

AGENDA REQUEST FORM
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Meeting Date 07/24/12	<table style="width: 100%;"><tr><td style="text-align: center; width: 50%;">Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td><td style="text-align: center; width: 50%;">Special Order Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td></tr></table>	Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Special Order Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item Number DD-6
Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Special Order Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

TITLE:

Internal Audit Report – Summary of Audit Activities for 2011-2012 and Proposed Audit Plan for the 2012-2013 Fiscal Year

REQUESTED ACTION:

Receive Internal Audit Report – Summary of Audit Activities for 2011-2012 and Proposed Audit Plan for the 2012-2013 Fiscal Year.

SUMMARY EXPLANATION AND BACKGROUND:

The Office of the Chief Auditor has completed a significant number of financial, operational, construction and compliance audits of the District. Our audit reports were aimed at enhancing the economical and efficient use of resources, safeguarding assets and assisting management in accomplishing their established goals and objectives.

We reported in the Summary of Audit Activities for the 2011-2012 fiscal year, the completed audits, reviews and trainings. As part of our audit services, our audit staff prepared and presented an appeal to the Florida Department of Education and successfully reduced the penalty related to the 2009 FTE audit adjustments by \$4.5 million. We completed several construction audits, resulting in recommendations to improve internal controls and identified cost recoveries and cost avoidance for the District. We also performed a payroll audit of a District department, where we noted weaknesses in payroll and timekeeping practices and identified excessive numbers of unrecorded absences, totaling over \$65,000. The report led to an SIU investigation and some of the monies have been recovered. In addition, we performed a Current Status Update of Supplements, which resulted in over \$332,000 in cost savings by eliminating one supplement and reducing the number of employees receiving various other non-specific supplements, as well as providing stronger controls for the monitoring of supplements. In the area of Property and Inventory audits and Internal Fund audits, we continue to see a significant number of audits that are in compliance with all policies, procedures, rules and regulations.

The Proposed Audit Plan includes required audits per State Statutes and School Board Policies, as well as operational audits in the construction and business support services area. As always, we look forward to your input, so that our Audit Plan can be finalized for the new fiscal year.

The Audit Committee reviewed and approved this report for transmittal to the School Board during the Committee's June 21, 2012 meeting.

SCHOOL BOARD GOALS:

- ☐ •Goal One: Raise achievement of all students to ensure graduation from high school and readiness for post-secondary education.
- ☐ •Goal Two: Improve the health and wellness of students and personnel.
- ☒ •Goal Three: Provide a safe and secure physical and technological environment for all students and employees.
- ☒ •Goal Four: Promote innovation which focuses on best practices and quality efforts that improve our best-in-class position.
- ☐ •Goal Five: Recruit, develop, retain, and recognize high performing and diverse faculty and personnel.
- ☐ •Goal Six: Build strong partnerships with family, business, community and government at the classroom, school, area, and district level.
- ☐ •Goal Seven: Ensure district's leadership as an environmental steward through innovative ecology and energy conservation programs.

FINANCIAL IMPACT:

The source of funds to perform the Internal Audit Report was the General Fund budget allocation for the Office of the Chief Auditor. There is no additional financial impact to the School District.

EXHIBITS: (List)

Audit Report prepared by the Office of the Chief Auditor.

BOARD ACTION:

RECEIVED AS AMENDED

(For Official School Board Records' Office Only)

SOURCE OF ADDITIONAL INFORMATION:

Patrick Reilly

(754) 321-2400

Name

Phone

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

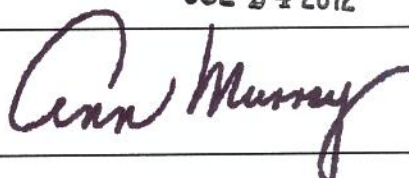
Patrick Reilly, Chief Auditor

Office of the Chief Auditor

Approved in Open Board Meeting on:

JUL 24 2012

By:



School Board Chair

DD-6 Amendment – July 24, 2012 Regular Meeting

Motion to Amend (Carried)

Motion was made by Mrs. Bartleman, seconded by Mrs. Rupert and carried, to amend Proposed Audit Plan, page 11, add item 10 to read: Conduct a status update audit by the Audit Department, Facilities Department, and Superintendent of Schools in conjunction with the General Counsel per Policy 1002.1 of the June 21, 2012, Facilities and Construction Management Audit by McGladrey, LLP.

