadcast** (including closed captioning)

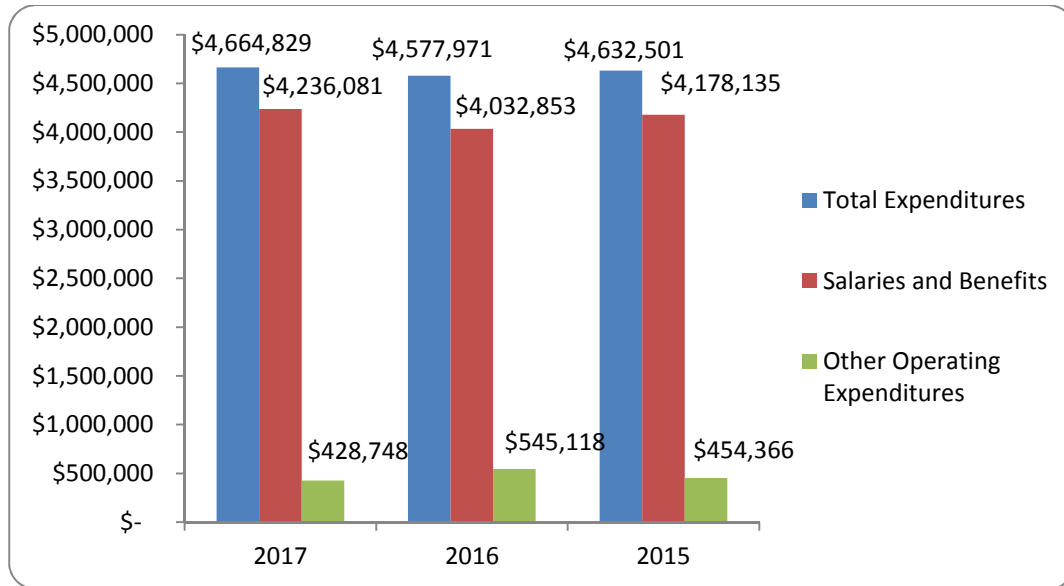
Marketing Team:

- Approximately **\$113,500 in revenue** from program sponsorships, production services, program syndication, tower lease payments, and airtime access on WKPX.

Background - continued

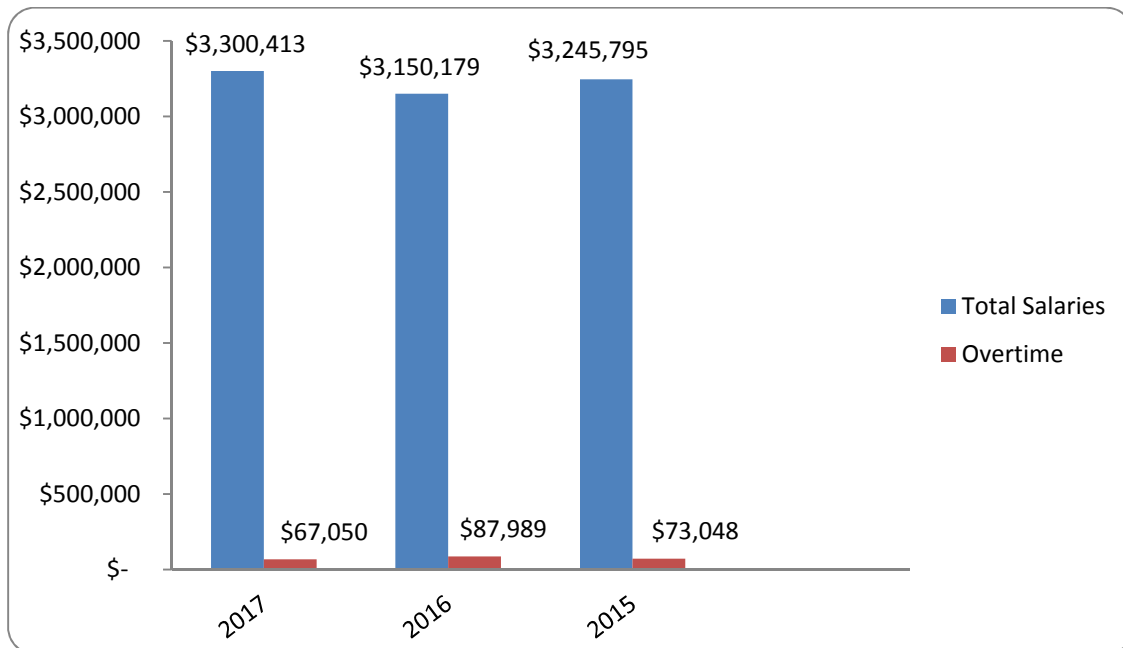
Selective Statistics – Source of compiled data: Accounting and Financial Reporting Department – (Unaudited)

School Board BECON Operating Budget – Fund 1000 - operating expenses funded by the School Board by fiscal year:



