

INTERNAL AUDIT REPORT

**Current Status Review of the  
Auditor General's Report #2013-160 –  
Broward County District School Board  
Financial and Operational Audit for  
Fiscal Year Ended June 30, 2012**

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**October 2013**



**BROWARD COUNTY  
PUBLIC SCHOOLS**

*The Nation's Sixth Largest School District.*



**To be presented to the:**

**Audit Committee  
on October 10, 2013**

**and the**

**School Board of Broward County, Florida  
On November 5, 2013**

**By**

**The Office of the Chief Auditor**



## **The School Board of Broward County, Florida**

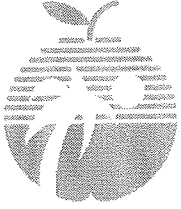
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*Superintendent of Schools*

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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

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ROBERT W. RUNCIE  
*Superintendent of Schools*

October 3, 2013

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

Ladies and Gentlemen:

In accordance with the 2013-2014 Audit Plan, the Office of the Chief Auditor has performed a Current Status Review of the Auditor General's Report #2013-160 – Broward County District School Board Financial and Operational Audit for Fiscal Year Ended June 30, 2012.

The objective of this report was to provide a current status on the corrections/implementations by District staff of the audit recommendations that pertained to internal controls and compliance findings reported by the State of Florida Auditor General.

The original State of Florida Auditor General's report (which can be found on the Office of the Chief Auditor's website) contained fourteen detailed audit findings/recommendations and two Federal Award Findings. This Current Status Report showed that ten items were completed (items #1, 3, 4, 5, 6, 7, 11, 12, Federal Finding #1 and Federal Finding #2). The remaining six items (2, 8, 9, 10, 13 and 14) are ongoing and will be included in a subsequent Current Status Report.

We would like to thank all District personnel for their cooperation during this review.

This report will be presented to the Audit Committee at its October 10, 2013 meeting and to the School Board at its November 5, 2013 Regular School Board meeting.

Sincerely,

Patrick Reilly, CPA  
Chief Auditor  
Office of the Chief Auditor

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**SECTION I**

**CURRENT STATUS MATRIX**

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

The Office of the Chief Auditor

**Current Status on the report entitled "Auditor General's Report #2013-160 -- Broward County District School Board Financial and Operational Audit for Fiscal Year Ended June 30, 2012"**

**OCTOBER 2013**

FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u><b>Finding No. 1: Fraud Policy</b></u></p> <p>The Board had not adopted adequate policies for communicating and reporting known or suspected fraud.</p>	<p><u><b>Recommendation:</b></u></p> <p>To aid in the detection and prevention of fraud, the District should continue its efforts to adopt a fraud policy for reporting known or suspected fraud to the appropriate authorities.</p>	<p><u><b>Management Response from the Office of Human Resources:</b></u></p> <p>We agree. In response to the Auditor General's report, an Anti-Fraud Policy has been drafted and reviewed by the Chief Auditor and the General Counsel. The policy is scheduled for review by the School Board at the April 16, 2013 School Board Workshop. Following the workshop presentation, Human Resources will adhere to the established policy processes and timeline for School Board adoption. The anticipated policy adoption will be completed by July 2013.</p>	<p><u><b>Current Status: Completed</b></u></p> <p><u><b>Follow Up from the Office of the Chief Auditor (OCA):</b></u></p> <p>OCA verified that on June 25, 2013, the School Board approved Agenda Item CC-4 - Policy 4413 - Anti-Fraud Policy. This policy established certain principles and expectations for the School District in order to prevent fraud, to investigate claims and provide consequences in engaging in any manner of fraud. This policy is available on the District's website.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><b><u>Finding No. 2:</u></b> <b><u>Electronic Funds Transfers</u></b></p> <p><b>Controls over electronic funds transfers could be enhanced.</b></p>	<p><b><u>Recommendation:</u></b></p> <p>The Board should adopt written policies and procedures related to EFTs, including the use of electronic signatures. In addition, the banking agreement should contain the signatures of employees authorized to initiate EFTs.</p>	<p><b><u>Response from the Office of the Chief Financial Officer:</u></b></p> <p>The District established an "Internal Controls and Operational Procedures Manual" on August 31, 2004. The Manual includes a section that pertains to Electronic Funds Transfers. We will have the Board adopt an Electronic Funds Transfer Policy, which will include the use of electronic signatures.</p> <p>The District's banking agreement delegates authority to persons holding the positions of Chief Financial Officer (CFO) and Treasurer to execute documents pertaining to the use of services, including, but not limited to, designating persons authorized to initiate electronic funds transfers. Persons that have been authorized to initiate wire transfers utilize electronic signatures in the form of passwords and Personal Identification Numbers (PIN). The CFO and Treasurer will sign the Treasury Services Delegation of Authority Form.</p>	<p><b><u>Current Status: Ongoing</u></b></p> <p><b><u>Response from the Office of the Chief Financial Officer:</u></b></p> <p>The Treasurer's Office is currently drafting a policy addressing EFT's and the use of electronic signatures as required in Section 1010.11 and Chapter 668, Florida Statutes. The draft policy will then be reviewed by the Financial Advisory Committee at its scheduled meeting in November, and brought before the Board for approval as soon thereafter as feasible.</p>

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<p align="center"><b>FINDING</b></p>	<p align="center"><b>RECOMMENDATION</b></p>	<p align="center"><b>MANAGEMENT RESPONSE AS OF MARCH 31, 2013</b></p>	<p align="center"><b>CURRENT STATUS AS OF OCTOBER 2013</b></p>
<p><u>Finding No. 3:</u> <u>Decentralized Collections</u></p> <p>Improvements could be made in collection procedures at certain decentralized locations.</p>	<p><u>Recommendation:</u></p> <p>The District should ensure that daily collections from all decentralized collection locations are timely transferred to the Treasurer's Office and deposited.</p>	<p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p>We agree. The Supply Management &amp; Logistics Department will meet with the Office of the Chief Financial Officer to create a Business Practice Bulletin that will clearly outline procedures for receiving collections and timely remitting of all monies collected to the Treasurer's Office. The Business Practice Bulletin will specify strict timeframes for making deposits to the Treasurer's Office, in order to safeguard assets and expedite timely bank deposits. This Bulletin will be provided to all locations that handle decentralized collections throughout the District. The timeline for the initiation of this Business Practice Bulletin is April 30, 2013.</p>	<p><u>Current Status: Completed</u></p> <p><u>Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>Verified deposit process documentation provided by the Chief Strategy &amp; Operations Office.</p> <p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p><u>DAILY:</u> Money (money orders and cashier's checks only) is collected on-site. A handwritten receipt is given to the client, along with a computer-generated receipt called an Auction Release. All money is kept in a locked desk drawer.</p> <p><u>WEEKLY:</u> Started Nov 2012 Print out an Auction Receipt Summary (electronic version of our receipt book). The Auction Receipt Summary has complete details of each transaction. Make photocopies of all money orders/cashier's checks. Checks</p>



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<p><u>Finding No. 3:</u> <u>Decentralized Collections, cont'd.</u></p>			<p>are kept in the same order as the Receipt Summary, totaled on the adding machine and placed in an envelope along with the printed tape that has the total. Once the Remittance Transmittal Form is filled out, it is printed and signed off on by the Materials Logistics manager.</p> <p>A pony envelope is hand-delivered to Hope Kerr at Treasurer Office with the original Remittance Transmittal Form, a copy of the Receipt Summary Report, and separate envelope with the checks and tape total. Copies are kept at location.</p>

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<p><u>Finding No. 4:</u> <u>Payroll Processing</u></p> <p>Payroll processing procedures could be improved.</p>	<p><u>Recommendation:</u></p> <p>The District should enhance its procedures to ensure payroll payments are accurate, properly documented, and approved. The District should also continue its efforts to remedy previous salary underpayments and overpayments.</p>	<p><u>Response from the Office of the Chief Financial Officer:</u></p> <p>The \$1.3 million of uncollected funds dates back to 2001 when the SAP payroll system (first implementation) was implemented. At the time of the system implementation, a large amount of overpayments were generated. Dedicated efforts were made to recover the overpayments, however, due to the two year statute of limitations; the entire balance was not collected. In subsequent years, several processes were implemented to reduce the occurrence and frequency of overpayments resulting in higher recovery and lower overpayment balances. We continue to analyze data, provide appropriate training and implement accountability measures to perpetually lower the occurrence of overpayments. Of the \$957,476 overpayments that occurred in 2011-12, \$819,828 was recovered.</p> <p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p>Management agrees with the audit</p>	<p><u>Current Status: Completed</u></p> <p><u>Response from the Office of the Chief Financial Officer:</u></p> <p>Diligent efforts to continue analyzing data and provide appropriate training have successfully reduced overpayments from FY 11-12 to FY 12-13 by nearly \$300,000.00. We are continuously reviewing processes, training, and communications to further reduce overpayments before they occur.</p> <p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p>Administrative staff have been trained in all the Terminal locations on the new payroll system (KRONOS). There is ongoing review and approval of employee payrolls. Also, the Zearnings and ZTIM Reports are being run for each payroll. The Overtime Reports have</p>

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<p><b><u>Finding No. 4:</u></b> <b><u>Payroll Processing, Cont'd.</u></b></p>		<p>recommendation to "enhance its procedures to ensure payroll payments are accurate, properly documented, and approved."</p> <p><b>Corrective Action:</b> Since the audit findings the Transportation Department has fully migrated to the KRONOS Time &amp; Attendance system. In conjunction with the implementation of the new system additional procedures and guidelines are being put in place to minimize the risk to the District in the areas of overpayments and inaccurate payrolls. The Department has also discontinued the use of the antiquated WRK215 COMPASS report for payroll reporting.</p> <p>Additionally, all administrative staff located at the bus terminals has been trained on the new system. They will be responsible for reviewing and approving all payrolls. They will also be required to keep all appropriate records on file such as the Zearnings, ZTIM, and Overtime Reports.</p>	<p>been incorporated in the payrolls beginning this 2013/14 school year.</p> <p>Additionally, in conjunction with the implementation of the new time management system, payroll operations for all transportation terminals have been centralized in an effort to minimize the risk to the District in the areas of overpayments and inaccurate payrolls.</p> <p>Although this change in operation is in its infancy stage, foregleams of improved timely communication and efficiency of operation are already noticeable. Certain payroll issues that may have taken a week to be addressed or even noticed in the past are being handled within days or hours in some cases.</p> <p>New procedures and new forms were put into place to document additional time worked by bus operators/attendants for special work events such as After</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding No. 4:</u> <u>Payroll Processing, Cont'd.</u></p>			<p>School Activities and Community Based Instruction Trips. Time connected to such events is not processed unless the forms have been completed and turned in by the employee. This has increased employee accountability, as well as employee awareness to increased scrutiny of payroll.</p>

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<p><b><u>Finding #5:</u></b> <b><u>Overtime Payment Monitoring</u></b></p> <p>The District could enhance its monitoring of employee overtime.</p>	<p><b><u>Recommendation:</u></b></p> <p>The District should enhance its procedures to ensure overtime payments are properly documented and approved. Also, given the amount of overtime expenditures incurred, the District should enhance management controls to require overtime and staffing analyses to ensure the most cost effective use of human resources. In addition, the District should document the basis for the 4 payments totaling \$3,367 to the 3 transportation department employees or recover these amounts.</p>	<p><b><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></b></p> <p>Management agrees with the audit recommendation to "enhance its procedures to ensure overtime payments are properly documented and approved and enhance management controls to require overtime and staffing analyses." <b><u>Corrective Action:</u></b> The implementation of KRONOS will greatly enhance the transportation department's ability to monitor overtime. The system allows for a unique schedule to be placed in KRONOS for each employee. When there is a deviation from this schedule an alert occurs on the same day of the exception. The new system also provides a variety of reports that can be run to help monitor employee work hours. Additionally, at the request of Student Transportation &amp; Fleet Services, a unique payroll report has been created that allows the department to see all REG, OTS and OTP hours along with Gross, Net, and Retro pay, all in one report for all employees within the Department.</p>	<p><b><u>Current Status: Completed</u></b></p> <p><b><u>Follow Up from the Office of the Chief Auditor (OCA):</u></b></p> <p>OCA confirmed that the KRONOS time system was implemented at the Transportation sites. A formal review of the KRONOS payroll system is scheduled as part of our Audit Plan.</p> <p><b><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></b></p> <p>The schedule feature of the KRONOS time management system has been instrumental in addressing issues of overtime. The system provides an alert of any deviation from the planned schedule. The time over the schedule is kept in a separate category until approved. Payroll accuracy continues to improve as staff expands on the functionality of the system.</p>