**SUMMARY OF AUDIT ACTIVITIES FOR THE 2011-2012 FISCAL YEAR
AND
PROPOSED AUDIT PLAN FOR THE 2012-2013
FISCAL YEAR FOR THE
OFFICE OF THE CHIEF AUDITOR**

AUDIT COMMITTEE MEETING

JUNE 21, 2012

SCHOOL BOARD MEETING

JULY 24, 2012

BY

THE OFFICE OF THE CHIEF AUDITOR

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA



The School Board of Broward County, Florida

Ann Murray, *Chair*
Laurie Rich Levinson, *Vice Chair*

Robin Bartleman
Maureen S. Dinnen
Patricia Good
Donna P. Korn
Katherine M. Leach
Nora Rupert
Benjamin J. Williams

Robert W. Runcie
Superintendent of Schools

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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Office of the Chief Auditor
Patrick Reilly, Chief Auditor
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SCHOOL BOARD

Chair ANN MURRAY
Vice Chair LAURIE RICH LEVINSON

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PATRICIA GOOD
DONNA P. KORN
KATHERINE M. LEACH
NORA RUPERT
BENJAMIN J. WILLIAMS

ROBERT W. RUNCIE
Superintendent of Schools

June 21, 2012

Members of the School Board of Broward County, Florida
Members of the School Board Audit Committee
Mr. Robert W. Runcie, Superintendent of Schools

Ladies and Gentlemen:

The Office of the Chief Auditor has completed a significant number of financial, operational, construction and compliance audits of the District. Our audit reports were aimed at enhancing the economical and efficient use of resources, safeguarding assets and assisting management in accomplishing their established goals and objectives.

We reported in the Summary of Audit Activities for the 2011-2012 fiscal year, the completed audits, reviews and trainings. As part of our audit services, our audit staff prepared and presented an appeal to the Florida Department of Education and successfully reduced the penalty related to the 2009 FTE audit adjustments by \$4.5 million. We completed several construction audits, resulting in recommendations to improve internal controls and identified cost recoveries and cost avoidance for the District. We also performed a payroll audit of a District department, where we noted weaknesses in payroll and timekeeping practices and identified excessive numbers of unrecorded absences, totaling over \$65,000. The report led to an SIU investigation and some of the monies have been recovered. In addition, we performed a Current Status Update of Supplements, which resulted in over \$332,000 in cost savings by eliminating one supplement and reducing the number of employees receiving various other non-specific supplements, as well as providing stronger controls for the monitoring of supplements. In the area of Property and Inventory audits and Internal Fund audits, we continue to see a significant number of audits that are in compliance with all policies, procedures, rules and regulations.

The Proposed Audit Plan includes required audits per State Statutes and School Board Policies, as well as operational audits in the construction and business support services area. As always, we look forward to your input, so that our Audit Plan can be finalized for the new fiscal year.

Last, but not least, I would like to thank the Superintendent, the Audit Committee and the School Board for their support of the internal audit function. Our goal is to continue to be an independent appraisal function to examine and evaluate activities of the District.

This report will be presented to the Audit Committee at its June 21, 2012 meeting and to the School Board at its July 24, 2012 meeting.

Sincerely,

Patrick Reilly CPA, Chief Auditor
Office of the Chief Auditor

PR:pm

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INTRODUCTION

**The Office of the Chief Auditor
Audit Plan for Fiscal Year 2012-2013**

INTRODUCTION

Internal auditing is an independent appraisal function established within the school system to examine and evaluate its activities as a service to the organization. The primary objective of the Office of the Chief Auditor (OCA) is to assist management of the School Board in the performance of their responsibilities. OCA furnishes analyses, recommendations, counsel and information concerning the activities reviewed.

The scope of the internal audit work should encompass the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities. It is our responsibility to provide reasonable assurance that internal controls are in place to achieve the following:

- Reliability and integrity of information.
- Compliance with policies, plans, procedures, laws and regulations.
- Safeguarding of assets against unauthorized acquisition, use and/or disposition.
- Effective and efficient use of resources.
- Accomplishment of established objectives and goals for operations and programs.

