

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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DATE: June 29, 2020

TO: School Board Members and Superintendent Runcie

FROM: Joris M. Jabouin, CPA, Chief Auditor

SUBJECT: Supplemental Post-Report Memorandum
DD-1 – HCT REPORT – AGREED-UPON-PROCEDURES – RECORDEX
SIMPLICITYTOUCH INTERACTIVE FLAT PANELS – Additional Finding

As I discussed at the Regular School Board Meeting on June 23, 2020, I re-reviewed School Board Policy 3320 section II Purchasing policies – General Provisioning against the HCT Agreed-Upon Procedures Report on the District’s purchases of Recordex Interactive Flat Panels from 2014 to 2019. My re-review resulted in the following finding that will be included in the files of the Office of the Chief Auditor and also be part of our follow-up process.

Additional Finding #1-03

Recordex purchased under Bid ID 56-063E and Bid ID 56-083E

- We noted the respective Post Board approval for the two bids were made on December 17, 2015 and March 15, 2016. However, School Board Policy 3320 section V under Purchasing policies – General Provisioning states “Whenever possible, like purchases should be combined and bid by the Supply Management & Logistics Department. Multiple orders or split invoicing shall not be used to circumvent the rule established Herein”.
- 83 Interactive Flat Panels were purchased under Bid ID 56063E for \$492,439 using the December 17 memorandum and 92 Interactive Flat Panels were purchased under Bid ID 56-083E for \$492,769 using the March 15 memorandum. Per policy, the purchases made under the individual bids were under \$500,000 and did not require Board approval. However, the bid for like purchases appeared to be split and is an exception to the policy and should be reported as a finding.

Although the HCT report noted 5 findings and 5 observations, my follow-up process will now reflect 6 findings because of the additional finding. The management response to this finding is reflected on page 2 of this memorandum.

Management Response (M. Coker via M. Woods):

Consistent with the response in the audit report, District staff complied with SBBC policy. However, the administration and operating procedures during the time of the procurement should have captured these two purchases to verify that the bids did not circumvent the rules established in the policy.

During the surrounding months of the two purchases, the PWS department experienced significant transition and turnover. Below are a few key milestones:

- Feb 2015: Initiated department turnaround strategy
- Oct 2015: Director resignation
- Oct 2015: PWS Workshop: Growth, Challenges and Opportunities
- Dec 2015: Transition memo status update to the Board
- Dec 2015: Post Board memo #56-063E, Simplicity Touch Screen
- Mar 2016: New Director, PWS joins team
- Mar 2016: Post Board memo 56-083E Touch Screen II

Subsequent to the two purchases, PWS has enacted structural, leadership, systems and staffing changes that minimize the possibility of this happening again.

The following initiatives were implemented in late in SY2015/16 to improve the control environment within PWS:

- Significantly reduced in the volume of Post Board memos and increased in number of items coming in front of Board for approval.
 - Currently the PWS now averages 20-30 Board items per month versus 8-10 per month in SY2015/16. As of SY2020, PWS has used the Post Board memos on limited basis (only 6 times for amounts for an average of less than \$50,000).
- Automated the PWS tracking systems to include detailed Contract Tracker for more visibility into details of each bid, memo, etc.:
 - Post Board memos have specific identifier added to Bid number to allow for separate tracking and monitoring.
- Improved ability to compare Post Board items against previous or past Post Board items to ensure that multiple orders or split bids are not occurring.
- Enhanced standardization of Post Board memo content to include:
 - Each bid has a specific identifier for tracking, monitoring and reporting activities
 - Consistent definitions between title used on Post Board memo and title used on the actual bid itself.
 - All bids and supporting documents are attached Post Board memos.
- Upgraded the knowledge base of our purchasing agents:
 - Approximately 50% of all PWS purchasing agents have professional certifications versus approximately 30% in SY2015/16.