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<p><u>Finding #6:</u> <u>Severance Pay</u></p> <p>The Superintendent's employment agreement included a severance pay provision that was contrary to Section 215.425(4)(a), Florida Statutes.</p>	<p><u>Recommendation:</u></p> <p>The District should ensure that future employment agreements contain provisions for severance pay that are in accordance with Section 215.425(4)(a), Florida Statutes. The District should also take appropriate action to amend the Superintendent's employment agreement to be consistent with Section 215.425(4)(a), Florida Statutes.</p>	<p><u>Response from the Office of General Counsel:</u></p> <p>The "severance" provisions in the Superintendent's contract, as approved in 2011, were governed by sec. 1001.50(2), F.S., not Section 215.425(4)(a). At that time, Section 1001.50(2) provided:</p> <p>(2) The district school board of each of such districts shall enter into contracts of employment with the district school superintendent and shall adopt rules relating to his or her appointment; however, the district school board may not enter into an employment contract that requires the district to pay from state funds a superintendent an amount in excess of 1 year of the superintendent's annual salary for termination, buyout, or any other type of contract settlement. This subsection does not prohibit the payment of earned leave and benefits in accordance with the district's leave and benefits policies which were accrued by the superintendent before the contract terminates.</p>	<p><u>Current Status: Completed</u></p> <p><u>Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>OCA verified that on September 17, 2013, the School Board approved Agenda Item BB-1 – <u>First Amendment to Superintendent's Employment Agreement</u>, which amended the contract to be consistent with Florida Statute Section 215.425 (4)(a). Article 10, involving the Superintendent's termination compensation, has been amended to be consistent with newly enacted legislation, capping such compensation to be equivalent to 20 weeks of salary. This amendment reduces the current terminal compensation provision by 32 weeks of salary, representing a 62% reduction.</p>

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<p><u>Finding #6:</u> <u>Severance Pay, Cont'd.</u></p>		<p>This section expressly permitted severance payment of up to one year of annual salary. This section was subsequently revised to be in line with the provisions of Chapter 215 in 2012. As such, if the Superintendent negotiates a new contract with the School Board after the termination of the current agreement in 2014, said new contract would then be subject to the provisions of 1001.50(2), as it currently reads, which requires inclusion of the provisions of Section 215.425.</p> <p><u>Auditor General's Follow-up to Management's Response:</u> The District indicated in its response that Section 1001.50(2), Florida Statutes (2011), not Section 215.425, Florida Statutes, governed the Superintendent's employment agreement and expressly permitted severance pay up to one year of annual salary. The District's response also refers to amendments to Section 1001.50(2), Florida Statutes, in 2012 to make it consistent with the provisions of Chapter 215, Florida Statutes. However, Section 215.425, Florida Statutes, applies to all units of</p>	<p><u>Response from the Office of General Counsel:</u></p> <p>This memorandum is in response to your request as it relates to the State Auditor General's Finding No. 6 - The Superintendent's Employment Agreement. Please be advised that the General Counsel's Office is currently working with the Chair on revisions to the Superintendent's contract as per the Board's desire to consider a renewal of same. As part of these discussions, appropriate revisions to the severance terms in the agreement are being considered. The amended agreement will be in compliance with the law. This item is on the agenda for the September 17, 2013 School Board meeting.</p>

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<p><u>Finding #6:</u> <u>Severance Pay, Cont'd.</u></p>		<p>government, and the 2012 amendment to Section 1001.50(2), Florida Statutes, merely clarified existing law. Accordingly, we remain of the opinion that the severance pay provision in the Superintendent's employment agreement is not consistent with existing law. In determining its actions to resolve this audit finding, the District should seek a legal opinion from the Florida Attorney General regarding its interpretation of the existing and controlling law.</p>	



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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><b><u>Finding #7:</u></b> <b><u>Purchasing Cards</u></b></p> <p><b>Enhancements could be made in controls over purchasing cards.</b></p>	<p><b><u>Recommendation:</u></b></p> <p>The District should enhance its purchasing card controls to ensure a periodic review of the reasonableness of purchasing card credit limits, and timely cancellation of purchasing card accounts and destruction of purchasing cards for terminated or reassigned employees.</p>	<p><b><u>Response from the Supply Management &amp; Logistics Department:</u></b></p> <p>We agree. The expenditures have been analyzed as compared to the monthly credit limits. There is no consistent process in place to verify that a Purchasing Card (P Card) has been destroyed or cancelled by the Bank. Notifications are not sent in a timely manner by the employees' management.</p> <p><b><u>Corrective Action:</u></b> The credit limits will be reduced to an appropriate level consistent with the spending history. Cardholders will be notified of the changes prior to the reduction of the limit. We will update the P Card manual to provide a process for notification and return of the P Card, by management, when an employee is transferred, terminated, resigns, retires, etc. A form will be created for that communication and will be maintained by the P Card Coordinator and provided to the P Card end using management to inform the P Card Coordinator of a change in employee status and the return of the P Card. Notifications</p>	<p><b><u>Current Status: Completed</u></b></p> <p><b><u>Follow Up from the Office of the Chief Auditor (OCA):</u></b></p> <p>OCA verified documentation provided by the Chief Strategy &amp; Operations Office, specifically pertaining to the reduction in credit card limits to appropriate levels.</p> <p><b><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></b></p> <p>The credit limits were reduced (April 2013) to an appropriate level consistent with the spending history. All cardholders were notified of the changes prior to the reduction. A form was added to the P-Card Manual (page 19 of 36) entitled SBBC Purchasing Card Notification of Personnel Change. This form is maintained by the P-Card Coordinator and is included in all manuals. The form requires the principal's or department</p>

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<p><u>Finding #7:</u> <u>Purchasing Cards, Cont'd.</u></p>		<p>will be sent to all users by March 20, 2013, and implementation of the change will be March 20, 2013.</p> <p><b>Proposed Corrective Action Plan:</b> Proposed Change to Process: All District equipment, issued to employees, should be maintained in the employees' personnel record. This record should be updated to contain items such as cell phones, lap-tops, keys, badges, and P Cards, etc. When an employee leaves the District, the individual's department should retrieve these items before the employee receives his/her final check. In addition, the individual's department should contact the Supply Management &amp; Logistics Department to cancel any P Cards that was issued to the individual. A new process will need to be developed to address the reporting of District-owned property, as well as communicating a change of an employee's status to the P Card Coordinator when an employee is reassigned, laid off, terminated, retired, etc., to cancel a P Card. Staff will work with HR to consider the proposed plan of action. The proposed timeline is June 30, 2013.</p>	<p>head's signature when there is a personnel change at that location. The P-Card is to be returned with this form.</p>

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<p><b>Finding #8:</b> <u>Tangible Personal Property</u></p> <p><b>Improvements could be made in controls over tangible personal property.</b></p>	<p><u>Recommendation:</u></p> <p>To improve accountability and safeguarding of the District's assets, the District should strengthen procedures to provide for complete annual physical inventories of tangible personal property, prompt tagging of items upon receipt, timely updating of all necessary fields in the individual property records for acquisitions and dispositions, and proper monitoring of surplus property dispositions.</p>	<p><u>Response from the Office of the Chief Auditor:</u></p> <p>The Office of the Chief Auditor (OCA) conducts property and inventory audits for all District locations to verify the physical presence of tangible personal property designated on a location's property inventory roster and to ensure appropriate controls are in place to safeguard the location's tangible personal property. Audits include a cursory review of the safeguards associated with high-risk items maintained within the location's secondary database per the requirements set forth in the Business Practice Bulletin O-100 Procedures for Property and Inventory Control. The OCA will continually evaluate the inventory process in an effort to comply with annual inventory requirements despite staff reductions of Property Auditors. It should be noted that staff at all locations are minimally required to conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the</p>	<p><u>Current Status: Ongoing</u></p> <p><u>Response from the Office of the Chief Auditor (OCA):</u></p> <p><u>Class Codes Excluded</u></p> <p>Beginning in July 2013, OCA verified that programming changes were made to the PROP system to capture all class codes of assets purchased to ensure all assets are included in each location's Property and Inventory Report.</p> <p><u>Tagging/Barcoding</u></p> <p>OCA will continue to barcode, engrave or indelibly mark assets that have been reconciled to Purchasing records. We are monitoring the Supply Management and Logistics and the Accounting and Financial Reporting (AFRD) Departments to ensure that the bundling of assets is being closely monitored. We continue to perform property audits to ensure that District staff is in</p>

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**OCTOBER 2013**

FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><b><u>Finding #8:</u></b> <b><u>Tangible Personal Property, Cont'd.</u></b></p>		<p>secondary database established by the location. Appropriate staff must physically verify that each property item listed on the PNI 811 (Modification-PENDING) report is accounted for on premises. As required by Business Practice Bulletin O-100, the property custodians shall complete the semi-annual inventory and forward a copy of the results to their respective senior administrator.</p> <p><u>Class Codes Excluded</u> We agree. All assets captured since the current fiscal year by Accounting and Financial Reporting Department (AFRD) will be included in future property audits conducted by the Office of the Chief Auditor. Information and Technology's production division is currently modifying the asset report to ensure all assets are included for evaluation as recommended.</p> <p><u>Tagging/Barcoding</u> We agree. All property items that have been reconciled by OCA staff will be barcoded, engraved or indelibly marked during the subsequent property audit. District</p>	<p>compliance with Business Practice Bulletin O-100 regarding donated assets and verification of delivery of assets prior to payment to vendors. A comprehensive review of the legacy asset data has not been completed. AFRD is working to correct the records identified in the Auditor General's Report.</p> <p><u>Disposal of TPP</u> OCA has met with the staff from the Chief Strategy and Operations Office in order to develop procedures that will provide detailed recordkeeping of how assets were disposed of (sold, donated, cannibalized, scrapped, etc.) A follow up will be made to determine whether the procedures for proper disposition have been implemented and are effective.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><b><u>Finding #8:</u></b> <b><u>Tangible Personal Property, Cont'd.</u></b></p>		<p>staff receives a report of all additions to the Master File of Assets associated with their location (PNI 954A-Optispool). Records should be verified for accuracy to ensure that proper tagging, tracking and distribution are maintained. The Chief Auditor has established the process for tagging new purchases when asset records are confirmed to be accurate. The Accounting and Financial Reporting Department (AFRD) reviews Business Intelligence (BI) reports to ensure that all new purchases are captured and maintained with accuracy.</p> <p>We agree. Bundling assets is prohibited by District policy. The Supply Management &amp; Logistics Department, site administrators, as well as AFRD must provide increased oversight for properly executing the three phases of asset record development. The creation of an appropriately itemized and segregated requisition, an adequately executed individual goods receipt and subsequent recording of the detailed asset record information are essential to delivering effective property</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #8:</u> <u>Tangible Personal Property, Cont'd.</u></p>		<p>management controls. The Chief School Performance and Accountability Officer formally communicated a follow up memo of expectation regarding the adherence to procedures for executing new purchases as well as monitoring and safeguarding District assets to all school based administrators on February 4, 2013.</p> <p>We agree. Any item that is donated which has a value of \$1,000 or more is considered to be high risk. These items must be reported to AFRD on an Equipment Acquisition Form per the District's Standard Practice Bulletin I-311 <u>Donations</u>.</p> <p>We agree. No assets should be paid for prior to verification by the site's administration. The delivery of the returned/damaged item, <i>I2-02403 Pole Vault Pit</i>, included in the sample, has been verified as received by the location's inventory liaison.</p> <p>We agree. A comprehensive review of legacy asset data is being performed by District personnel. Specifically, AFRD is working to correct the records identified during this evaluation that were incomplete</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #8:</u> <u>Tangible Personal Property, Cont'd.</u></p>		<p>or possibly unprocessed by the designated department staff. Class code 13, cafeteria equipment items are being evaluated by Food and Nutrition Services. A comprehensive capital equipment database has been developed and implemented in order to improve property management efficiency. Information has been compiled and submitted to the Information and Technology Department as well as AFRD for updating in the Master File of Assets.</p> <p><u>Disposal of TPP</u></p> <p>We agree. This issue has been discussed with warehouse management and personnel in the past. More detailed recordkeeping is needed to document the manner of final disposal of assets (sold, donated, cannibalized, scrapped, etc.) The Office of the Chief Auditor will meet with the Supply, Management &amp; Logistics Department in order to ensure compliance with Florida Statutes, Chapter 274 and Department of Financial Services Rule 69I-73, Florida Administrative Code.</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #9:</u> <u>Annual Facility Inspections</u></p> <p>The District did not always timely correct deficiencies noted in annual facility inspections.</p>	<p><u>Recommendation:</u></p> <p>The District should enhance procedures to ensure that deficiencies noted in inspection reports are timely corrected.</p>	<p><u>Response from the Office of Facilities &amp; Construction:</u></p> <p>We agree. The District is attempting to enhance its procedures to ensure that deficiencies noted in inspection reports are timely corrected; however, the District continues to operate in a fiscally challenged environment with extremely restricted resources in personnel and funding. Under the current circumstances, progress in addressing deficiencies remains limited.</p> <p>Proposed Corrective Action Plan: Once resources and funding become available, the District will then be able to address the deficiencies more fully and expeditiously.</p> <p>Timeline for Implementation: Due to current funding issues, a specific timeline cannot be determined at this time.</p>	<p><u>Current Status: Ongoing</u></p> <p><u>Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>This item will be reviewed in a subsequent Current Status Report.</p> <p><u>Response from the Office of Facilities &amp; Construction:</u></p> <p>The status remains unchanged. Funding has not improved; therefore a specific timeline cannot be determined at this time. Additionally, extreme limited staffing continues to be an issue; in fact staff resources have been further drastically reduced.</p>