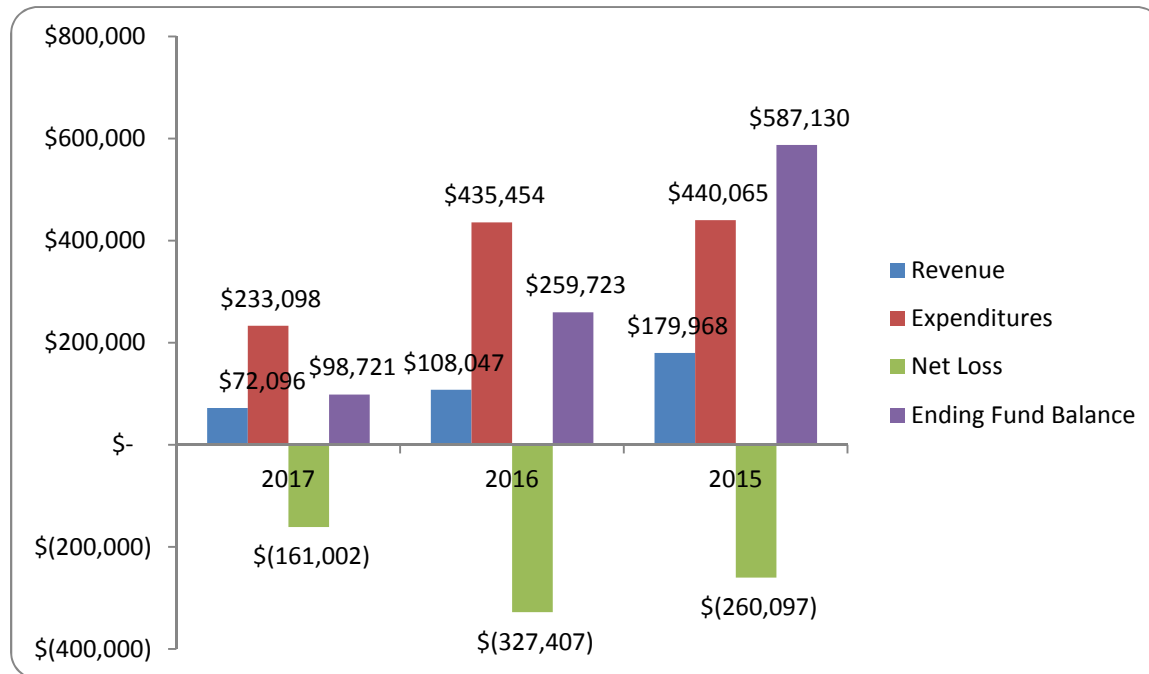
Selective Statistics –Source of compiled data: BECON – (Unaudited)

School Board BECON Overtime – breakout of total salaries and overtime for BECON by Fiscal Year:



Background - continued

Selective Statistics – Source of compiled data: Accounting and Financial Reporting Department – (Unaudited)
School Board – BECON Fund 1020



BECON Management Commentary:

Fund 1020 is a revenue account built from funds received for BECON production services and program syndication licensing. Although this account does not receive general appropriation funds from the School Board, BECON submits an annual budget for approval for spending from this fund, which cannot exceed the fund balance. BECON's operating expenses not covered by Fund 1000 are paid from this revenue account. As noted above, the expenditures paid from this fund were as follows:

FY15: Fund 1020 -- \$440,065

FY16: Fund 1020 -- \$435,454

FY17: Fund 1020 -- \$233,098

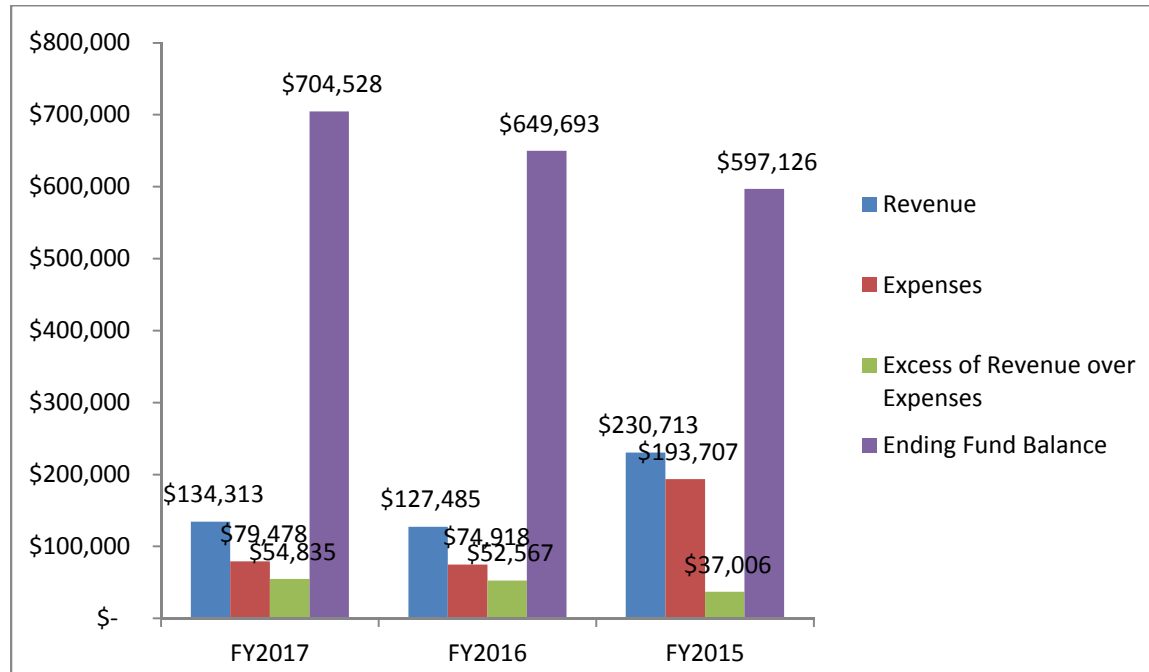
Revenue into Fund 1020 decreased sharply over recent years, as BECON discontinued the practice of charging schools for production and repair services. As a result, a fund balance of over \$800,000 at the end of FY14 decreased to under \$100,000 in FY17. Therefore, BECON has had to reduce its Fund 1020 budget and expenses accordingly. BECON has continued to provide the same services to schools, but is facing the possibility of a completely depleted Fund 1020 account by the end of FY18.

