

**AGENDA REQUEST FORM**  
**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

Meeting Date <b>11/5/13</b>	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align:center; padding: 5px;"><b>Open Agenda</b></td> <td style="width:50%; text-align:center; padding: 5px;"><b>Special Order Request</b></td> </tr> <tr> <td style="text-align:center; padding: 5px;"><input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No</td> <td style="text-align:center; padding: 5px;"><input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</td> </tr> </table>	<b>Open Agenda</b>	<b>Special Order Request</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item Number <b>DD-3</b>
<b>Open Agenda</b>	<b>Special Order Request</b>					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					

<b>TITLE:</b>	Internal Audit Report – Current Status Update of the Review of the Cypress Elementary School Project #1781-24-01/P000346 New Food Service Building, Renovations and Site Improvements				
<b>REQUESTED ACTION:</b>	Receive Internal Audit Report – Current Status Update of the Review of the Cypress Elementary School Project #1781-24-01/P000346 New Food Service Building, Renovations and Site Improvements.				
<b>SUMMARY EXPLANATION AND BACKGROUND:</b>	<p>This Current Status Update of the Review of the Cypress Elementary School Project No. 1781-24-01/P000346 New Food Service Building, Renovations and Site Improvements issued in June 2012, was performed in accordance with the 2013-2014 Audit Plan. The report consisted of a review of the Current Status responses from management and analysis of the supporting documentation associated with their reported actions to date.</p> <p>The Current Status contains updates from the Office of Facilities &amp; Construction (OF&amp;C) on our recommendations from the original audit. Of the original three (3) findings, it is the opinion of the Office of the Chief Auditor (OCA) that Finding #1 is open, Finding #2 is incomplete, and Finding #3 is implemented, but not in use.</p> <p>In Finding #1 in the original Audit Report, OCA recommended that OF&amp;C should deny the Construction Manager, Hewett-Kier any payment for delay claims (compensation for Extended General Conditions). In this Current Status, we documented that OF&amp;C has prepared a proposed Construction Change Order-Item # 21 which is intended to seek School Board approval to pay the Construction Manager, Hewett-Kier \$253,501.00 as compensation for 247 days of Extended General Conditions. OCA disagrees with this payment for reasons documented in the original Audit Report and the Current Status Matrix. As OF&amp;C is intent on paying the Construction Manager and OCA maintains that no payment for delay claims should be made, it was the opinion of OCA that the resolution and disposition of this issue needed to be made by the Office of the General Counsel.</p> <p>Subsequent to the completion of this Current Status Report, the Office of the General Counsel was requested to provide a legal opinion regarding the Construction Manager’s delay claims and associated compensation. On September 27, 2013 the OCA received the Office of the General Counsel’s Legal Opinion Memorandum that affirmed the OCA’s recommendation to deny the Construction Manager’s delay claims and associated compensation.</p> <p>The Audit Committee reviewed and approved this report for transmittal to the School Board during the Committee’s October 10, 2013 meeting.</p>				
<b>SCHOOL BOARD GOALS:</b>	<p><input type="checkbox"/> *Goal 1: High Quality Instruction</p> <p><input checked="" type="checkbox"/> *Goal 2: Continuous Improvement</p> <p><input checked="" type="checkbox"/> *Goal 3: Effective Communication</p>				
<b>FINANCIAL IMPACT:</b>	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.				
<b>EXHIBITS: (List)</b>	Audit Report prepared by the Office of the Chief Auditor.				
<b>BOARD ACTION:</b>	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; padding: 5px;"><b>SOURCE OF ADDITIONAL INFORMATION:</b> Patrick Reilly</td> <td style="width:50%; padding: 5px; text-align:right;">(754) 321-2400</td> </tr> <tr> <td style="padding: 5px;">Name</td> <td style="padding: 5px;">Phone</td> </tr> </table>	<b>SOURCE OF ADDITIONAL INFORMATION:</b> Patrick Reilly	(754) 321-2400	Name	Phone
<b>SOURCE OF ADDITIONAL INFORMATION:</b> Patrick Reilly	(754) 321-2400				
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**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

*Patrick Reilly, Chief Auditor* **PR**  
Office of the Chief Auditor

Approved in Open Board Meeting on: \_\_\_\_\_

By: \_\_\_\_\_ School Board Chair