Our Audit Approach

In order to accomplish our primary objective and to assume additional responsibilities, we will continue to streamline the audit process to increase productivity within the office. Additionally, we will continue to reallocate office resources to focus on the high-risk areas that are critical to meeting the goals and mission of the District. Our approach is to identify and quantify systemic problems and determine if adequate internal control procedures are in existence which can prevent significant deficiencies from going undetected. In an effort to promote accountability at all levels of the District, reports and findings are summarized to provide useful information to the District Administration.

Management is responsible for setting operating standards to measure an activity's effective and efficient use of resources. It is also responsible for establishing operating goals and objectives, developing and implementing control procedures, and accomplishing desired operating results. Internal auditors are responsible for determining if:

- Operating standards have been established for measuring economy and efficiency.
- Established operating standards are understood and are being met.
- Deviations from operating standards are identified, analyzed, and communicated to those responsible for corrective action.
- Corrective action has been taken.

During the last five years, we have focused our audits in the areas of effective and efficient use of resources and the accomplishment of established goals and objectives for operations or programs. We will continue this endeavor next year.

OCA is guided by the Governmental Auditing Standards (the “Yellow Book”) issued by the Comptroller General of the United States. OCA is committed to implementing these standards which encompass:

- Maintaining the independence of the internal auditing department from the activities audited and the objectivity of internal auditors.
- Ensuring the proficiency of internal auditors and the professional care they exercise.
- Determining the scope of internal auditing work.
- Planning and conducting internal auditing assignments.
- Maintaining quality control and assurances.

We believe that implementing these Standards will enhance and improve the professionalism of the department.

SUMMARY OF AUDIT ACTIVITIES
FOR THE 2011-2012 FISCAL YEAR

The Office of the Chief Auditor
Summary of Audit Activities for the 2011-2012 Fiscal Year

FACILITY AUDITS

1. Performed Audit of the Facilities & Construction Management Division's Project No. P.000917 – PPO Zone 4 Maintenance Facility.
2. Performed Current Status of the Audit of the Facilities and Construction Management Division's Bidding and Bid Opening Process.
3. Performed a Review of the Cypress Elementary School Project #1781-24-01/P000346 New Food Service Building, Renovations and Site Improvements.
4. Performed a Review of the Palmview Elementary School Project #1131-23-01/P000207 New Food Service Multipurpose Building, Renovations and Site Improvements.
5. Assisted McGladrey LLP with The School Board of Broward County, Florida Operational Review of Facilities and Construction Management.
6. Monitored construction in progress for selected projects throughout the District.
7. In conjunction with the General Counsel's Office, we continued to monitor legal proceedings related to the pursuit of a reimbursement in the amount of \$765,000 identified in the July 2009 Audit of Ashbritt, Inc. and C&B Services Invoices for District Portable Repairs Related to Hurricane Wilma.
8. In conjunction with the Facilities and Construction Management Division and General Counsel, our Office participated as a non-voting member of the weekly Agenda Preparation Group (APG) to review the agenda items for specific requirements (i.e. Right to Audit Clause, proper funding and general review) prior to submission to the Senior Leadership Team.
9. Monitored and attended Bid Openings and reviewed bid tabulations.
10. Participated in seminars on accounting and auditing of construction activities with Broward County's Audit Department and Professional Consulting firms.
11. Assisted the Office of Inspector General, Florida, Department of Education with requests regarding their follow up to the Statewide Grand Jury Report.

12. In conjunction with the Facilities and Construction Management Division, provided input to the Negotiations Parameter Committee and Qualification Selection Evaluation Committee (QSEC) and monitored the activities of the Negotiating Committee to strengthen the procurement process over professional services and construction contracts. The OCA is a non-voting member of these committees.
13. Reviewed various construction projects completed throughout the District.
14. Assisted the Office of the Inspector General in the performance of Hurricane Wilma Claims and FEMA Reimbursement Activities (ongoing).

AUDIT OF INTERNAL FUNDS

1. Performed audits of the Internal Funds of Schools and Centers for the 2010-2011 fiscal year and presented the audit reports to the Audit Committee. Several audits pertaining to the 2009-2010 fiscal year were completed during the 2011-2012 fiscal year. Six separate reports were issued throughout the year. As of June 20, 2012, there were several schools' audits pertaining to the 2010-2011 fiscal year which were scheduled, in-process, or in the management review phase. The field work for these schools will be completed by July 31, 2012 and will be combined with the schools' audits pertaining to the year ended June 30, 2012, that will be performed during the 2012-2013 school year.