Background - continued

Selective Statistics (continued) – Statement of Revenue and Expense

Source: Broward Education Foundation (unaudited)

BECON's (BEC) Broward Education Fund – revenues relate primarily to individual and corporate donations, sponsorships etc. Expenses relate to the operation of the various programs noted below.



BECON Management Commentary:

This BEC fund has a few consistent annual revenues sources such as Children's Services Council (for program production and broadcast), Nova Southeastern University (for airtime on WKPX), and corporate contributions for *School Duel*. Other revenue in recent years has come from production agreements with outside clients. Expenses from this fund cover production costs related to client projects, as well as music licensing, news feed service, and equipment for WKPX, and *School Duel* costs (production, host, student scholarship awards).

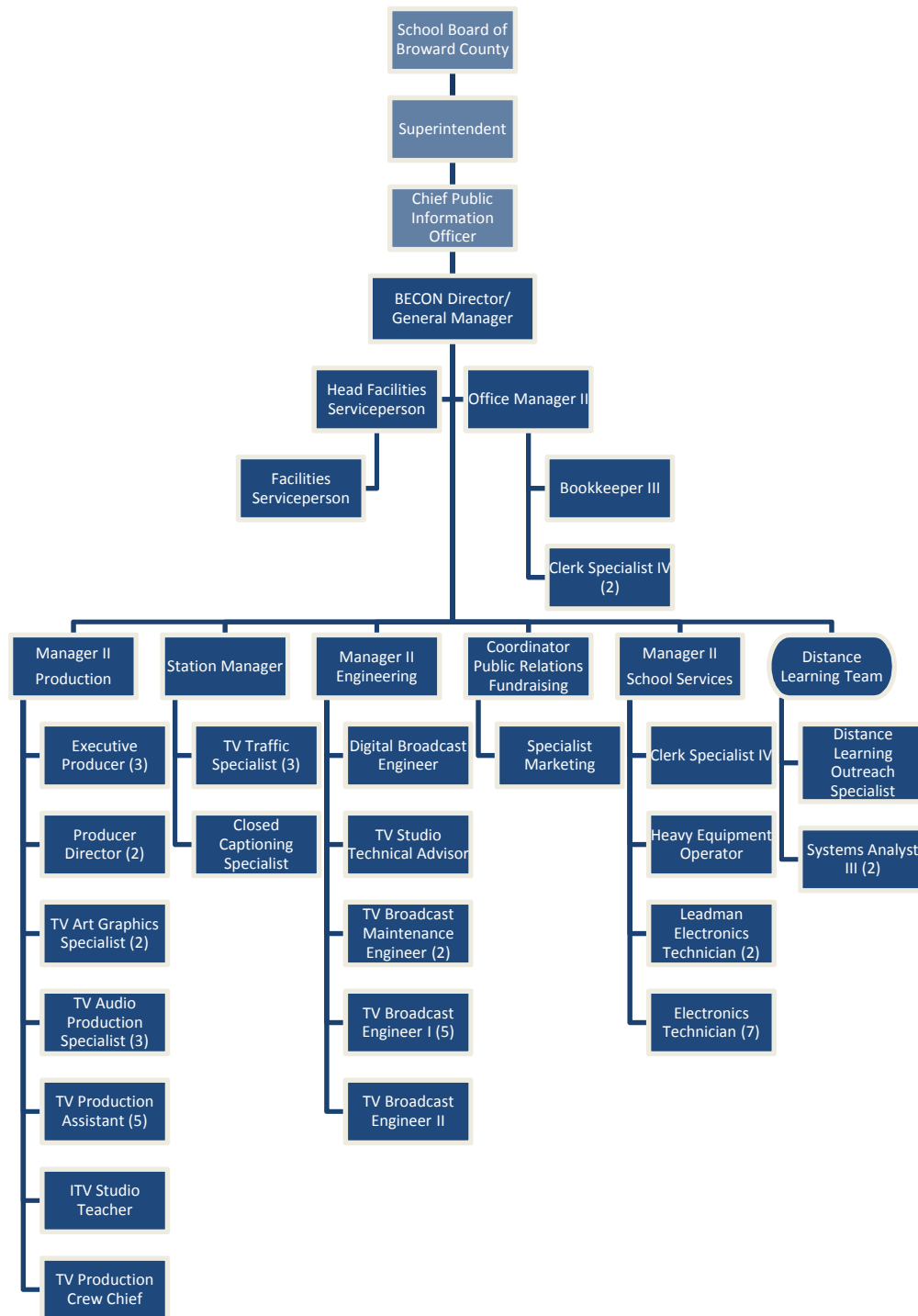
This fund has grown over years through securing sponsorships, production agreements, and airtime lease agreements. Funds donated for specific projects are used to support those projects. Undesignated funds are held in reserve and used for unexpected and unbudgeted needs. For example, BECON oversees and maintains approximately \$10 million in equipment for broadcast, production, and videoconferencing throughout the District. Fund reserves can be utilized toward reducing the financial impact of major unbudgeted costs that may result from unexpected equipment failure.