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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #10:</u> <u>Background Rescreenings</u></p> <p>The District did not timely obtain required background rescreenings for certain District employees.</p>	<p><u>Recommendation:</u></p> <p>The District should ensure that the District employees undergo the background screenings at least every five years as required by law.</p>	<p><u>Response from the Office of Human Resources:</u></p> <p>We agree with the Auditor General's findings. The Auditor General's findings indicate that the District's reason for the delays in rescreening of employees is as a result of insufficient personnel. While the reduced staffing levels have impacted the timely implementation of the five-year employee fingerprinting process, it is not the only reason rescreenings have not occurred in a timely manner.</p> <p>In a memorandum to the Auditor General dated December 7, 2012, the Security Clearance Division of the Broward District Schools Police Department (BDSPD) explained that deficiencies were identified and compliance issues were being rectified. Additionally, we explained that research had to be conducted in order to identify the actual issues to devise a process for overall compliance. As a result of the research we discovered that some fingerprint records were not taken electronically, fingerprint records</p>	<p><u>Current Status: Ongoing</u></p> <p><u>Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>This item will be reviewed in a subsequent Current Status Report.</p> <p><u>Response from the Office of Human Resources:</u></p> <p>As of August 2013, the process of re-capturing all fingerprint records of active employees who were no longer being retained by the Florida Department of Law Enforcement has been completed.</p> <p>In July 2013, we transitioned fingerprinting services of charter school personnel to our contracted vendor. This enables us to have one data source for charter school personnel, which allows the current status in the process to be viewed by the responsible charter agency/school.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #10:</u> <u>Background Rescreenings, Cont'd.</u></p>		<p>were illegible, employees were never re-printed during the original re-fingerprinting process years ago due to an employee leave and/or absence, there were data inaccuracies at the time of fingerprinting causing a deletion of the record, two computers "crashed" containing fingerprint data (data could not be recovered) and corrupt fingerprint data could not convert to a newer format required for a future resubmission.</p> <p>To that end, the Security Clearance staff are diligently working on rectifying the issues by May of 2013 by doing the following:</p> <ul style="list-style-type: none"> <li>• Review and modify locally stored electronic fingerprint records for resubmission and retention;</li> <li>• Email notification to employees that physical re-fingerprint is required in compliance with state statute;</li> <li>• Provide written notification to substitute teachers regarding fingerprint requirement;</li> <li>• Provide information concerning</li> </ul>	<p>As stated in our response of March 15, 2013, the lack of one data source housing all the necessary information needed to determine if a fingerprint record needs to be resubmitted or deleted continues to be an obstacle. We have requested that the Information and Technology Department review our current process for a suitable solution.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #10:</u> <u>Background Rescreenings, Cont'd.</u></p>		<p>the fingerprinting requirement to Principals at their respective level meetings;</p> <ul style="list-style-type: none"> <li>• Provide list of employees to site administrators;</li> <li>• Provide three off-site locations with extended hours to employees for fingerprinting; and</li> <li>• Re-submit approximately 1,236 fingerprint records since July 1, 2012, in compliance with state statute. This is in addition to the 5,657 new fingerprint records created for background screening.</li> </ul> <p>Although our efforts have been successful, we are facing some challenges of employee compliance; specifically, employees electing not to comply with the directive for rescreening. We have provided the employees with a deadline date for rescreening. Employees failing to comply will be notified of possible disciplinary action for violating Florida Statutes.</p> <p>Another issue noted in a previous</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #10:</u> <u>Background Rescreenings, Cont'd.</u></p>		<p>response to the Auditor General is the continuing challenge of the lack of one data source housing all of the requisite information, including records of non-employees that are not housed in SAP, such as charter school employees, vendors, mentors/volunteers (chaperones), health science students, and pre-professionals (interns), making the process labor intensive. Currently, comprehensive reports from the SAP employee data system are compared against the state fingerprint data in Florida's Integrated Criminal History System. Continued analysis of the reports allows us to determine the required actions for the fingerprint record.</p> <p>We are continuing our process of cross-referencing the various databases for employees fingerprinted within a 5-year cycle; however, we have discovered that some employees need to be physically re-fingerprinted in order to submit their fingerprints for future re-screenings.</p> <p>Finally, Florida statutes that reference</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #10:</u> <u>Background Rescreenings, Cont'd.</u></p>		<p>retention of employee fingerprint records also state that if, for any reason following employment, the fingerprints of a person who is employed with the school district are not retained by the Department of Law Enforcement, the person must file a complete set of fingerprints with the district school superintendent of the employing school district. If we determine a record is out of compliance with a five-year resubmission, immediate steps are taken to ensure the resubmission occurs.</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #11:</u> <u>Expenditure Processing</u></p> <p>Controls over expenditure processes could be enhanced.</p>	<p><u>Recommendation:</u></p> <p>The District should enhance its controls over expenditure processing by establishing policies and procedures that limit the use of the check request system to emergency purchases of certain goods, services, and dollar thresholds.</p>	<p><u>Response from the Office of the Chief Financial Officer:</u></p> <p>In order to resolve the issue and limit the use of check requests in accordance with the School Board Purchasing Policy 3320, effective July 1, 2013, the Accounting and Financial Reporting Department (AFRD) will discontinue processing any check requests that are not permitted in the policy. AFRD will return the check request to the requester, copying responsible Senior Leadership Team Manager, and the Purchasing Department.</p> <p><b>Response from the Office of the Chief Strategy &amp; Operations Officer:</b></p> <p>We agree. Check requests bypass the Purchasing processes and should be avoided. These are considered to be unencumbered obligations and unrealized liabilities. These requests impact the District's budgets negatively when the funds are not available. There are provisions for the use of the Check Requests. These are under emergency situations or when a</p>	<p><u>Current Status: Completed Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>OCA verified that the April 11, 2013 memo was sent out District-wide directing staff to discontinue processing check requests that are not permitted under School Board Policy 3320. The new procedures were implemented as of July 1, 2013. We determined for the period from July 1, 2013 through September 9, 2013, there was a reduction in the use of check requests, when compared with the previous period from July 1, 2012 through September 9, 2012.</p> <p><u>Response from the Office of the Chief Financial Officer:</u></p> <p>The Accounting and Financial Reporting Department (AFRD) issued a memo on April 11, 2013 to the Senior Leadership Team, Department Heads and Principals informing that AFRD will discontinue processing Check Requests that are not permitted under School Board</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><b><u>Finding #11:</u></b> <b><u>Expenditure Processing, Cont'd.</u></b></p>		<p>Purchase Order is not the appropriate or acceptable instrument. The P Card provides some relief in this process.  <b><u>Corrective Action:</u></b> Enforce Purchasing Policy 3320, Rule V, which specifies when a check request can be used. Notification regarding the use of the check request process can be communicated to the principals and department heads through our e-mail system. Excerpts of Policy 3320, Rule V can be attached. We will address any changes in Account Assignments, forms, etc., and release information to all involved. The timeline is March 2013 to notify principals and department heads on the check request process.</p>	<p>Purchasing Policy 3320 beginning July 1, 2013. As of August 31, 2013, AFRD has returned 20 check requests totaling approximately \$938 thousand. There has been a reduction of 295 check requests processed this year as compared to the prior year though the month of August 2013. AFRD will continue to review checks requests and only process the check requests that are in compliance with School Board Purchasing Policy 3320.  <b><u>Response from the Office of the Chief Strategy &amp; Operations Officer</u></b>                      A letter regarding Check Requests, dated April 11, 2013, went out from Scott Krutchik, through Ben Leong, to Senior Leadership Team, department heads and principals, regarding the discontinuance of processing check requests. The Accounting and Financial Reporting Department will only process those check requests that are in compliance with Policy 3320.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #12:</u> <u>Journal Entries</u></p> <p>Controls over journal entries needed enhancement.</p>	<p><u>Recommendation:</u></p> <p>The District should enhance controls over journal entries that involve transfers between funds to ensure entries are timely reviewed and approved by Financial Reporting Department personnel.</p>	<p><u>Response from the Office of the Chief Financial Officer:</u></p> <p>The District concurs with your recommendation that journal entries that involve transfers between funds to ensure entries are timely reviewed and approved by the Accounting and Financial Reporting Department (AFRD). The District will change its process to ensure that journal entries that involve transfers between funds are timely reviewed and approved by the AFRD.</p>	<p><u>Current Status: Completed</u></p> <p><u>Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>OCA verified that the May 23, 2013 memo was sent out informing staff that journal entries involving transfers between funds should be reviewed and approved. In addition, we reviewed the journal entries for the month of August 2013 and verified compliance with the new process.</p> <p><u>Response from the Office of the Chief Financial Officer:</u></p> <p>The Accounting and Financial Reporting Department (AFRD) issued a memo on May 23, 2013 to the Treasury Department and Food Service Department informing them that journal entries that involve transfers between funds will need to be reviewed and approved by AFRD. The Treasury Department will be able to</p>



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<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>MANAGEMENT RESPONSE AS OF MARCH 31, 2013</b>	<b>CURRENT STATUS AS OF OCTOBER 2013</b>
<p><u>Finding #12:</u> <u>Journal Entries, Cont'd.</u></p>			<p>continue to process journal entries involving cash receipts and debt service transfers as they are exempt from the additional review of AFRD. In addition, AFRD is performing a monthly reconciliation of all transactions that involve transfers between funds to confirm compliance with this new review and approval process. As of August 31, 2013 all journal entries that involve transfers between funds have been in compliance with the new process.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #13:</u> <u>Information Technology</u></p> <p>Some inappropriate information technology (IT) access privileges existed.</p>	<p><u>Recommendation:</u></p> <p>The District should re-evaluate the need for the remaining IT employees to continue having update access to the finance and HR applications. If District management determines that there is a legitimate business need for IT employees to have update privileges to provide assistance to end-users, the access should be granted for only the length of time necessary to provide the needed assistance and then deactivated. In addition, update actions within the finance and HR applications performed by IT employees should be reviewed by end-user supervisory employees.</p>	<p><u>Response from the Office of the Chief Auditor (OCA):</u></p> <p>We agree.</p> <p><u>Proposed Corrective Action:</u> Subsequent to the last audit, critical access to financial applications for project employees was delimited. Currently, there are no project employees with access to critical financial data. The District is in the process of evaluating the roles assigned to project employees that contain critical access with HR application. By June 30, 2013, new roles will be created to provide access to those whose job functions mandate such access be granted; access will be delimited for all others. The review process of update actions within the finance and HR applications performed by IT employees and those employees that provide SAP ERP functional support that do not directly report to IT management will be enhanced to include review by the SAP ERP system functional support staff</p>	<p><u>Current Status: Ongoing</u></p> <p><u>Follow Up from the Office of the Chief Auditor (OCA):</u></p> <p>This item is currently being reviewed by our external audit firm, as part of the District's Comprehensive Annual Financial Report (CAFR).</p> <p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p>The review process of update actions within the finance and HR applications performed by IT employees is complete and a new segregation of duties process is in place. The review of roles assigned to project employees is complete; new roles have been created and IT is in the process of migrating users to new roles and this process will be complete by October 31, 2013.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><b><u>Finding #13:</u></b> <b><u>Information Technology. cont'd.</u></b></p>		<p>supervisory employee. The timeline is June 30, 2013.</p>	

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Finding #14:</u> <u>Information Technology – Security Controls – Software Management, User Authentication, and Monitoring of Application Data Changes</u></p> <p>District IT security controls related to software management, user authentication, and monitoring of application data changes needed improvement.</p>	<p><u>Recommendation:</u></p> <p>The District should improve its security controls related to software management, user authentication, and monitoring of application data changes to ensure the continued confidentiality, integrity, and availability of District data and IT resources.</p>	<p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p>We agree.</p> <p><u>Proposed Corrective Action:</u> The Information &amp; Technology Department agrees with the findings, and is making forward progress, and remains committed to addressing each of the outstanding items. The Information &amp; Technology Department has a project plan in action with a clear goal of completing all corrective actions before June 30, 2014.</p>	<p><u>Current Status: Ongoing</u></p> <p><u>Response from the Office of the Chief Strategy &amp; Operations Officer:</u></p> <p>The Information &amp; Technology Plan is in place with a clear goal of completing all action items by June 30, 2014.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Federal Awards Finding No. 1:</u></p> <p>The District transferred \$625,202 of Special Revenue – Food Service moneys to the General Fund to reimburse the General Fund for time clocks purchased during the 2004-05 fiscal year, without preauthorization for the transfer, resulting in questioned costs.</p>	<p><u>Recommendation:</u></p> <p>The District should document to the grantors (FDOE and FDACS) the allowability of the \$625,202 transfer or restore this amount to the Child Nutrition Cluster programs. In addition, the District should enhance its controls over FNS Department equipment to ensure that items are safeguarded and reported in accordance with Federal Regulations.</p>	<p><u>Response from the Chief Strategy &amp; Operations Officer:</u></p> <p>The FDACS reconfirms the transfer of funds for KRONOS time clocks and installation as an allowable expense. A copy of the FDACS letter was forwarded to the Auditor General on March 20, 2013 by the Office of the Chief Auditor.</p> <p>The Food and Nutrition Services Department maintains a departmental inventory of clocks and locations.</p>	<p><u>Current Status: Completed</u></p> <p><u>Response from the Chief Strategy &amp; Operations Officer:</u></p> <p>A letter was received from the Florida Department of Agriculture and Consumer Services (FDACS) dated July 15, 2013, to Mary Mulder, director of Food and Nutrition Services Department, regarding avoiding this finding in the future (copy attached). The letter states the District should ensure that financial obligations between school food service and the District are satisfied in the same fiscal year.</p> <p>Timeline for KRONOS time management system is being adjusted for completion to occur by 2013 – 2014 school year.</p>