In conjunction with the Audits of Internal Funds, the following procedures were performed:

- Review of payroll procedures and records at all schools and centers.
- Review of After-School Care and Community School Programs.
- On site visit of vending operations to spot check commissions and review vendor contracts (ongoing).
- Assisted management with new School Board Policies, Standard Practice Bulletins, Business Practice Bulletins, i.e. I-101 General Policy, SBP 1341 Use of Broward County School Facilities for Non-School Purposes, PR-100 Payroll and Time Entry and others.

We also performed the following activities:

- Surveyed Schools and Centers after completion of each audit in order to obtain feedback from the schools' administration regarding our auditing services.

- Conducted multiple Internal Funds Accounting Workshops for Bookkeepers and Administrators on Standard Practice Bulletins relating to accounting for Internal Funds at schools and centers.
- Conducted audit investigations in conjunction with the Special Investigative Unit (SIU) related to Audits of Internal Funds of schools and centers.
- Collaborated with SIU on fraud cases presented by our Office on several investigations, which are pending or resolved.
- Collaborated with the Internal Accounting Department to discuss internal issues, policies and bulletins.
- Assisted Area Directors with monitoring Internal Funds in schools with audit exceptions.
- Continued audits of athletic events to assist schools in improving internal controls over athletic ticket selling procedures, which included cash collection reconciliations with ticket sales at high school sporting events.
- Identified yearbook vendor overcharges, which led to cash recoveries.
- Performed site visits and assisted school staff in resolving audit exceptions and monitoring their Internal Funds Accounts.
- Performed Athletic Training for Athletic Directors on ticket sales and accounting for game revenues.
- Reviewed District-wide donations and deposits related to the Walk About Autism fundraiser event.

PROPERTY AND INVENTORY (P&I)

1. Performed Property Audits of schools, centers and departments and assisted District staff with monitoring and accounting for fixed assets at each location. A total of seven audit reports were issued containing 244 locations, in which over \$251 million in property was listed in the property records. A total of 528 items were unaccounted for with a historical cost that exceeded \$1 million.
2. Assisted with the correction of asset records due to missing serial numbers, not properly recorded when receipt of goods procedures were performed.
3. Performed follow-ups for those locations that had audit exceptions in order to verify whether internal control procedures were implemented.

4. Conducted Property and Inventory audit including digital pictures of classrooms and building contents as part of the process of substantiating assets purchased by Charter Schools with FTE funding. In addition, we coordinated the return of assets to the District related to closed Charter Schools.
5. Provided internal control procedures and reviewed the Property and Inventory Business Practice Bulletin O-100, prepared by the Office of the Chief Operations Officer.
6. Reviewed Schedule of Assets identified for Surplus and Removal from Asset Records prior to submission to School Board for approval of write-off of assets.
7. Assisted the State Auditor General in coordinating their review of property and inventory for the District.

OPERATIONAL AUDITS

1. Provided a 2010 State FTE Audit Advisory – A summary of the State of Florida Auditor General Report No. 2012-006 – Broward County District School Board - Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Fiscal Year Ended June 30, 2010.
2. Provided a 2009 State FTE Audit Advisory – A summary of the State of Florida Auditor General's Report No. 2011-005 - Broward County District School Board - Florida Education Finance Program (FEFP), Full-Time Equivalent (FTE) Students and Student Transportation Audit for the Fiscal Year Ended June 30, 2009.
3. Performed a Current Status Update of the Review of the Auditor General's Report #2010-183 – Broward County District School Board Financial and Operational Audit for Fiscal Year Ended June 30, 2009.
4. Performed Audit of the Family Counseling Behavioral Health Program Grant for the period ended September 30, 2011.
5. Monitored the Personal Use of District-Issued Cellular Telephones (ongoing).
6. Assisted the State Auditor General in coordinating their annual financial audit with the data collection, legal confirmations and management's responses.
7. Assisted the State Auditor General with Report #2012-006 - The Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Fiscal Year Ended June 30, 2010. Continued to assist in the appeal process with audit exceptions identified in the report.