Overall Summary

In summary, the District's media portfolio has increased dramatically over the past five years, and there is potential to continue this strengthening of assets. The Repack project will help modernize and enhance the District's media assets. While carefully following FCC guidelines, BECON is working on a comprehensive plan to replace aging equipment, recertify existing equipment, extend warranties, and protect the District from potentially crippling equipment failure costs.

Background - continued

Organizational Chart (last revised 11/16/17)



BECON current staff FTE: 58

Background - continued

We interviewed and/or interacted with the following personnel as part of our operational assessment, including, but not limited to:

Title	Department / Function
Chief Public Information Officer	District Public Information Office
Director / General Manager	Head of BECON TV and Radio Station
Manager II	Production
Station Manager	Traffic
Manager II	Engineering
Coordinator Public Relations & Fundraising	Marketing
Manager II	School Services
Distance Learning Specialist	Distance Learning
System Analyst III	Distance Learning
System Analyst III	Distance Learning
Office Manager	Clerical Business Office
Bookkeeper III	Clerical Business Office
Head Facilities Serviceperson	Facilities

Objectives and Approach

Objectives and Approach

Objectives

The objectives of this engagement were to:

- Identify opportunities for process and internal controls improvement
- Identify and recommend areas for best practice

Services and Scope of Work

Our work plan included a risk assessment, an overall assessment of internal controls and compliance with District policies and procedures, BECON internal policies and procedures, Florida Statutes, and other applicable statutes relevant to BECON's industry. The BECON departments / functions / programs, subject to our assessment included:

- Programming / Traffic
- Production
- Marketing / Public Relations
- School Services
- Engineering
- Distance Learning

Approach

Our approach consisted of four phases:

Phase One - Project planning and scoping

Phase 1 was performed to create an overall plan for the work that was performed. The purpose of this phase was to understand the business in general and the in-scoped departments listed above.

Our risk assessment procedures were conducted in a top-down approach that allowed our team to partner with BECON to identify and address risk. Our methodology addressed business risk in relation to BECON's critical success factors and strategic business objectives. This helped us align the procedures with the relative importance of risk factors within BECON.

Major work steps included:

- Held joint-entrance conference with the Chief Auditor and BECON senior management to establish communication protocols, engagement logistics and information requests, etc.
- Obtained and reviewed financial data at the entity, departmental, and program level.
- Obtained and reviewed policies and procedures, and industry regulations and Florida Statutes.
- Interviewed senior management and key process owners about the business risks.
- Performed and documented risk assessment for the departments / programs.
- Developed prioritized work plan based on risk assessment.
- Submitted proposed risk-based work plan to Chief Auditor for review and approval.

Objectives and Approach (continued)

Phase Two - Design adequacy assessment

The primary objective of this phase was to understand and document the in-scope department / program / processes identified in Phase One including the design of the control activities at the process and sub process level (as applicable).

Major work steps included:

- Gained an understanding of the individual in scope business processes, functions and departments through review of any existing documented policies and procedures.
- Conducted interviews and/or facilitated sessions with senior management and each department manager.
- Developed documentation that highlights what process-level risks are prevalent.
- Documented potential impact to the overall control structure and the control activities in place (if any) to mitigate the risks.
- Developed observations and recommendations for remediation of any control design gaps or other improvement opportunities identified.

Phase Three – Internal Controls, Compliance Testing and Process Improvement / Best Practices

During this phase, we performed transactional testing to assess internal controls and compliance related to the in-scope department / program / processes identified in Phase One. Additionally, we identified potential areas for improvement / best practices as part of our procedures.

Major work steps included:

- Created a work plan, including sampling selection.
- Requested transaction documents, data or evidence.
- Executed testing, preserving appropriate documentation for any potential exceptions
- Analyzed results and determined findings.
- Prior to completing fieldwork, discussed initial findings and potential recommendations with BECON management.

Phase 4 - Reporting and Communication

The final report represents a comprehensive overview of the work performed throughout the project. It provides a description of our scope and approach, as well as our observations and recommendations. We also communicated key findings throughout the engagement.