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FINDING	RECOMMENDATION	MANAGEMENT RESPONSE AS OF MARCH 31, 2013	CURRENT STATUS AS OF OCTOBER 2013
<p><u>Federal Awards Finding No. 2:</u> District records did not always evidence that the food service program director preapproved charges to the Child Nutrition Cluster programs.</p>	<p><u>Recommendation:</u> The District should establish procedures to ensure that expenditures charged to CNC programs are preapproved by the program director or authorized designees.</p>	<p><u>Response from the Chief Strategy &amp; Operations Officer:</u> Food &amp; Nutrition Services will receive a listing for all emergency work orders from Physical Plant Operations (PPO) at month end for review and posted for approval by the director and/or designees; beginning April 1, 2013.  Food &amp; Nutrition Services will receive a Preventative Maintenance (PM) schedule for the upcoming school year by June 30, annually. The director and/or designees will review and approve and/or adjust the schedule accordingly.</p>	<p><u>Current Status: Completed</u>  <u>Follow Up from the Office of the Chief Auditor (OCA):</u> OCA verified that monthly emergency work orders are being reviewed and approved. In addition, the Preventative Maintenance Schedule for the 2013-14 year has been implemented.  <u>Response from the Chief Strategy &amp; Operations Officer:</u> Physical Plant Operations (PPO) has implemented the process of sending a monthly list of all emergency work orders to the Food and Nutrition Services Purchasing Agent for review and approval.  A Preventative Maintenance (PM) schedule has been implemented for review and approval by the Food and Nutrition Services Purchasing Agent.</p>

## **SECTION II**

**AUDITOR GENERAL'S REPORT #2013-160 - SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**BROWARD COUNTY  
DISTRICT SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**ADDITIONAL MATTERS**

**Finding No. 1: Fraud Policy**

The District has an internal audit division and a special investigative unit whose Web sites have links to a fraud hotline and an anonymous tip program. In addition, Board policies and employee disciplinary guidelines addressed communicating and reporting known or suspected fraud. While these policies and guidelines require a drug-free workplace, self-reporting rules for employee arrest, and a code of conduct for administrators, they do not clearly identify actions constituting fraud, incident reporting procedures, responsibility for fraud investigation, and consequences of fraudulent behavior.

Effective fraud policies are necessary to educate employees about proper conduct, create an environment that deters dishonesty, and maintain internal controls that provide reasonable assurance of achieving management objectives and detecting dishonest acts. In addition, such policies serve to establish the responsibilities for investigating potential incidents of fraud and taking appropriate action, reporting evidence of such action to the appropriate authorities, and avoiding damaging the reputation of persons suspected of fraud but subsequently found innocent. Further, in the absence of adequate policies, the risk increases that a known or suspected fraud may be identified but not reported to the appropriate authorities. District personnel indicated that a fraud policy was drafted, scheduled for review at a Board workshop in April 2013, and anticipated for final approval shortly thereafter. A similar finding was noted in our report No. 2010-183.

**Recommendation:** To aid in the detection and prevention of fraud, the District should continue its efforts to adopt a fraud policy for reporting known or suspected fraud to the appropriate authorities.

**Finding No. 2: Electronic Funds Transfers**

Section 1010.11, Florida Statutes, requires each school board to adopt written policies prescribing the accounting and control procedures under which funds are allowed to be moved by electronic transaction for any purpose including direct deposit, wire transfer, withdrawal, investment, or payment. This law also requires that electronic transactions comply with the provisions of Chapter 668, Florida Statutes, which discusses the use of electronic signatures in electronic transactions between school boards and other entities. In addition, State Board of Education (SBE) Rule 6A-1.0012, Florida Administrative Code (FAC), authorizes the District to make electronic funds transfers (EFTs) provided adequate internal control measures are established and maintained, such as a written agreement with a financial institution that contains manual signatures of employees authorized to initiate EFTs. SBE Rule 6A-1.0012, FAC, also requires the District to maintain documentation signed by the initiator and authorizer of EFTs to confirm the authenticity of EFTs.

During the 2011-12 fiscal year, the District regularly used EFTs for debt service payments, workers' compensation and dental self-insurance payments, purchases and sales of investments, and direct deposit of employee pay.



According to District records, cash and cash equivalents and investments totaling \$345 million were available for electronic transfer at June 30, 2012. The Board established a bank agreement with one bank and four investment agreements with investment institutions to provide various services, such as EFTs. While the District had informal EFT processes, such as use of EFT control documents that identified employees who initiated and authorized EFTs, the Board had not adopted written policies prescribing the accounting and control procedures of EFTs, including the use of electronic signatures, contrary to Section 1010.11 and Chapter 668, Florida Statutes. In addition, the bank agreement dated April 2009 did not include the manual signatures of two finance employees authorized to initiate transactions, contrary to SBE Rule 6A-1.0012, FAC.

While the District had established certain controls over electronic fund transfers, such as separation of initiator and authorizer of EFTs, management review of EFT transactions, and independent bank account reconciliations, and our tests did not disclose any EFTs for unauthorized purposes, the lack of a Board policy establishing policies and procedures governing EFT activities and addressing the use of electronic signatures, and lack of signatures on the bank agreement of employees designated to initiate EFTs, increases the risk of misappropriation of funds without timely detection.

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**Recommendation:** The Board should adopt written policies and procedures related to EFTs, including the use of electronic signatures. In addition, the banking agreement should contain the signatures of employees authorized to initiate EFTs.

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### **Finding No. 3: Decentralized Collections**

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District personnel collect moneys at various decentralized locations throughout the District and then transfer these moneys, along with a remittance transmittal form to establish responsibility for the collections, to the Treasurer's Office (Office) for deposit in the bank. Effective controls over collections require timely transfers from decentralized locations to the Office, and timely deposit of collections in the bank.

For the 2011-12 fiscal year, the District received total decentralized collections of \$5 million and, for the Instructional Staffing and Material Logistics Departments, decentralized collections totaled \$1.2 million. Our test of 60 collections totaling \$25,588 for these two departments disclosed 56 collections totaling \$24,929 that were not timely transferred to the Office, resulting in untimely deposits. While the deposits were made the same day the collections were received in the Office, the transfers were made from 10 to 26 days after the collection dates and consisted of 8 collections totaling \$13,125 in the Instructional Staffing Departments for teacher certifications and 48 collections totaling \$11,804 in the Material Logistics Department for a surplus auction.

District personnel indicated that the collection transfer procedures allowed transfers to the Office biweekly from the Instructional Staffing Department and monthly from the Material Logistics Department. In April 2012, District personnel indicated that the Instructional Staffing Department began transferring collections more timely to the Office, but the Material Logistics Department transfers remained untimely. Untimely transfers and deposits of decentralized collections increase the risk for collections to be lost or stolen. A similar finding was noted in our report No. 2010-183.

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**Recommendation:** The District should ensure that daily collections from all decentralized collection locations are timely transferred to the Treasurer's Office and deposited.

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**Finding No. 4: Payroll Processing**


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For the 2011-12 fiscal year, the District incurred \$1.3 billion in salary expenditures. The Superintendent established Business Practice Bulletin PR-100 that requires documented approval of all payroll data such as time cards, timesheets, vacation and leave request forms, and all related payroll reports. Also, for the 2011-12 fiscal year, salary expenditures included payroll errors associated with employee terminations, leaves of absences, and changes in pay that resulted in salary overpayments totaling \$957,476.

The District recovered \$819,828 of salary overpayments during the 2011-12 fiscal year relating to the current and previous fiscal years; however, the total uncollected balance as of June 30, 2012, was approximately \$1.3 million, of which \$1 million had expired given the two-year statute of limitations established by Section 95.11(4)(c), Florida Statutes. In addition, our tests of October 2011 and May 2012 payroll records supporting 50 salary payments totaling \$138,220 to 25 employees disclosed the following:

- District records did not evidence time sheets, time cards, or other records to establish the basis for 4 salary payments totaling \$9,897 to 3 transportation department employees.
- District records did not evidence supervisory review and approval of work time for 22 salary payments totaling \$57,751 to 13 transportation department employees.
- For 13 salary payments totaling \$34,143 made to 10 transportation department employees, the hours reported in the accounting system and on the time cards did not agree, resulting in 8 employees paid from \$39 to \$853 less than the time cards supported and 2 paid from \$194 to \$535 more than the time cards supported.

Enhancements in controls over salary payments, including a more detailed supervisory review and approval of such payments, may reduce the risk of errors or fraud without timely detection. Similar findings were noted in our report Nos. 2007-164R and 2010-183.

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**Recommendation: The District should enhance its procedures to ensure payroll payments are accurate, properly documented, and approved. The District should also continue its efforts to remedy previous salary underpayments and overpayments.**

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**Finding No. 5: Overtime Payment Monitoring**


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During the 2011-12 fiscal year, the District incurred expenditures of \$13.7 million for overtime pay. The District provides for overtime payments to employees for hours worked in excess of the normal day as authorized by Board policy and employee contracts. Also, Board policy defines overtime pay and compensatory time and requires supervisory review for all overtime. In addition, the Superintendent established Business Practice Bulletin PR-100, which requires documented approval of all payroll data such as overtime and compensatory forms, and requires supervisors to preapprove estimated overtime dates, hours, and reasons, and to approve the actual overtime of employees.

Our review of October 2011 and May 2012 payroll records, discussed in Finding No. 4, disclosed 20 employees that received a total of 40 overtime payments totaling \$38,623. Our tests of these overtime payments disclosed District records did not evidence the basis upon which 4 payments totaling \$3,367 were made to 3 transportation department employees. Also, of the remaining 36 overtime payments tested, District records did not evidence supervisory review and approval of 32 payments totaling \$30,479 for 13 transportation department employees and 4 other employees.

In addition, our analytical procedures of overtime payments disclosed that 6 of 20 employees receiving the highest amount of overtime payment in the 2011-12 fiscal year were also among those that earned the highest in the 2010-11 fiscal year. For the 2011-12 fiscal year, the 6 employees were paid from \$19,681 to \$25,890 in overtime pay, representing 58 to 96 percent of the employee's regular wages. While Business Practice Bulletin PR-100 requires supervisors to review and approve overtime reports each pay period, no Board policies or District procedures required analysis of overtime and District records did not evidence that an analysis was performed to determine the reasons for these deviations from typical overtime trends.

When overtime payments are not effectively monitored, there is an increased risk that errors, waste, or fraud may occur and not be timely detected. Properly developed policies or procedures could establish guidance requiring department heads and supervisory staff to review and consider the reasonableness of overtime services and related charges. A similar finding was noted in our report No. 2010-183.

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**Recommendation:** The District should enhance its procedures to ensure overtime payments are properly documented and approved. Also, given the amount of overtime expenditures incurred, the District should enhance management controls to require overtime and staffing analyses to ensure the most cost effective use of human resources. In addition, the District should document the basis for the 4 payments totaling \$3,367 to the 3 transportation department employees or recover these amounts.

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**Finding No. 6: Severance Pay**

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Section 215.425(4)(a), Florida Statutes, provides that, on or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an officer, agent, employee, or contractor must include certain provisions, including a requirement that severance pay provided may not exceed an amount greater than 20 weeks of compensation.

On October 4, 2011, the Board approved an employment agreement with the Superintendent. The terms of the agreement provide for a three-year employment period commencing October 5, 2011, through October 4, 2014. Section 10.2 of the employment agreement provides that in the event the Superintendent is terminated without cause, the Superintendent shall be paid a sum equivalent to his salary for a period of 12 months or for the remaining term of the agreement, whichever period of time is less. This provision is contrary to Section 215.425(4)(a), Florida Statutes, in that it allows for the Superintendent to receive severance pay that exceeds 20 weeks of salary.

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**Recommendation:** The District should ensure that future employment agreements contain provisions for severance pay that are in accordance with Section 215.425(4)(a), Florida Statutes. The District should also take appropriate action to amend the Superintendent's employment agreement to be consistent with Section 215.425(4)(a), Florida Statutes.

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**Follow-up to Management's Response:**

*The District indicated in its response that Section 1001.50(2), Florida Statutes (2011), not Section 215.425, Florida Statutes, governed the Superintendent's employment agreement and expressly permitted severance pay up to one year of annual salary. The District's response also refers to amendments to Section 1001.50(2), Florida Statutes, in 2012 to make it consistent with the provisions of Chapter 215, Florida Statutes. However, Section 215.425, Florida Statutes, applies to all units of government, and the 2012 amendment to Section 1001.50(2), Florida Statutes, merely clarified existing law. Accordingly, we remain of the opinion*

*that the severance pay provision in the Superintendent's employment agreement is not consistent with existing law. In determining its actions to resolve this audit finding, the District should seek a legal opinion from the Florida Attorney General regarding its interpretation of the existing and controlling law.*

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**Finding No. 7: Purchasing Cards**

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To expedite the purchase of selected goods and services, the District used purchasing cards in certain situations. Purchases made with purchasing cards are subject to the same rules and regulations that apply to other District purchases and are subject to additional requirements set forth in the purchasing card manual. The District card administrator is responsible for notifying the bank of employee terminations or reassignments to facilitate cancellation of purchasing cards. Occasionally, after terminations or reassignments, department supervisors destroy the card and send it to the administrator or the administrator obtains the card and destroys it later.