8. Assisted the State Auditor General with Report #2011-005 - The Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Fiscal Year Ended June 30, 2009. Continued to assist in the appeal process with audit exceptions identified in the report.
9. Performed appeals of the 2009 and 2010 FTE Audit Findings to FDOE, which led to a \$4.5 million reduction in penalties for the District.
10. Monitored the close-out of the Utilities Auditing and Billing Review which related to water bills. Reduction in water bills has occurred due to the installation of separate water meters.
11. Performed a review of purchases paid from General Funds, in conjunction with the Audits of Internal Funds, for selected schools.
12. Submitted annual reports to the Data Clearinghouse and other agencies as required by the Annual Financial Reporting requirements.
13. Performed year-end inventories of various schools' and centers' bookstores throughout the District.
14. Participated in SAP Payroll and various accounting module sessions.

PAYROLL

1. Performed an Audit of the Payroll and Timekeeping Practices of the Design Services Department for the Period from December 27, 2010 through July 10, 2011.
2. Performed reviews of payroll procedures and payroll records (regular and overtime hours) in conjunction with the Audits of Internal Funds.
3. Performed investigative audit of all payroll records at several schools and departments for the 2010-2011 fiscal year, including a review of unauthorized overtime payments entered by Payroll Processors.
4. Performed Current Status of Audit Advisory of Supplements for 2010-2011.
5. Participated in the development of the On-Line Time Review Demo and Approval Process.

INVENTORIES

1. Performed a physical inventory, on a sample basis, in June 2011, which included inventory test counts at the various District Warehouses to ensure the accuracy of

inventory compliance with control procedures and the quantity, dollar amount and types (increase/decrease) of adjustments. Year-end observations will be performed on June 30, 2012 at various locations to complete the inventory audit procedures.

GRANTS - CONTRACT AUDITS

1. Performed financial and compliance audits of educational services funded by Broward County and various agencies, as required by the terms and conditions of the contracts.

POLICY REVISIONS

1. Provided technical assistance for revisions to School Board Policies, Standard Practice and Business Practice Bulletins amended during the fiscal year, including:
 - Policy 4300.1 - Overtime Pay or Compensatory Time
 - Business Practice Bulletin PR-100 - Payroll and Time Entry
 - Policy 1341 – Use of Broward County School Facilities for Non-School Purposes
 - Policy 3320 – Purchasing Policies
 - Policy 5202 - Gifts to Personnel
 - Reviewed draft of Anti-Fraud Policy

PROCUREMENT

1. Reviewed yearbook contracts with vendors for compliance with contract terms and made recommendations for improving the yearbook procurement process.
2. Provided Supply Management and Logistics staff with technical assistance related to audit provisions and financial statement reviews of vendors who submitted bid proposals for various requests issued by the District.

LIAISON WITH OTHER AUDITORS/OFFICES

1. Assisted multiple external auditors, U.S. Department of Education's Office of Inspector General with their ARRA funds audit, and the State Auditor General auditors with the Annual Audited Financial Reports, as well as other District audits. We also coordinated data gathering, scheduled audit conferences with District staff, prepared legal confirmation letters and assisted in obtaining management responses.

INVESTIGATIVE MATTERS

1. Conducted Audits/Investigations and assisted the State Attorney's Office and the District's SIU/Professional Standards with fraud investigations related to financial issues within the District (Internal Funds, payroll, procurement, vendor payments, construction projects, etc.).

OTHER ACTIVITIES

1. Maintained the website for the Office of the Chief Auditor.
2. Continued membership on various School Board Committees where participation is required or requested, when not interfering with the audit function.
3. Conducted Continuing Professional Education in-service training programs for administrators and school staff.
4. Coordinated and served as a liaison between the School Board Members and the School Board Audit Committee.
5. Participated in various committees established by the District, such as the School Board Audit Committee, Advertising Committee, Facilities Task Force, Qualification Selection Evaluation Committee, Charter School Financial Review Committee and the Charter School Oversight and Monitoring Committee.
6. Provided unaudited current status matrices for audit recommendations pending implementation by District staff.
7. Attended School Board Meetings, Workshops and responded to Board Follow-Up Requests and Referrals in writing.
8. Maintained a Yearbook Conference on the CAB E-Mail system to enhance communication between school yearbook sponsors.
9. Participated in the activities related to the SACS Accreditation Process.

CHARTER SCHOOLS

1. Assisted the Charter School Office, which included reviews of Charter Schools' Quarterly and Annual Financial Statements, to determine that there were adequate standards of fiscal management, as required by the terms of the Charter Schools' Agreements.