Major work steps included:

- Met with management to discuss findings.
- Drafted report and developed observations and recommendations.
- Held exit conference with management to finalize draft report.
- Held joint exit conference Chief Public Relations Officer and BECON Director / General Manager.
- Provided final report with management responses to Office of Chief Auditor.
- Assist the Office of the Chief Auditor with the presentation of the final report with management responses to the Audit Committee.

Observations Matrix

Observations Matrix

Rating	Observation	Recommended Action	Management Response
High	<p>1. Revenue / Funding Sources</p>		
	<p>Based on our interviews with BECON’s Director / General Manager, it is our understanding that in previous years, BECON charged internally for labor and materials for services performed for the schools related to their key activities. Since part of BECON’s mission is to provide such services to the school, the School District decided to have BECON provide their labor services as part of BECON’s operating budget (Fund 1000) funds remaining from previous external internal charges (Fund 1020) and funds raised through sponsorships and donations (BEF).</p> <p>The present revenue / funding sources generated by or donated to BECON that are available to fund BECON’s current operations include:</p> <ul style="list-style-type: none"> • Reimbursement for school material costs • Individual donations • Corporation Contributions • Grants <p>Based on current trends, by the end of Fiscal Year 2018, the carryover reserve for fund 1020 is expected to be fully depleted, and will no longer be an option for making up the difference between BECON’s operating budget (Fund 1000) and BECON’s actual operating expenses.</p>	<p>We recommend that BECON management consider the following additional potential revenue / funding sources, including, but not limited to:</p> <ol style="list-style-type: none"> a) Leases related to Tower Space and Airtime b) Revenue for videos / programs produced for outside customers, including use of the studio by updating the current rate card etc. c) Joining PBS network* & the Digital Convergence Alliance** <p>*<u>PBS network</u> – We noted in our research that we were able to identify only 6 (in addition to Broward School District) school district owned non-commercial TV stations in America; all of them are part of the PBS network except for BECON. PBS does not pay the affiliate but becoming an affiliate could provide potential revenue through new sponsorships.</p> <p>**<u>Digital Convergence Alliance (DCA)</u> - Six Florida PTV stations in partnership with WPBA (Atlanta), WTTW (Chicago), WILL (Champaign), MPTV (Milwaukee), and KERA (Dallas) came together to create the DCA, a not-for-profit corporation, to serve as the binding governing body through which the stations would develop and implement initiatives which could foster increased efficiencies and create new revenue opportunities, starting with the operation of a centralized master control service referred heretofore as the DCA network operations center (NOC).</p>	<p>Response: With the depletion of Fund 1020 as noted in the Background section above, BECON management intends to develop a plan to pursue new and enhance existing revenue/funding sources including, but not limited to, exploring the cost/benefits for becoming part of the DCA to facilitate additional sources of revenue and/or cost reductions.</p> <ol style="list-style-type: none"> a) BECON will study the potential for additional lease income from frequency licenses (or airtime as in the agreement with Nova Southeastern University for airtime on WKPX). b) BECON also will continue to seek production opportunities for outside clients that can result in additional revenue. c) BECON will explore the possibility of becoming a PBS station affiliate and of joining the DCA as a way to increase audience and revenues and reduce operating costs. <p>Responsible party: BECON Director and managers</p> <p>Estimated completion dates: August 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
High	<p>2. Cost Benefit/Saving Analysis</p>		
	<p>In line with our observation regarding Revenue / Funding Sources (Observation 1), we noted that potential cost savings and benefits associated with the service the various BECON departments provide to the other departments and especially the schools throughout the district are not identified and measured in a quantifiable or qualitative way.</p>	<p>We recommend BECON management perform a cost / benefit savings analysis to measure the associated cost savings and value, by type of services provided by departments as applicable. This analysis should include, but not be limited to:</p> <ul style="list-style-type: none"> a) School Services – internal technical support labor and materials vs. outsourcing; providing repair services related to security cameras for the District IT department previously serviced through 3rd party vendors b) Engineering / Production – telecasting the biweekly school board meetings; this should include the internal cost (labor and equipment) vs. outsourcing; internal cost (labor and equipment) to produce the various videos and programs vs. outsourcing c) Distance Learning – internal technical support labor and material vs. outsourcing <p>This will enable management to measure and present the cost benefit / savings of the services currently being provided to the School District vs. outsourcing them.</p>	<p>Response: BECON management intends to develop a plan to perform a cost / benefit savings analysis to measure and demonstrate the associated cost savings and value of service provided by department / department(s) as applicable, including, but not limited to the departments listed in the recommended action.</p> <p>Responsible party: BECON Director and managers</p> <p>Estimated completion dates: August 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
High	3. Capital Equipment		
	<p>Based on discussions with BECON’s Director/General Manager, BECON oversees and maintains over \$10 million in production, display, and broadcast equipment that schools and District departments depend on every day. Approved capital requests for replacing failing equipment, much of which is 10 to 20 years old, has totaled less than 2% of the equipment value in the prior fiscal year.</p>	<p>We recommend that BECON assess the most critical needs for production, display and broadcast equipment utilized by schools and District departments and develop a refresh and replacement plan that is updated on an annual basis. This plan can be presented to the School Board along with the annual capital budget request.</p>	<p>Response: BECON management intends to develop a plan for assessing equipment needs on an annual basis and requesting funds for critical needs as per the District’s capital funding budget process.</p> <p>Responsible party: BECON Director and managers</p> <p>Estimated completion dates: August 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	4. Strategic / Operations Plan		
	<p>Based on discussions with BECON’s Director / General Manager and the respective department managers, we noted that the departments typically operate independently of one another. BECON’s Director / General Manager was hired in March 2017 and stated that he is still in the process of gaining a better understanding of the organization’s structure in how it operates and how it aligns with the current strategic plan and mission as understood by the School Board in general and the Public Information Office in particular to whom BECON’s Director / General Manager reports. Due to other competing, pressing priorities, BECON’s Director / General Manager indicated that there has not been the specific opportunity to have strategic sessions about the future direction of the organization as a whole in terms of its mission and strategic plan / goals and whether a new organizational structure and focus of priorities is needed.</p>	<p>We recommend that BECON’s Director / General Manager work with the Chief Public Information Officer to more clearly define or redefine the organization’s mission, strategic plan and resulting operations (operational plan)</p> <p>This will enable BECON management to develop / revise its Operations plan accordingly so that its organizational structure, goals, key initiatives, key performance indicators, etc. are in line with the strategic plan.</p>	<p>Response: BECON management will work to schedule strategic sessions with leadership and will leverage resources from the Office of Strategic Initiative Management to review BECON’s organizational structure, goals, key initiatives, key performance indicators etc., to make sure they are aligned to the District’s Strategic Action Plan.</p> <p>Responsible party: BCPS Chief Public Information Officer and BECON Director</p> <p>Estimated completion date: December 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	<p>5. Job Descriptions</p>		