As of February 2012, the District had issued 262 purchasing cards to 223 employees and Board members, and the purchasing card administrator retained 50 emergency cards until requested and approved. The District credit limits for 136 cards were \$1 to make the cards inactive, although the limits can be temporarily increased as needed and no annual fee is assessed for these cards. The 176 cards that have limits above \$1 are assigned mainly to teachers for the aftercare programs, school administrators, and the Physical Plant Operations Division responsible for facilities maintenance. For the 2011-12 fiscal year, purchasing card expenditures totaled \$7.1 million.

Our tests of selected purchasing card transactions, and selected card cancellations, disclosed that controls needed improvement, as follows:

- While District personnel indicated that the monthly transaction limits are set by the card holders and their management and that expenditures are monitored on a daily basis, District records did not evidence that the reasonableness of the credit limits are reviewed. For 23 of 31 cardholders reviewed, monthly credit limits appeared excessive based on actual purchases, as follows:

Department	Employee Title	Monthly Limit	Actual Highest Monthly Total	Actual as Percent of Limit
Logistics Stockroom	Stock Clerk	\$250,000	\$115,052	46%
Logistics Stockroom	Stock Clerk (1)	250,000	95,187	38%
Logistics Stockroom	Stock Clerk (2)	250,000	85,590	34%
Logistics Stockroom	Stock Clerk (2)	250,000	82,233	33%
Logistics Stockroom	Stock Clerk (1)	250,000	37,520	15%
Physical Plant Operations	Area Manager	250,000	25,063	10%
Facility Support Services	Supervisor III (3)	250,000	15,047	6%
Central Area Maintenance	Area Manager	250,000	7,612	3%
Central Area Maintenance	Area Manager	250,000	5,322	2%
Facility Support Services	Supervisor III (3)	250,000	2,836	1%
Strategy/ Operations	Chief Operating Officer	50,000	181	0.36%
Broward Education				
Communication Network	Director	15,000	6,260	42%
Transportation	Shift Supervisor	15,000	5,580	37%
Risk Management	Accounting Specialist II	10,000	4,282	43%
Stranahan High	Budgetkeeper II	10,000	3,732	37%
Park Springs Elementary	Child Care Supervisor	10,000	2,957	30%
Safety	Director/ Chief Fire Official	10,000	1,742	17%
Ramblewood Elementary	Teacher	10,000	954	10%
Logistics Stockroom	Supervisor II	10,000	879	9%
Vehicle Maintenance Stockroom	Stockroom Assistant	10,000	795	8%
Chief Finance	Chief Finance Officer (4)	10,000	653	7%
Chief Finance	Chief Finance Officer (4)	10,000	374	4%
Chief Finance	Chief Finance Officer (4)	10,000	33	0.33%

Notes:

- (1) One employee had two cards with one card for the North Area purchases and the other for the Central Area purchases.
- (2) One employee had two cards with one card for the South Area purchases and the other for the Southwest Area purchases.
- (3) One employee had two cards with one card for maintenance and the other for office supplies.
- (4) One employee had three cards with one for travel, one for non-airfare and non-hotel travel, and one for office supplies.

- The purchasing card manual did not establish procedures to document the dates of card cancellation or destruction for terminating or reassigned employees. Our review of 10 purchasing card cancellations disclosed 7 purchasing cards cancelled by the bank from 17 to 277 days after the employee terminated employment. In addition, District records did not evidence that 8 of the 10 cards were destroyed upon cancellation. While there were no transactions on the accounts subsequent to the termination dates, untimely cancellation of purchasing card accounts, and lack of evidence that the cards for terminated or reassigned employees were destroyed, increases the risk of unauthorized purchasing card use.

A similar finding was noted in our report No. 2010-183.

**Recommendation: The District should enhance its purchasing card controls to ensure a periodic review of the reasonableness of purchasing card credit limits, and timely cancellation of purchasing card accounts and destruction of purchasing cards for terminated or reassigned employees.**

**Finding No. 8: Tangible Personal Property**

Chapter 274, Florida Statutes, and Department of Financial Services Rule 69I-73, Florida Administrative Code, require that the District maintain adequate records of tangible personal property (TPP) in its custody and that the

property be inventoried annually, compared to the property records, and that all discrepancies be reconciled. Any property items found during the inventory meeting the capitalization requirements must be included in the inventory records, and items not located must be promptly reported to the property custodian to cause a thorough investigation to be made. In addition, based on the results of the investigation, the District is required to file a report with the appropriate law enforcement agency of items not located.

At June 30, 2012, the District reported, net of accumulated depreciation, \$3.1 billion in capital assets, of which \$72.9 million was TPP (i.e., furniture, fixtures, and equipment; assets under capital lease; audio visual equipment; and motor vehicles). The Office of the Chief Auditor (OCA) is responsible for performing physical inventories, reconciling physical counts to property records, and permanently marking property items. Property custodians are responsible for reporting theft or vandalism to the Special Investigative Unit and law enforcement authorities.

Our review and tests of TPP disclosed the following:

Inventory and Tagging of TPP:

- During the 2011-12 fiscal year, the OCA physically inventoried only 177 of 231 schools and 74 of 95 departments, representing \$263 million or 48 percent of the District's TPP. In response to our inquiry, OCA personnel indicated that they did not have enough personnel to comply with the annual inventory requirements. Also, there were 13 asset classification codes, such as cabinets, chairs, tables, and other furniture, excluded from the physical inventory counts, and District personnel were unaware of the basis for excluding these items. The cost of the items in the 13 classification codes total \$33.9 million, or 6.2 percent of the total cost of TPP.
- In April 2012, we selected 21 property items with costs totaling \$68,240 from the property records for observation at the designated locations and noted 9 items, with costs totaling \$40,999, that were not tagged, as follows:
  - Four items totaling \$13,022 were assigned property numbers; however, due to the asset classification of these items, the property items were not included as part of the inventory and were not listed on inventory records to be tagged. These items consisted of an ice machine, warming cabinet, cafeteria seating booth, and an executive desk, which are among the 13 asset classifications not included in the inventory audits.
  - Audio visual equipment with costs totaling \$5,207 consisted of two separate items; however, the purchase was erroneously recorded in the property records as one item. As such, only one property number was assigned, resulting in one item recorded in the property records for the wrong amount and the second item not recorded in the property records, tagged, or inventoried.
  - Four items (projector purchased August 2010, golf cart purchased November 2011, computer donated March 2011, and speakers purchased February 2012) with costs totaling \$22,770 were assigned property numbers, but not tagged.

In addition, two items (pole vault pit and laptop computer) with costs totaling \$5,764 could not be located. Further inquiry indicated that the pole vault pit was never delivered to the school by the vendor due to manufacturer defects and would be delivered after the manufacturer completed repairs. The laptop computer was removed from school grounds by a District employee; however, forms authorizing the removal of the computer had not been completed. Similar unaccounted for items were noted by the OCA personnel during their inventory audit.

- Our review of purchasing card transactions disclosed 2 items (air handler and air condensing unit) with costs totaling \$9,520, that were not included in the property records or assigned property tags as they were part of the 13 asset classifications excluded from the physical inventory mentioned above.
- Property records did not always evidence the serial numbers, although the serial number field is a required field for schools and departments to complete when recording receipt of property items into the system. The

OCA typically does not tag property items unless the serial number identified online matches the serial number on the property item to ensure the tag is placed on the correct item. A report generated by OCA personnel on April 5, 2012, indicated that 4,431 property items, acquired from April 1962 through February 2012 with acquisition costs totaling \$20.9 million, did not have serial numbers entered into the system. The report included 393 items that were acquired from July 2009 through February 2012 with acquisition costs totaling \$1.5 million. In addition, considering the 13 classification codes that were excluded from the inventory procedures, the number of items that did not have serial numbers in the property records totaled 5,929, with acquisition costs totaling \$27 million.

#### Disposals of TPP:

- During the 2011-12 fiscal year, the District declared TPP with acquisition costs totaling \$13 million as surplus. District schools and departments complete and provide disposal forms identifying surplus TPP items to warehouse employees and warehouse employees are responsible for completing transfer forms to identify the surplus TPP items removed from the District sites and transported to the warehouse. In addition, the District contracts with a recycling company that guarantees removal of electronic media retained on surplus computers. Our review of District records supporting 15 TPP surplus items with costs totaling \$47,848 disclosed:
  - While the disposal forms identified 9 items, such as a video recorder, laptop computer, and server, with costs totaling \$30,169 for disposal, the transfer forms completed by warehouse employees did not identify the property items removed. As a result, District records did not evidence that these 9 items were properly disposed of.
  - The manner of disposition (sold, donated, recycled, scrapped, etc.) was documented in the property records; however, District records did not identify the equipment numbers for 11 items released to the recycling company. Without identifying the items released to the recycling company, computers may be discarded without removal of the electronic media, increasing the risk of misuse of the information.

Appropriately maintained TPP records, annually reconciled to physical inventories with discrepancies promptly and thoroughly investigated, decrease the risk of loss of TPP. In addition, effective controls over the surplus property process are necessary to ensure lawful disposal and removal of sensitive information stored on surplus computers. Similar findings were noted in our report Nos. 2007-164R and 2010-183.

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**Recommendation: To improve accountability and safeguarding of the District's assets, the District should strengthen procedures to provide for complete annual physical inventories of tangible personal property, prompt tagging of items upon receipt, timely updating of all necessary fields in the individual property records for acquisitions and dispositions, and proper monitoring of surplus property dispositions.**

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#### **Finding No. 9: Annual Facility Inspections**

Section 1013.12, Florida Statutes, requires that the District provide for periodic inspection of each educational and ancillary plant at least once during each fiscal year to determine compliance with standards of sanitation and casualty safety prescribed in the rules of the State Board of Education. In addition, fire-safety inspections are required to be performed annually by persons certified by the Division of State Fire Marshal as being eligible to conduct fire-safety inspections in public and ancillary plants.

The District obtained safety inspection reports for its 218 schools and 19 centers from July 2011 through January 2012. Our review of the inspection reports for 18 schools and 2 centers disclosed 1,347 total deficiencies, with 11 school reports citing 2 to 40 deficiencies that remained uncorrected from 3 to 11 years and 1 school report citing 7 deficiencies remaining uncorrected from 7 to 17 years. The deficiencies included lack of fire sprinklers,

missing or broken smoke detectors, insufficient number of exits, and other deficiencies, with 6 deficiencies relating to secondary exits that have been cited for 17 years.

Subsequent to our inquiries, District personnel indicated that re-inspections for the 11 schools were completed prior to fiscal year end. Upon review of the re-inspection reports, we noted that 10 school reports cited 1 to 37 deficiencies that remained uncorrected from 3 to 17 previous years. District personnel indicated that correcting the secondary exit issues outstanding for 17 years has been in the School District's Five Year Plan, but remains uncorrected, in part, due to differing opinions on how to correct the issue, employee turnover in facilities and building departments, and lack of funding. Failure to timely correct deficiencies results in an increased risk that facilities could become unsafe for occupancy and could result in additional costs in the future. Similar findings were noted in our report Nos. 2007-164R and 2010-183.

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**Recommendation: The District should enhance procedures to ensure that deficiencies noted in inspection reports are timely corrected.**

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**Finding No. 10: Background Rescreenings**

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Sections 1012.56(10) and 1012.465, Florida Statutes, require that instructional personnel renewing their teaching certificates and noninstructional personnel that have direct contact with students undergo required background screenings every five years following the initial screening upon employment.

Our review of District records for 25 instructional and noninstructional employees disclosed that 18 were not rescreened within five years, contrary to law. Of the 18 employees, 8 were rescreened from one to three months late and 10 were rescreened from 5 to 21 months late. District personnel indicated that delays in rescreening were due to an insufficient number of District personnel to process the rescreenings. Without timely completion of required background rescreenings, there is an increased risk that staff with unsuitable backgrounds may be allowed access to students. Similar findings were noted in previous audits.

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**Recommendation: The District should ensure that the District employees undergo the background screenings at least every five years as required by law.**

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**Finding No. 11: Expenditure Processing**

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The District's purchase order process provides certain budgetary controls, such as preapproval of vendors and purchase amounts, to ensure that purchases are made from established vendors at a reasonable price within budgetary limits. Board Policy 3320, Section CC, requires that purchases be based on contracts, purchasing card systems, electronic procurements, or purchase orders. Purchasing Department personnel are required to review and approve purchases, and Accounts Payable Department personnel rely on this approval process to ensure the purchases are valid and for a public purpose.

Board policy further provides that District expenditures may be made using check requests or purchasing cards for items that do not require use of purchase orders or are exempt from bidding. Use of the check request system allows emergency type purchases that require shorter delivery times and quick payment, without disrupting the District's critical operations. Check requests forms are completed and attached to invoices that are approved by supervisors and forwarded to the Accounts Payable Department for payment processing. However, the District had not



established policies or procedures to limit the use of the check request system to certain goods, services, or dollar thresholds.

During the 2011-12 fiscal year, the District processed 55,000 check requests totaling \$59 million. Our audit tests included 57 payments totaling \$1.2 million, dated from August 2011 to January 2013, that were made pursuant to check requests rather than through the District's purchase order process. These expenditures ranged from \$47 to \$500,000 and included payments for various goods and services such as school resource officer services, textbooks, food purchases, donations, party supplies, meeting room rentals, and other miscellaneous purchases. Using the check request process bypasses typical controls provided by the purchase order process as these expenditures are not subject to the encumbrance system or budgetary process controls. While all the check requests were eventually reviewed and approved by supervisors, District records did not evidence the basis upon which these purchases, which did not appear to be emergency type purchases, were not processed through the Purchasing Department in accordance with Board policy.