2. Collaborated with Charter School Office and met with staff from various Charter Schools and performed a detailed review of all Charter Schools experiencing financial emergencies and reviewed financial recovery plans for those Charter schools on a quarterly basis. Participated as a non-voting member of Charter Schools Oversight and Monitoring Committee (CSMO).
3. Performed a follow-up review of Charter Schools related to the closing of the schools.
4. Performed a review of several closed Charter Schools relating to custody of Property and Inventory that were purchased with FTE dollars.
5. Presented summaries of annual audited financial reports of all Charter Schools having financial concerns to the Audit Committee.
6. Provided technical assistance to the Charter School Office related to Charter School Agreements and various audit related correspondence.
7. Provided financial analysis and operational review for District related to the non-renewal of Charter School agreements.

PROPOSED AUDIT PLAN

FOR THE 2012 - 2013 FISCAL YEAR

The Office of the Chief Auditor
Proposed Audit Plan for the 2012-2013 Fiscal Year

FACILITY AUDITS

1. Perform Audit of Construction Contract Administration and Project Costs for selected construction projects.
2. Review of consulting services agreements, open end contracts and other purchased services by the Facilities & Construction Management Division and Physical Plant Operations.
3. In conjunction with the Facilities and Construction Management Division and General Counsel, participate as a non-voting member of the Agenda Preparation Group (APG) to review agenda items for specific requirements (i.e. Right to Audit Provision, proper funding and general review) (ongoing).
4. Review various Change Orders and Contingency Use Directives related to construction projects.
5. In conjunction with the Facilities and Construction Management Division, provide input to the Negotiations Parameter Committee and Qualification Selection Evaluation Committee (QSEC) and monitor the activities of the Negotiating Committee to strengthen the procurement process over professional services and construction contracts (ongoing).
6. Monitor and Perform Close-Out Report of the Audit of Ashbritt, Inc. and C&B Services Invoices for District Portable Repairs Related to Hurricane Wilma (ongoing).
7. Perform a Current Status Update of the responses to the 2002 and 2011 Grand Jury Reports and prior Facility & Construction Management audits (ongoing).
8. Monitor Bid Openings and review Hard Bid Process (ongoing).
9. Assist the Office of the Inspector General in the performance of Hurricane Wilma Claims and FEMA Reimbursement Activities (ongoing).
10. Conduct a status update audit by the Audit Department, Facilities Department, and Superintendent of Schools in conjunction with the General Counsel per Policy 1002.1 of the June 21, 2012, Facilities and Construction Management Audit by McGladrey, LLP.

SPECIAL ASSIGNMENTS

1. Reserve a limited number of audit days for special assignments requested by the Superintendent, School Board members and Audit Committee members.

INTERNAL FUNDS

1. Perform all audits for the 2011-2012 fiscal year for:
 - High Schools
 - Middle Schools
 - Elementary Schools
 - Technical, Adult, Alternative and ESE Centers

OPERATIONAL AUDITS

1. Perform an Operational Audit of selected activities at BECON.
2. Perform Operational Audits of selected activities for various departments.
3. Perform Current Status Reports of prior Operational Audits.
4. Perform annual year-end warehouse inventory test counts.
5. Assist the External Auditor with IT audits.
6. Assist the External Auditor with M/WBE audit.
7. Review of consulting services agreements and purchased services by various Divisions and Departments.

INVESTIGATIVE MATTERS

1. Conduct audits/investigations and assist the State Attorney's Office and the District's SIU/Professional Standards with investigations related to financial issues in the school system (internal funds, payroll, procurement, vendor payments, etc.)

LIAISON WITH OTHER AUDITORS/OFFICES

1. Assist external auditors, Office of Inspector General, Auditor General, State of Florida and other State and Federal auditors) in the performance/execution of annual audit and other audit services.
2. Coordinate and assist with school and District level responses to State FTE audit findings.

PROPERTY AND INVENTORY AUDITS

1. Perform Property Audits of Schools, Centers and Departments.
2. Provide training on Property and Inventory Procedures.
3. Perform follow-up reviews for those locations that had audit exceptions, in order to verify compliance with audit recommendations.

PAYROLL

1. Perform review of payroll procedures and payroll processing (regular and overtime hours) in conjunction with the Audits of Internal Funds and selected operational audits.
2. Perform unannounced payroll check distributions and/or remuneration/direct deposit statement distributions at selected work locations.
3. Assist external auditors in the performance of all SAP Payroll System Reviews.
4. Monitor the implementation of the electronic on-line payroll review and approval process.