	<p>During our interviews with management, we noted that most of the job descriptions are not up-to-date. Many do not reflect the skill set that is currently needed given the changes in technology whether in terms of services performed or equipment used. BECON's Director / General Manager indicated he was aware of this matter and he indicated that it was a difficult process to change job descriptions for current or even open positions to match the skill set and qualifications needed for the position. Any changes to the employee job descriptions must be approved by the School Board. Also, depending on the changes, this may need to be approved by the respective union.</p> <p>Based on additional discussions with BECON's Director/General Manger, we noted that many current BECON job descriptions require skills in obsolete systems or omit skills necessary for current operations. Examples include clerical positions that require proficiency in shorthand or operation of typewriters, CRT terminals, "word processors" and duplicating machines. Technical and production position job descriptions require knowledge of archaic media equipment such as film chains, ¾" and ½" broadcast recorders, and still store units. Finally, totally lacking is any mention of proficiency in digital video and audio formats, social media channels, and Web-based communications.</p>	<p>Even though it is a difficult process, we recommend that management follow the necessary steps to update job descriptions for each employee where applicable, as well as for the job descriptions posted for open positions.</p> <p>This will help ensure competent, qualified candidates are hired for any open positions. For current employees, this will help ensure that their daily duties and responsibilities outlined in their job description match actual duties and responsibilities performed. This will also facilitate an accurate and complete operations manual.</p>	<p>Response: BECON will work with Human Resources to follow proper procedures for reviewing and updating job descriptions according to District policy.</p> <p>Responsible party: BECON Director, representatives from talent development</p> <p>Estimated completion dates: December 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	6. Training		
	<p>Based on discussions with BECON’s department managers and Director/General Manager, there is very little technical training (internal or external) provided for the employees.</p> <p>Examples noted include:</p> <ul style="list-style-type: none"> • Production: Adobe CS Premiere • Programming: ComScore (audience measurement reports) and ProTrack scheduling software • School Services: Remedy service ticketing, Dell iDrac for IPTV troubleshooting and repair • Engineering: broadcast technology training, IPTV delivery systems 	<p>Given the technical nature of the duties performed by many of the employees and how quickly technology advances/changes, we recommend that Management consider providing the technical training for employees as needed.</p> <p>Proper training is necessary to help facilitate employee proficiency and efficiency in the performance of their daily tasks.</p>	<p>Response: BECON management will assess the technical training needs and will develop a plan to provide technical training in those areas deemed to be most vital for the respective employee to perform his/her duties.</p> <p>We are promoting free online training options to staff already, such as Lynda.com. BECON management will research and promote training available for tools used throughout the District.</p> <p>Responsible party: BECON Director and managers</p> <p>Estimated completion date: December 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	<p align="center">7. Operations Manual</p>		
	<p>Based on our interviews with BECON’s Director / General Manager and each of the Department Managers, there are few to no written procedures for BECON as a whole and the individual departments as indicated below:</p> <ul style="list-style-type: none"> • BECON as whole – few • Programming / Traffic – few* • Production – few* • Marketing / Public Relations – few* • School Services – none • Engineering – few* • Distance Learning - none <p>*Relate specifically to FCC rules and / or regulations and underwriting guidelines.</p> <p>However, neither BECON as a whole, nor any of the departments have an operations manual. An operations manual is a comprehensive document of how the entity functions and lays out the day-to-day procedures for operating the entity.</p>	<p>We recommend that Management consider developing an Operations Manual for BECON and its departments. Items to consider in developing an operations manual, include, but are not limited to:</p> <ul style="list-style-type: none"> • Structure – divide the manual into sections according to the Department • Content: <ul style="list-style-type: none"> ○ Types of information – how-to procedures, locations of items, contacts, business-related policies ○ Description of department specific tasks (key steps to perform) ○ Job Descriptions – specific roles and responsibilities ○ Emergency Procedures ○ Disaster Recovery Plan • Steps: <ul style="list-style-type: none"> ○ Assign an internal project manager to be responsible for the writing of the document and obtaining specific input from all the departments ○ Explain the benefits to staff ○ Write / update job descriptions ○ Document series of tasks and assign them to individuals based on job descriptions – staff to add any missing procedures to the list ○ Test the manual through performance by employees • Update the operations manual at least quarterly as needed <p>Having an Operations Manual in place will facilitate consistency, clarity and greater efficiency in the performance of employee’s duties in and across departments. Additionally, this will help make the training of new employees more efficient.</p>	<p>Response: BECON management will explore and pursue developing an operations manual. This will be done through various phases as indicated in the recommended action.</p> <p>BECON management will consult with Employee and Labor Relations to ensure alignment with collective bargaining agreements.</p> <p>Responsible party: BECON Director and department managers</p> <p>Estimated completion date: Begin: December 2018 Completed: December 2019</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	<p>8. Financial Reporting</p>		