When departments circumvent the purchase order process, there is an increased risk that unauthorized payments could be made to fictitious vendors for goods or services not received by the District, or for purchases that do not serve a public purpose, without timely detection. Also, given the significant number of check requests being processed, limiting check requests to emergency type purchases may reduce processing costs since processing purchases through the Purchasing Department provides an opportunity to consolidate purchases of similar items.

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**Recommendation: The District should enhance its controls over expenditure processing by establishing policies and procedures that limit the use of the check request system to emergency purchases of certain goods, services, and dollar thresholds.**

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#### **Finding No. 12: Journal Entries**

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Good business practice dictates that independent review and approval of journal entries, such as transfers between funds, be performed to decrease the risk of incorrect or unauthorized adjustments to the accounting records. The Financial Reporting Department was responsible for maintaining the District's financial records, including recording account balances and transactions and related financial reporting.

Our review of journal entries disclosed that personnel of the Food and Nutrition Services (FNS) Department, Enterprise Resource Planning (ERP) Department, and Treasury Department had the ability to prepare, approve, and record journal entries that transferred amounts between departments and funds. These personnel were granted this ability due to the volume and nature of the transactions, whereas other journal entries were typically reviewed, approved, and recorded by Financial Reporting Department personnel. During the 2011-2012 fiscal year, the transfers processed by the Treasury, FNS, and ERP departments totaled \$3.4 billion, \$89 million, and \$15 million, respectively.

As discussed in Federal Awards Finding No. 1, FNS Department personnel approved and recorded a \$625,202 transfer from the Special Revenue - Food Service Fund to the General Fund without review and approval by Financial Reporting Department personnel. Absent an independent review of transfers processed by FNS, ERP, and Treasury Department personnel, there is an increased risk that errors or fraud could occur without timely detection.

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**Recommendation: The District should enhance controls over journal entries that involve transfers between funds to ensure entries are timely reviewed and approved by Financial Reporting Department personnel.**

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**Finding No. 13: Information Technology – Access Privileges**

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Access controls are intended to protect data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls provide employees access to IT resources based on a demonstrated need to view, change, or delete data and restrict employees from performing incompatible functions or functions outside of their areas of responsibility. For example, access privileges should typically be configured to enforce a separation of IT and application end-user duties whereby only the responsible end-users can originate or correct transactions and initiate changes to data files and IT employees are restricted from performing end-user functions.

Our review of selected access privileges to the District's enterprise resource planning (ERP) finance and human resources (HR) applications disclosed that 7 IT employees within the ERP application project team had update privileges to critical functions within the finance application, including the ability to add and update vendor records and addresses, add and change purchase orders, process payments, and create and post journal entries. In addition, 24 IT employees within the ERP application project team had update privileges to one or more critical functions within the HR application, including the ability to add and update employee records, adjust salary records, create payroll runs, and update direct deposit information. The access privileges granted were contrary to an appropriate separation of end-user duties and the employees' assigned IT duties related to the technical support of the District's ERP applications.

To compensate, in part, for the effect of the above deficiencies, the District had certain controls, such as IT supervisor reviews of finance activity reports and payroll supervisor reviews of HR activity reports for actions performed within the ERP applications by IT employees. However, the absence of effective access controls that enforce an appropriate separation of incompatible duties and restrict employees to only those functions necessary for their assigned job responsibilities increases the risk of unauthorized disclosure, modification, or destruction of District data and IT resources.

In response to our inquiry, District management created new security roles allowing inquiry only access for 5 of the 7 IT employees described above having update access within the finance application and for 8 of the 24 IT employees described above having update access within the HR application. A similar finding was noted in our report No. 2010-183.

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**Recommendation:** The District should re-evaluate the need for the remaining IT employees to continue having update access to the finance and HR applications. If District management determines that there is a legitimate business need for IT employees to have update privileges to provide assistance to end-users, the access should be granted for only the length of time necessary to provide the needed assistance and then deactivated. In addition, update actions within the finance and HR applications performed by IT employees should be reviewed by end-user supervisory employees.

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**Finding No. 14: Information Technology – Security Controls – Software Management, User Authentication, and Monitoring of Application Data Changes**

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Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain security controls related to software management, user authentication, and monitoring of application data changes that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising District data and IT resources. However, we have notified appropriate District management of the specific issues.

Without adequate security controls related to software management, user authentication, and monitoring of application data changes, the risk is increased that the confidentiality, integrity, and availability of District data and IT resources may be compromised. Similar findings were noted in previous audits.

**Recommendation:** The District should improve its security controls related to software management, user authentication, and monitoring of application data changes to ensure the continued confidentiality, integrity, and availability of District data and IT resources.

### FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

**Federal Awards Finding No. 1:**

**Federal Agency:** United States Department of Agriculture

**Pass-Through Entity:** Florida Department of Education (FDOE) and Florida Department of Agriculture and Consumer Services (FDACS)

**Program:** Child Nutrition Cluster (CFDA Nos. 10.553, 10.555 and 10.559)

**Finding Type:** Noncompliance and Significant Deficiency

**Questioned Costs:** \$625,202

**Allowable Cost/Cost Principles and Procurement.** United States Office of Management and Budget (OMB) Circular A-87, Attachment A, Section C.1.e, provides that to be allowable, costs should be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit. Guidance from the FDOE's 2010 *Florida School Food Service Reference Manual (FSFS Reference Manual)* prohibits the use of food service funds for retroactive loans unless there has been an agreement in place since the occurrence of the obligation. Food service activities are accounted for in the Special Revenue – Food Service Fund.

The District transferred \$625,202 of Special Revenue - Food Service Fund moneys to the General Fund during the 2011-12 fiscal year to reimburse the General Fund for 202 time clocks purchased during the 2004-05 fiscal year for use at District cafeteria and food service locations. The time clocks for the FNS Department had not been activated at June 30, 2012, awaiting activation and use of clocks located in other departments. Although District personnel anticipate that the time clocks, once put into use, will be used solely by FNS Department personnel, District records did not document that the food service program would reimburse the General Fund for these purchases when the clocks were purchased. As such, use of the Special Revenue – Food Services Fund moneys to reimburse the General Fund for the purchase of the clocks was contrary to the *FSFS Reference Manual*. Without preauthorization for this transfer, these program expenditures represent \$625,202 of questioned costs subject to disallowance by the grantors (FDOE and FDACS).

Subsequent to delivery of our preliminary and tentative findings, the District contacted the FDACS and received a letter from the FDACS indicating that the food service funds may be used for the portion of the time clock project that is solely for the use of Food and Nutrition Services employees. However, as the clocks had not been placed into use, District records did not evidence the extent, if any, that these costs represent appropriate charges to the food service program.

In addition, for equipment and real property management, OMB Circular A-133 requires that equipment records be maintained, a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records, an appropriate control system be used to safeguard equipment, and equipment be adequately maintained. Upon audit request, we were provided a list of the 202 time clocks that identified location and serial number of the clocks; however, 165 of the 202 time clocks did not list a property number. District personnel indicated that the time

clocks were among the items in the 13 asset classifications that were not subject to physical inventory procedures as discussed in Finding No. 7 above. Absent appropriate controls over property purchased with Federal funds, the District cannot ensure that these assets are adequately safeguarded or reported in accordance with Federal Regulations.

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**Recommendation:** The District should document to the grantors (FDOE and FDACS) the allowability of the \$625,202 transfer or restore this amount to the Child Nutrition Cluster programs. In addition, the District should enhance its controls over FNS Department equipment to ensure that items are safeguarded and reported in accordance with Federal Regulations.

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District Contact Person: Mary Mulder, Director of Food and Nutrition Services

**Follow-up to Management's Response:**

*The District indicated in its response that the FDACS reconfirmed the transfer of funds for the time clock purchases as an allowable expenditure of the food service program. However, the FDACS only indicated that food service funds may be used for the portion of the time clock project used solely for Food and Nutrition Services employees and did not address the propriety of the transfer of funds to the General Fund for reimbursement of time clocks that had not been placed into use. Therefore, we remain of the opinion that these expenditures totaling \$625,202 represent questioned costs of the Child Nutrition Cluster programs.*

**Federal Awards Finding No. 2:**

**Federal Agency:** United States Department of Agriculture

**Pass-Through Entity:** Florida Department of Education (FDOE) and Florida Department of Agriculture and Consumer Services (FDACS)

**Program:** Child Nutrition Cluster (CFDA Nos. 10.553, 10.555 and 10.559)

**Finding Type:** Noncompliance and Significant Deficiency

**Questioned Costs:** None

**Allowable Costs/Cost Principles.** OMB Circular A-87, Attachment A, Section C.1., provides, in part, that to be allowable under Federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards, and be adequately documented. The District's Physical Plant Operations Division (Division) automates certain entries to charge various programs from its work-order system for routine, preventive, and emergency maintenance services. Depending on the nature of the work, District employees or independent contractors perform the services, and Division employees approve the work orders and invoices as the work is completed. For the 2011-12 fiscal year, 5,079 work orders totaling \$2.3 million were charged to the Child Nutrition Cluster (CNC) programs.

Our tests of 40 expenditures charged to CNC programs disclosed 5 work orders totaling \$35,721 that were emergency in nature or preventive maintenance; however, District records did not evidence that the food service program director or authorized designees approved the work orders, before or after-the-fact, to ensure the costs were allowable charges to the programs. Although the work orders and subsequent costs were related to activities of the programs, there is an increased risk that unallowed costs will be charged to the programs absent preapproval of costs by the program director.

**Recommendation:** The District should establish procedures to ensure that expenditures charged to CNC programs are preapproved by the program director or authorized designees.

District Contact Person: Mary Mulder, Director of Food and Nutrition Service

**RELATED INFORMATION**

In February 2011, the Nineteenth Statewide Grand Jury issued a report that focused on noninstructional aspects of the District’s functions, particularly the construction of schools. The report contained various findings and recommendations related to the Facilities and Construction Management Division. The District responded to the report in March 2011 outlining steps that would be taken to address these findings. The District’s Office of the Chief Auditor determined that forty-eight of the fifty-one recommended actions were satisfactorily resolved. The three recommended actions pending, as of November 2012, included implementation of a database to monitor facility permits, inspections, occupancy, and closeout documentation; timely reporting construction contract revisions to the Board; and revision to Board policy with respect to naming facilities.

In February 2012, the District hired an independent accounting firm to conduct an operational review of the Facilities and Construction Management Division. The review focused on identifying opportunities for process and internal controls improvement and identifying and recommending best practice areas. The report was issued in June 2012, and findings included failure to perform a complete review of pay applications before issuing payment; project managers not approving or reviewing support for the transfer of amounts among line categories in the schedule of values/guaranteed maximum price contract; the average cost of the reuse projects had significantly more architectural fees than industry standards (77 percent of original cost vs. 40 percent of original cost); and the contracts did not require the construction manager to disclose any related party relationships with bidding subcontractors. The District’s response to those findings included planned implementation dates during the 2012-13 fiscal year, and a copy of the report is available on the Districts’ Office of the Chief Auditor Web site in the External Audits section.

**PRIOR AUDIT FOLLOW-UP**

Except as discussed in the preceding paragraphs, the District had taken corrective actions for findings included in previous audit reports. The following table provides information on recurring District audit findings:

Current Fiscal Year Finding Numbers	Financial and Federal Single Audit		Financial, Operational, and Federal Single Audit	
	2010-11 Fiscal Year Audit Report and Finding Numbers	2009-10 Fiscal Year Audit Report and Finding Numbers	2008-09 Fiscal Year Audit Report and Finding Numbers	2005-06 Fiscal Year Audit Report and Finding Numbers
1	NA	NA	Audit Report No. 2010-183, Finding No. 1	NA
3	NA	NA	Audit Report No. 2010-183, Finding No. 4	NA
4	NA	NA	Audit Report No. 2010-183, Finding No. 7	Audit Report No. 2007-164R, Finding No. 10
5	NA	NA	Audit Report No. 2010-183, Finding No. 6	Audit Report No. 2007-164R, Finding No. 11
7	NA	NA	Audit Report No. 2010-183, Finding No. 9	NA
8	NA	NA	Audit Report No. 2010-183, Finding No. 10	Audit Report No. 2007-164R, Finding No. 2
9	NA	NA	Audit Report No. 2010-183, Finding No. 11	Audit Report No. 2007-164R, Finding No. 6
10	CPA Firm, Finding No. 2010-1	CPA Firm, Finding No. 2010-1	NA	NA
13	NA	NA	Audit Report No. 2010-183, Finding No. 14	NA
14	CPA Firm, Finding No. 07-7	CPA Firm, Finding No. 2010-4	Audit Report No. 2010-183, Finding No. 15	NA

NA – Not Applicable

**MANAGEMENT'S RESPONSE**

Management's response is included as Exhibit A.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS**

*BROWARD COUNTY  
DISTRICT SCHOOL BOARD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2012*

Listed below is the District's summary of the status of prior audit findings on Federal programs:

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
Moore Stephens Lovellace, P.A.		No prior Federal audit findings.		