INFORMATION TECHNOLOGY AUDITS

1. Perform an Operational Review of Selected IT Vendors' Consulting Services.
2. Assist external auditors, consultants and staff in the performance of selected activities of the Education Technology Services (ETS).

GRANTS - CONTRACT SERVICES

1. Perform audits of grants and contract services, as required by the terms and conditions of the contracts.

CHARTER SCHOOLS

1. Assist the Charter School Office, which includes reviews of charter schools' monthly and annual financial statements for over 95 charter schools to determine if there are adequate standards of fiscal management, as required by the terms of the Charter Schools' agreements and Florida Statutes.

2. Monitor Charter Schools' financial operations which have been identified with a financial emergency.
3. Review annual audited financial reports of all Charter Schools and present summaries to the Audit Committee.
4. Assist in the closeout process, i.e. property and inventory of Charter Schools that are terminated.
5. Participate in the District's Charter School Oversight and Monitoring Committee.

OTHER ACTIVITIES

1. Continue membership on various School Board Committees where participation is required or requested, when not interfering with the auditing function.
2. Continue quality assurance and in-service training programs for administrators and school staff.
3. Assist management of the School Board in the performance of their responsibilities. Provide analyses, recommendations, counsel, and information concerning the activities reviewed.
4. Coordinate and serve as liaison between the School Board Members and the School Board Audit Committee.
5. Coordinate and serve as liaison for the District and external auditors.

STAFFING ISSUES

1. This Audit Plan is based on the current internal staff of 20 employees, which includes two open positions to be filled in the 2012-2013 fiscal year. Our staff consists of Internal Auditors, Inventory Audit Specialists, Clerical Specialists, and Supervisory staff. Currently, the OCA is operating without several auditors and clerical staff due to the budget reductions over the last five years.

LONG RANGE AUDIT PLAN

LONG RANGE AUDIT PLAN

The following major reviews/audits are being considered for the next several fiscal years. They are over and above the regular auditing activities of the Office, which include audits of schools, construction, etc.

1. Audit warranties associated with completed construction projects.
2. Perform an Operational Audit of selected activities within the Human Resource Division and other selected District departments/divisions.
3. Perform a Review of Custodial Operations, including equipment, supplies and purchasing.

**SCHEDULE OF COSTS
AND
AVAILABLE RESOURCE**

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Schedule of Costs and Available Resources
2012-2013

I. Cost per Day of Internal Audit Staff					
<u>Salary Expense</u>					
<i>General Operating Fund (20 Employees)</i>					\$1,374,544
<i>Capital Fund (2 Employees)</i>					153,477
Total Salaries including Benefits					\$1,528,021
<i>Cost per Day (\$1,528,021 divided by 20) divided by 244</i>					\$313
					\$42 per hour (rounded)
II. Total Available Contact (Field) Days					
<i>Auditors (excluding Chief Auditor and Clerical)</i>					11
<i>Inventory Audit Specialists</i>					5
Total Audit Staff					16
<i>Contact (Field) Days per Year for Audit Staff</i>					x 220
Total Available Contact Days					3,520
III. Schedule of Available Days/Estimated Costs					
			Contact (Field)		Estimated
			Days		Costs
Audit Functions					
<i>Internal Fund Audits</i>			1,100		\$344,300
<i>Property Audits</i>			1,100		344,300
<i>Construction/Maintenance Audits</i>			660		206,580
<i>Operational Audits</i>			400		125,200
<i>Inventories</i>			10		3,130
<i>Grant Audits</i>			15		4,695
<i>Information Technology Audits</i>			20		6,260
<i>Special Assignments/Audit Investigations</i>			35		10,955
<i>Other Activities/Charters/Audits</i>			35		10,955
Totals			3375		\$1,056,375
Other Activities					
<i>Continuing Professional Education</i>			35		\$10,955
<i>In-Service Training for District Personnel</i>			50		15,650
<i>Miscellaneous</i>			30		9,390
Totals			115		\$35,995
Contingency					
<i>Available Contingency</i>			30		9,390
Totals			30		\$9,390
Total Days and Estimated Costs			3,520		\$1,101,760
<i>95% of Contact (field) Days are expended on direct audit projects.</i>					
<i>4% of Contact (field) Days are expended on education of auditors and District staff.</i>					
<i>1% of Contact (field) Days are held for contingency.</i>					