	<p>Based on our interviews with BECON’s Director / General Manager and staff and review of various financial reports separately produced from SAP (the School District) and provided from the Broward Education Foundation, BECON does not have a standard monthly, quarterly or annual reporting system / process in place that captures all of the revenues and expenses and related funds for all revenue sources and expenses related to BECON.</p> <p>We noted that there are three funds related to BECON:</p> <ul style="list-style-type: none"> • Fund 1000 – operating expenses funded by the School Board • Fund 1020 – revenue generated internally by providing various services to the School Board to cover cost of materials (not labor) • BEC Fund – Broward Education Fund – revenues relate primarily to individual and corporate donations, sponsorships etc. <p>Further, for annual reports separately extracted by BECON staff from SAP for District Funds 1000 and 1020 that was provided to us, we noted that there are overlapping of expenses among the funds and apparent discrepancies in the rollforward / reconciliation of Funds 1000 and 1020 for at least the last three fiscal years (2015-2017).</p> <p>The financial data extracted by BECON staff from SAP does not agree to the financial data noted in the Background section above for funds 1000 and 1020 provided by the District’s Accounting and Financial Reporting Department.</p>	<p>We recommend BECON management do the following:</p> <ol style="list-style-type: none"> a. Work with the District finance/budget office to address the redundancy and reconciliation issues in the reports BECON staff extracted from SAP related to Funds 1000 and 1020 b. Work with District finance/budget office to develop a standardized reporting template that captures all revenues and expenses from all sources / funds – actual current year vs. prior year vs. budget on a monthly, quarterly and annual basis. The financial reporting template should include the Statement of Revenues and Expenses and Balance Sheet / Changes in Net Position, including the Fund balances. <p>This will enable BECON management to monitor the total revenue and expenses and available fund balances from all funds and expenses associated with BECON in terms of current vs. prior actual and budgeted.</p>	<p>Response: BECON management agrees that it would benefit from a combined, standardized reporting template that captures all the revenues and expenses related to BECON operations on a monthly basis. BECON management will work with School District Budget and Financial Reporting departments and IT to develop this new reporting template.</p> <p>NOTE: Completion of a pending update to SAP software will help to facilitate work on this project.</p> <p>Responsible party: BECON Director and Bookkeeper</p> <p>Estimated completion dates: March 2019</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	9. Spending Limits		
	<p>During our discussions with BECON's Director / General Manager and department managers, we noted that individual spending limits (in total or by line item) are not clearly established for each department.</p>	<p>We recommend that BECON management develop spending limits for each department and monitor on a monthly basis spending limits vs. actual expenditures for each department Further, the spending limits vs. actual monthly tracking should include salary and benefit expenses as well as non-salary / benefit expenses.</p> <p>This will enable BECON's Director / General Manager and the respective department managers to more effectively track and monitor their spending limits vs. actual expenses at the department level as part of the overall BECON budget tracking process.</p>	<p>Response: BECON's Director will work with BECON managers to develop and monitor spending limits by department as part of the BECON budget tracking process.</p> <p>Responsible party: BECON Director, managers and Bookkeeper</p> <p>Estimated completion date: March 2019</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	10. Management Continuity Plan		
	<p>Based on our interviews with BECON’s Director / General Manager and each of the Department Managers, there are not continuity plans in place for BECON’s Director or any of the Department Managers. Additionally, none of the Department managers have assistants.</p> <p>Based on discussions with BECON’s Director/General Manager, we noted that School Services has two staff members classified in positions defined as “Lead” which gives them leadership roles on specific projects, but not with any management responsibilities. Other departments (Engineering, Production, Programming, etc.) have no such roles defined.</p>	<p>We recommend that continuity plans be put in place for BECON’s Director / General Manager and the Department Managers. Also, this recommended action can be addressed in concert with the updating of job descriptions to provide for current employees or future hires to incorporate relevant leadership qualifications, duties and experience.</p> <p>This will help ensure that any significant interruption in operations caused by planned retirement or sudden departure / turnover is mitigated.</p>	<p>Response: BECON management agrees that a management continuity plan is beneficial to address interruption in operations for sudden departures and as well as planned retirements. Further, that any management continuity plan should be addressed along with the revising / updating of job descriptions as noted in Observation 5.</p> <p>Responsible party: BECON Director and managers, talent acquisition (HR) representative(s), union stewards</p> <p>Estimated completion dates: June 2019</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	<p>11. Purchasing Cards</p>		
	<p>During our inquiries and testing regarding the purchasing card function, we noted the following exceptions related to five purchasing card holders for two different months selected (June and September 2017):</p> <ul style="list-style-type: none"> • For one transaction tested, at the point of purchase, there was no pre-approval for the purchase of \$365.70 of chemicals as required by school board policy. • For one transaction, sales tax of \$3.46 was paid for items purchased. <p>Additionally, we noted the following:</p> <ul style="list-style-type: none"> • A purchasing card file / log with the most up-to-date purchasing card numbers, expiration dates and credit limits is not currently maintained by BECON. • Monthly credit limits and individual transaction limits either are not in place and / or are not consistently enforced. 	<p>We recommend that BECON management do the following:</p> <ol style="list-style-type: none"> a) Provide training for the proper usage of purchasing cards pursuant to school district policy. b) Create a purchasing card file / log with the most up-to-date purchasing card numbers, expiration dates and credit limits by card by purchasing card holder. c) Establish and enforce monthly credit and individual credit limits for each purchasing card holder. <p>This will facilitate better controls over the purchasing card program and its usage and mitigate the risk of misuse of funds.</p>	<p>Response: BECON management will implement recommended actions a) – c). BECON will contact the Procurement Department for the latest policies and protocols related to P-card use.</p> <p>Responsible party: BECON Director and managers</p> <p>Estimated completion dates: June 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	12. School Services		
	<p>During our testing of 40 work order tickets for the period of November 1, 2016 through October 31, 2017, we noted there was neither a field in the data base for the date/time the work order was completed by the technician, nor a field in the data base for the review and approval of the completed work order ticket by the Department manager or his supervisory designee.</p>	<p>We recommend that BECON management add fields in the work order data base for the date/time the work order was completed by the technician, and reviewed and approved by the Department manager or supervisory designee (other than the technician assigned to the work order) before the work order is closed.</p> <p>This will provide supervisory independent oversight over the process to ensure the work orders are being properly completed and closed in an effective, efficient and satisfactory manner. Further, this will provide proper segregation of duties related to this function.</p>	<p>Response: BECON management will amend the work order database to include data fields for noting satisfactory completion of work orders.</p> <p>Responsible party: BECON School Services manager and administrative staff.</p> <p>Estimated completion dates: August 2018</p>