EXHIBIT A  
MANAGEMENT'S RESPONSE



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
600 SOUTHEAST THIRD AVENUE • FORT LAUDERDALE, FLORIDA 33301-3125 • TEL. 754-321-2600 • FAX 754-321-2701

**ROBERT W. RUNCIE**  
*Superintendent of Schools*

**SCHOOL BOARD**

*Chair* LAURIE RICH LEVINSON  
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ROBA RUPERT

March 22, 2013

Mr. David W. Martin, CPA  
Auditor General  
Room 412C  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1456

Dear Mr. Martin:

Please find our responses below to the preliminary and tentative findings and recommendations from the following Financial, Operational and Federal Single audit of the:

Broward County District School Board  
For the Fiscal Year Ended June 30, 2012

**Finding No. 1: Fraud Policy**

**Management Response:**

**Response from the Office of Human Resources** – We agree. In response to the Auditor General’s report, an Anti-Fraud Policy has been drafted and reviewed by the Chief Auditor and the General Counsel. The policy is scheduled for review by the School Board at the April 16, 2013 School Board Workshop. Following the workshop presentation, Human Resources will adhere to the established policy processes and timeline for School Board adoption. The anticipated policy adoption will be completed by July 2013.

**Finding No. 2: Electronic Funds Transfers**

**Management Response:**

**Response from the Office of the Chief Financial Officer** - The District established an “Internal Controls and Operational Procedures Manual” on August 31, 2004. The Manual includes a section that pertains to Electronic Funds Transfers. We will have the Board adopt an Electronic Funds Transfer Policy, which will include the use of electronic signatures.



**EXHIBIT A (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

The District's banking agreement delegates authority to persons holding the positions of Chief Financial Officer (CFO) and Treasurer to execute documents pertaining to the use of services, including, but not limited to, designating persons authorized to initiate electronic funds transfers. Persons that have been authorized to initiate wire transfers utilize electronic signatures in the form of passwords and Personal Identification Numbers (PIN). The CFO and Treasurer will sign the Treasury Services Delegation of Authority Form.

**Finding No. 3: Decentralized Collections**

**Management Response:**

**Response from the Office of the Chief Strategy & Operations Officer** – We agree. The Supply Management & Logistics Department will meet with the Office of the Chief Financial Officer to create a Business Practice Bulletin that will clearly outline procedures for receipting collections and timely remitting of all monies collected to the Treasurer's Office. The Business Practice Bulletin will specify strict timeframes for making deposits to the Treasurer's Office, in order to safeguard assets and expedite timely bank deposits. This Bulletin will be provided to all locations that handle decentralized collections throughout the District. The timeline for the initiation of this Business Practice Bulletin is April 30, 2013.

**Finding No. 4: Payroll Processing**

**Management Response:**

**Response from the Office of the Chief Financial Officer** - The \$1.3 million of uncollected funds dates back to 2001 when the SAP payroll system (first implementation) was implemented. At the time of the system implementation, a large amount of overpayments were generated. Dedicated efforts were made to recover the overpayments, however, due to the two year statute of limitations; the entire balance was not collected. In subsequent years, several processes were implemented to reduce the occurrence and frequency of overpayments resulting in higher recovery and lower overpayment balances. We continue to analyze data, provide appropriate training and implement accountability measures to perpetually lower the occurrence of overpayments. Of the \$957,476 overpayments that occurred in 2011-12, \$819,828 was recovered.

**Response from the Office of the Chief Strategy & Operations Officer** - Management agrees with the audit recommendation to "enhance its procedures to ensure payroll payments are accurate, properly documented, and approved."

**Corrective Action:** Since the audit findings the Transportation Department has fully migrated to the KRONOS Time & Attendance system. In conjunction with the implementation of the new system additional procedures and guidelines are being put in place to minimize the risk to the District in the areas of overpayments and inaccurate payrolls. The Department has also discontinued the use of the antiquated WRK215 COMPASS report for payroll reporting.

**EXHIBIT A (CONTINUED)  
MANAGEMENT'S RESPONSE**

Additionally, all administrative staff located at the bus terminals has been trained on the new system. They will be responsible for reviewing and approving all payrolls. They will also be required to keep all appropriate records on file such as the Earnings, ZTIM, and Overtime Reports.

**Finding No. 5: Overtime Payment Monitoring**

**Management Response:**

**Response from the Office of the Chief Strategy & Operations Officer -** Management agrees with the audit recommendation to "enhance its procedures to ensure overtime payments are properly documented and approved and enhance management controls to require overtime and staffing analyses."

**Corrective Action:** The implementation of KRONOS will greatly enhance the transportation department's ability to monitor overtime. The system allows for a unique schedule to be placed in KRONOS for each employee. When there is a deviation from this schedule an alert occurs on the same day of the exception. The new system also provides a variety of reports that can be run to help monitor employee work hours.

Additionally, at the request of Student Transportation & Fleet Services, a unique payroll report has been created that allows the department to see all REG, OTS and OTP hours along with Gross, Net, and Retro pay, all in one report for all employees within the Department.

**Finding No. 6: Severance Pay**

**Management Response:**

**Response from the Office of General Counsel -** The "severance" provisions in the Superintendent's contract, as approved in 2011, were governed by sec. 1001.50(2), F.S., not Section 215.425(4)(a). At that time, Section 1001.50(2) provided:

(2) The district school board of each of such districts shall enter into contracts of employment with the district school superintendent and shall adopt rules relating to his or her appointment; however, the district school board may not enter into an employment contract that requires the district to pay from state funds a superintendent an amount in excess of 1 year of the superintendent's annual salary for termination, buyout, or any other type of contract settlement. This subsection does not prohibit the payment of earned leave and benefits in accordance with the district's leave and benefits policies which were accrued by the superintendent before the contract terminates.

This section expressly permitted severance payment of up to one year of annual salary. This section was subsequently revised to be in line with the provisions of Chapter 215 in 2012. As such, if the Superintendent negotiates a new contract with the School Board *after the termination of the current agreement in 2014*, said new contract would then be subject to the provisions of 1001.50(2), as it currently reads, which requires inclusion of the provisions of Section 215.425.

**EXHIBIT A (CONTINUED)  
MANAGEMENT'S RESPONSE**

**Finding No. 7: Purchasing Cards**

**Management Response:**

**Response from the Supply Management & Logistics Department** – We agree. The expenditures have been analyzed as compared to the monthly credit limits. There is no consistent process in place to verify that a Purchasing Card (P Card) has been destroyed or cancelled by the Bank. Notifications are not sent in a timely manner by the employees' management.

**Corrective Action:** The credit limits will be reduced to an appropriate level consistent with the spending history. Cardholders will be notified of the changes prior to the reduction of the limit. We will update the P Card manual to provide a process for notification and return of the P Card, by management, when an employee is transferred, terminated, resigns, retires, etc. A form will be created for that communication and will be maintained by the P Card Coordinator and provided to the P Card end using management to inform the P Card Coordinator of a change in employee status and the return of the P Card. Notifications will be sent to all users by March 20, 2013, and implementation of the change will be March 20, 2013.

**Proposed Corrective Action Plan:** Proposed Change to Process: All District equipment, issued to employees, should be maintained in the employees' personnel record. This record should be updated to contain items such as cell phones, lap-tops, keys, badges, and P Cards, etc. When an employee leaves the District, the individual's department should retrieve these items before the employee receives his/her final check. In addition, the individual's department should contact the Supply Management & Logistics Department to cancel any P Cards that was issued to the individual. A new process will need to be developed to address the reporting of District-owned property, as well as communicating a change of an employee's status to the P Card Coordinator when an employee is reassigned, laid off, terminated, retired, etc., to cancel a P Card. Staff will work with HR to consider the proposed plan of action. The proposed timeline is June 30, 2013.

**Finding No. 8: Tangible Personal Property**

**Management Response:**

**Response from the Office of the Chief Auditor** - The Office of the Chief Auditor (OCA) conducts property and inventory audits for all District locations to verify the physical presence of tangible personal property designated on a location's property inventory roster and to ensure appropriate controls are in place to safeguard the location's tangible personal property. Audits include a cursory review of the safeguards associated with high-risk items maintained within the location's secondary database per the requirements set forth in the Business Practice Bulletin O-100 Procedures for Property and Inventory Control. The OCA will continually evaluate the inventory process in an

**EXHIBIT A (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

effort to comply with annual inventory requirements despite staff reductions of Property Auditors. It should be noted that staff at all locations are minimally required to conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location. Appropriate staff must physically verify that each property item listed on the PNI 811 (Modification-PENDING) report is accounted for on premises. As required by Business Practice Bulletin O-100, the property custodians shall complete the semi-annual inventory and forward a copy of the results to their respective senior administrator.

Class Codes Excluded

We agree. All assets captured since the current fiscal year by Accounting and Financial Reporting Department (AFRD) will be included in future property audits conducted by the Office of the Chief Auditor. Information and Technology's production division is currently modifying the asset report to ensure all assets are included for evaluation as recommended.

Tagging/Barcoding

We agree. All property items that have been reconciled by OCA staff will be barcoded, engraved or indelibly marked during the subsequent property audit. District staff receives a report of all additions to the Master File of Assets associated with their location (PNI 954A-Optispool). Records should be verified for accuracy to ensure that proper tagging, tracking and distribution are maintained. The Chief Auditor has established the process for tagging new purchases when asset records are confirmed to be accurate. The Accounting and Financial Reporting Department (AFRD) reviews Business Intelligence (BI) reports to ensure that all new purchases are captured and maintained with accuracy.

We agree. Bundling assets is prohibited by District policy. The Supply Management & Logistics Department, site administrators, as well as AFRD must provide increased oversight for properly executing the three phases of asset record development. The creation of an appropriately itemized and segregated requisition, an adequately executed individual goods receipt and subsequent recording of the detailed asset record information are essential to delivering effective property management controls. The Chief School Performance and Accountability Officer formally communicated a follow up memo of expectation regarding the adherence to procedures for executing new purchases as well as monitoring and safeguarding District assets to all school based administrators on February 4, 2013.

We agree. Any item that is donated which has a value of \$1,000 or more is considered to be high risk. These items must be reported to AFRD on an Equipment Acquisition Form per the District's Standard Practice Bulletin 1-311 Donations.

**EXHIBIT A (CONTINUED)  
MANAGEMENT'S RESPONSE**

We agree. No assets should be paid for prior to verification by the site's administration. The delivery of the returned/damaged item, *12-02403 Pole Vault Pit*, included in the sample, has been verified as received by the location's inventory liaison.

We agree. A comprehensive review of legacy asset data is being performed by District personnel. Specifically, AFRD is working to correct the records identified during this evaluation that were incomplete or possibly unprocessed by the designated department staff. Class code 13, cafeteria equipment items are being evaluated by Food and Nutrition Services. A comprehensive capital equipment database has been developed and implemented in order to improve property management efficiency. Information has been compiled and submitted to the Information and Technology Department as well as AFRD for updating in the Master File of Assets.

Disposal of TPP

We agree. This issue has been discussed with warehouse management and personnel in the past. More detailed recordkeeping is needed to document the manner of final disposal of assets (sold, donated, cannibalized, scrapped, etc.) The Office of the Chief Auditor will meet with the Supply, Management & Logistics Department in order to ensure compliance with Florida Statutes, Chapter 274 and Department of Financial Services Rule 69I-73, Florida Administrative Code.

**Finding No. 9: Annual Facility Inspections**

**Management Response:**

**Response from the Office of Facilities & Construction** – We agree. The District is attempting to enhance its procedures to ensure that deficiencies noted in inspection reports are timely corrected; however, the District continues to operate in a fiscally challenged environment with extremely restricted resources in personnel and funding. Under the current circumstances, progress in addressing deficiencies remains limited.

Proposed Corrective Action Plan: Once resources and funding become available, the District will then be able to address the deficiencies more fully and expeditiously.

Timeline for Implementation: Due to current funding issues, a specific timeline cannot be determined at this time.

**Finding No. 10: Background Rescreenings**

**Management Response:**

**Response from the Office of Human Resources** – We agree with the Auditor General's findings. The Auditor General's findings indicate that the District's reason for the delays in rescreening of employees is as a result of insufficient personnel. While the reduced staffing levels have impacted the timely implementation of the five-year employee fingerprinting process, it is not the only reason rescreenings have not occurred in a timely manner.

**EXHIBIT A (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

In a memorandum to the Auditor General dated December 7, 2012, the Security Clearance Division of the Broward District Schools Police Department (BDSPD) explained that deficiencies were identified and compliance issues were being rectified. Additionally, we explained that research had to be conducted in order to identify the actual issues to devise a process for overall compliance. As a result of the research we discovered that some fingerprint records were not taken electronically, fingerprint records were illegible, employees were never re-printed during the original re-fingerprinting process years ago due to an employee leave and/or absence, there were data inaccuracies at the time of fingerprinting causing a deletion of the record, two computers "crashed" containing fingerprint data (data could not be recovered) and corrupt fingerprint data could not convert to a newer format required for a future resubmission.

To that end, the Security Clearance staff are diligently working on rectifying the issues by May of 2013 by doing the following:

- Review and modify locally stored electronic fingerprint records for resubmission and retention;
- Email notification to employees that physical re-fingerprint is required in compliance with state statute;
- Provide written notification to substitute teachers regarding fingerprint requirement;
- Provide information concerning the fingerprinting requirement to Principals at their respective level meetings;
- Provide list of employees to site administrators;
- Provide three off-site locations with extended hours to employees for fingerprinting; and
- Re-submit approximately 1,236 fingerprint records since July 1, 2012, in compliance with state statute. This is in addition to the 5,657 new fingerprint records created for background screening.