Observations Matrix - continued

Rating	Observation	Recommended Action	Management Response
Moderate	13. Distance Learning		
	<p>During our testing of 20 work order tickets, we noted the following exceptions related to the 20 work orders tested for the period of November 1, 2016 through October 31, 2017:</p> <ul style="list-style-type: none"> • For one work order tested, the “Created By” field was left blank and there is no way to tell which employee completed the task. • For one work order tested, the “Closed By” and “Resolution” fields were both left blank. There is no way to know how the problem was resolved and which employee completed the tasks. • For twenty of the work orders tested, there was not a field for the date/time the work order was completed nor was there a field for a final sign-off by management after work orders were completed. • There were many work orders that needed to have the contact information filled in by BECON employees entering the work order into the system (3 out of 20 missing both contact person and number; 8 out of 20 missing the contact number). • The database that populates the school information should be updated to reflect all the current information for all schools in Broward County. • There were 3 work orders that did not have the “Created By” field completed, but the employee knew of the problem. 	<p>We recommend the following:</p> <ol style="list-style-type: none"> a. Provide training/reminders to BECON staff responsible for properly entering all contact information into the work order data base. b. Update the data base that automatically populates the school contact information in the work order system c. Add fields in the work order data base for the date/time the work order was completed by the technician, and reviewed and approved by the Department manager or supervisory designee (other than the technician assigned to the work order) before the work order is closed. <p>This will facilitate more accuracy and efficiency in the initiation of the work order process. This will also provide supervisory independent oversight over the process to ensure the work orders are being properly completed and closed in an effective, efficient and satisfactory manner. Further, this will provide proper segregation of duties related to this function.</p>	<p>Response: BECON management will update the Distance Learning work order database and provide training and reminders to staff for properly entering all applicable data so there is a complete record of each work order processed.</p> <p>Responsible party: BECON Director and Distance Learning staff</p> <p>Estimated completion dates: August 2018</p>