Although our efforts have been successful, we are facing some challenges of employee compliance; specifically, employees electing not to comply with the directive for rescreening. We have provided the employees with a deadline date for rescreening. Employees failing to comply will be notified of possible disciplinary action for violating Florida Statutes.

Another issue noted in a previous response to the Auditor General is the continuing challenge of the lack of one data source housing all of the requisite information, including records of non-employees that are not housed in SAP, such as charter school employees, vendors, mentors/volunteers (chaperones), health science students, and pre-professionals (interns), making the process labor intensive. Currently, comprehensive reports from the SAP employee data system are compared against the state fingerprint data in Florida's Integrated Criminal History System. Continued analysis of the reports allows us to determine the required actions for the fingerprint record.

**EXHIBIT A (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

We are continuing our process of cross-referencing the various databases for employees fingerprinted within a 5-year cycle; however, we have discovered that some employees need to be physically re-fingerprinted in order to submit their fingerprints for future re-screenings.

Finally, Florida statutes that reference retention of employee fingerprint records also state that if, for any reason following employment, the fingerprints of a person who is employed with the school district are not retained by the Department of Law Enforcement, the person must file a complete set of fingerprints with the district school superintendent of the employing school district. If we determine a record is out of compliance with a five-year resubmission, immediate steps are taken to ensure the resubmission occurs.

**Finding #11: Expenditure Processing**

**Management Response:**

**Response from the Office of the Chief Financial Officer** - In order to resolve the issue and limit the use of check requests in accordance with the School Board Purchasing Policy 3320, effective July 1, 2013, the Accounting and Financial Reporting Department (AFRD) will discontinue processing any check requests that are not permitted in the policy. AFRD will return the check request to the requester, copying responsible Senior Leadership Team Manager, and the Purchasing Department.

**Response from the Office of the Chief Strategy & Operations Officer** - We agree. Check requests bypass the Purchasing processes and should be avoided. These are considered to be unencumbered obligations and unrealized liabilities. These requests impact the District's budgets negatively when the funds are not available. There are provisions for the use of the Check Requests. These are under emergency situations or when a Purchase Order is not the appropriate or acceptable instrument. The P Card provides some relief in this process.

**Corrective Action:** Enforce Purchasing Policy 3320, Rule V, which specifies when a check request can be used. Notification regarding the use of the check request process can be communicated to the principals and department heads through our e-mail system. Excerpts of Policy 3320, Rule V can be attached. We will address any changes in Account Assignments, forms, etc., and release information to all involved. The timeline is March 2013 to notify principals and department heads on the check request process.

**Finding No. 12: Journal Entries**

**Management Response:**

**Response from the Office of the Chief Financial Officer** - The District concurs with your recommendation that journal entries that involve transfers between funds to ensure entries are timely reviewed and approved by the Accounting and Financial Reporting Department (AFRD). The District will change its process to ensure that journal entries that involve transfers between funds are timely reviewed and approved by the AFRD.

**EXHIBIT A (CONTINUED)  
MANAGEMENT'S RESPONSE**

**Finding No. 13: Information Technology – Access Privileges**

**Management Response: Management Response:**

**Response from the Office of the Chief Strategy & Operations Officer – We agree.**

**Proposed Corrective Action:** Subsequent to the last audit, critical access to financial applications for project employees was delimited. Currently, there are no project employees with access to critical financial data.

The District is in the process of evaluating the roles assigned to project employees that contain critical access with HR application. By June 30, 2013, new roles will be created to provide access to those whose job functions mandate such access be granted; access will be delimited for all others.

The review process of update actions within the finance and HR applications performed by IT employees and those employees that provide SAP ERP functional support that do not directly report to IT management will be enhanced to include review by the SAP ERP system functional support staff supervisory employee. The timeline is June 30, 2013.

**Finding No. 14: Information Technology – Security Controls – Software Management, User Authentication, and Monitoring of Application Data Changes**

**Management Response:**

**Response from the Office of the Chief Strategy & Operations Officer – We agree.**

**Proposed Corrective Action:** The Information & Technology Department agrees with the findings, and is making forward progress, and remains committed to addressing each of the outstanding items. The Information & Technology Department has a project plan in action with a clear goal of completing all corrective actions before June 30, 2014.

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**Federal Awards Finding No. 1:**

**Federal Agency: United States Department of Agriculture  
Pass-Through Entity: Florida Department of Education (FDOE) and Florida Department of Agriculture and Consumer Services (FDACS)  
Program: Child Nutrition Cluster (CFDA Nos. 10.553, 10.555, 10.559)  
Finding Type: Noncompliance and Significant Deficiency  
Questioned Costs: \$625,202**



**EXHIBIT A (CONTINUED)  
MANAGEMENT'S RESPONSE**

**Management Response:**

**Response from the Chief Strategy & Operations Officer** - The FDACS reconfirms the transfer of funds for KRONOS time clocks and installation as an allowable expense. A copy of the FDACS letter was forwarded to the Auditor General on March 20, 2013 by the Office of the Chief Auditor.

The Food and Nutrition Services Department maintains a departmental inventory of clocks and locations.

**Federal Awards Finding No. 2:**

**Federal Agency: United States Department of Agriculture  
Pass-Through Entity: Florida Department of Education (FDOE) and Florida  
Department of Agriculture and Consumer Services (FDACS)  
Program: Child Nutrition Cluster (CFDA Nos. 10.553, 10.555, 10.559)  
Finding Type: Noncompliance and Significant Deficiency  
Questioned Costs: None**

**Management Response:**

**Response from the Chief Strategy & Operations Officer** - Food & Nutrition Services will receive a listing for all emergency work orders from Physical Plant Operations (PPO) at month end for review and posted for approval by the director and/or designees; beginning April 1, 2013.

Food & Nutrition Services will receive a Preventative Maintenance (PM) schedule for the upcoming school year by June 30, annually. The director and/or designees will review and approve and/or adjust the schedule accordingly.

If you have any questions or concerns regarding any of the findings, please contact Patrick Reilly, Chief Auditor, at (754) 321-2400.

Sincerely,




Robert W. Runnie  
Superintendent of Schools

RWR/PR:pm

**SECTION III**

**FULL TEXT OF ADMINISTRATIVE RESPONSES**


---

From:  **Donna S. Clarke** Thursday, September 19, 2013 3:26:14 PM 

Subject: Findings 13 and 14 - Strategy & Operations Division

To:  **Patricia McLaughlin**

Cc:  **Patrick O. Reilly**

Attachments:  **Current Finding Status 83113 4.docx / Microsoft Word document (21K)**

---

Patricia,

The Current Finding Status document has been updated to include responses from our I&T department for Findings No. 13 and 14. As always, please call me with any questions.

Thank you

Donna S. Clarke, Executive Secretary to:  
Chief Strategy & Operations Officer  
Telephone: 754-321-2610  
Facsimile: 754-321-1999

Under Florida law, e-mail addresses, and all communications, including e-mail communications, made or received in connection with the transaction of School Board business are public records, which must be retained as required by law and must be disclosed upon receipt of a public records request, except as may be excluded by federal or state laws. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

**Finding No. 3: Decentralized Collections**

**DAILY:** Money (money orders and cashier's checks only) is collected on-site. A handwritten receipt is given to the client, along with a computer-generated receipt called an Auction Release. All money is kept in a locked desk drawer.

**WEEKLY:** Started Nov 2012

Print out an Auction Receipt Summary (electronic version of our receipt book). The Auction Receipt Summary has complete details of each transaction. Make photocopies of all money orders/cashier's checks. Checks are kept in the same order as the Receipt Summary, totaled on the adding machine and placed in an envelope along with the printed tape that has the total. Once the Remittance Transmittal Form is filled out, it is printed and signed off on by the Materials Logistics manager

A pony envelope is hand-delivered to Hope Kerr at Treasurer Office with the original Remittance Transmittal Form, a copy of the Receipt Summary Report, and separate envelope with the checks and tape total. Copies are kept at location.

**Finding No. 4: Payroll Processing**

Administrative staff have been trained in all the Terminal locations on the new payroll system (KRONOS). There is ongoing review and approval of employee payrolls. Also, the Zearnings and ZTIM Reports are being run for each payroll. The Overtime Reports have been incorporated in the payrolls beginning this 2013/14 school year.

Additionally, in conjunction with the implementation of the new time management system, payroll operations for all transportation terminals have been centralized in an effort to minimize the risk to the District in the areas of overpayments and inaccurate payrolls.

Although this change in operation is in its infancy stage, foregleams of improved timely communication and efficiency of operation are already noticeable. Certain payroll issues that may have taken a week to be addressed or even noticed in the past are being handled within days or hours in some cases.

New procedures and new forms were put into place to document additional time worked by bus operators/attendants for special work events such as After School Activities and Community Based Instruction Trips. Time connected to such events is not processed unless the forms have been completed and turned in by the employee. This has increased employee accountability, as well as employee awareness to increased scrutiny of payroll.

**Finding No. 5: Overtime Payment Monitoring**

The schedule feature of the KRONOS time management system has been instrumental in addressing issues of overtime. The system provides an alert of any deviation from the planned schedule. The time over the schedule is kept in a separate category until approved. Payroll accuracy continues to improve as staff expands on the functionality of the system.

**Finding No. 7: Purchasing Cards**

The credit limits were reduced (April 2013) to an appropriate level consistent with the spending history. All cardholders were notified of the changes prior to the reduction. A form was added to the P-Card Manual (page 19 of 36) entitled SBBC Purchasing Card Notification of Personnel Change. This form is maintained by the P-Card Coordinator and is included in all manuals. The form requires the principal's or department head's signature when there is a personnel change at that location. The P-Card is to be returned with this form.

**Finding No 11: Expenditure Processing**

A letter regarding Check Requests, dated April 11, 2013, went out from Scott Krutchik, through Ben Leong, to Senior Leadership Team, department heads and principals, regarding the discontinuance of processing check requests. The Accounting and Financial Reporting Department will only process those check requests that are in compliance with Policy 3320.

**Finding No 13: Expenditure Processing**

The review process of update actions within the finance and HR applications performed by IT employees is complete and a new segregation of duties process is in place. The review of roles assigned to project employees is complete; new roles have been created and IT is in the process of migrating users to new roles and this process will be complete by October 31, 2013.

**Finding No 14: Expenditure Processing**

The Information & Technology Plan is in place with a clear goal of completing all action items by June 30, 2014.

**Federal Finding No 1: Noncompliance and Significant Deficiency**




A letter was received from the Florida Department of Agriculture and Consumer Services (FSACS) dated July 15, 2013, to Mary Mulder, director of Food and Nutrition Services Department, regarding avoiding this finding in the future (copy attached). The letter states the District should ensure that financial obligations between school food service and the District are satisfied in the same fiscal year.

Timeline for KRONOS time management system is being adjusted for completion to occur by 2013 – 2014 school year.


**Federal Finding No 2: Noncompliance and Significant Deficiency**




Physical Plant Operations (PPO) has implemented the process of sending a monthly list of all emergency work orders to the Food and Nutrition Services Purchasing Agent for review and approval.


A Preventative Maintenance (PM) schedule has been implemented for review and approval by the Food and Nutrition Services Purchasing Agent.

From:  **Joanne C. Fritz**  
 **Patrick O. Reilly** Friday, September 13, 2013 2:46:20 PM 

Subject: Fwd: Re(2): Current Status - Auditor General's Report #2013-160

To:  **Patrick O. Reilly**

Cc:  **Patricia McLaughlin**  **Paul Carland**  **GC-log**

Attachments:  memo-reilly17-auditor general severance-9.13.13.pdf / Adobe Acrobat Document ...

Good afternoon, Mr. Reilly:

Please see the attached revised memorandum from Mr. Carland, which states:

This memorandum is in response to your request as it relates to the State Auditor General's Finding No. 6 - The Superintendent's Employment Agreement. Please be advised that the General Counsel's Office is currently working with the Chair on revisions to the Superintendent's contract as per the Board's desire to consider a renewal of same. As part of these discussions, appropriate revisions to the severance terms in the agreement are being considered. The amended agreement will be in compliance with the law. This item is on the agenda for the September 17, 2013 School Board meeting.

Joanne

-----  
Joanne C. Fritz  
Executive Secretary to the General Counsel  
The School Board of Broward County, Florida  
600 SE Third Avenue, 11th Floor  
Fort Lauderdale, Florida 33301  
Telephone: 754-321-2050 / Facsimile: 754-321-2705  
[joanne.fritz@browardschools.com](mailto:joanne.fritz@browardschools.com)

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----- Original Message -----

From: Patrick O. Reilly Tuesday, September 03, 2013 11:24:10 AM  
Subject: Re(2): Current Status - Auditor General's Report #2013-160  
To: Paul Carland  
Cc: Joanne C. Fritz Patricia McLaughlin

I received your response for the Auditor General's Finding #6. Would you

please clarify the last sentence, which states "As part of these discussions, appropriate revisions to the severance terms in the agreement **are being considered**. The Audit Committee may question this response as to what action will be taken with the new contract. Will the new contract provide severance pay of 20 weeks? I question whether your Current Status response is consistent with your original management response.

Please call me if you would like to discuss.

Thank you,

PR/pm

Patrick Reilly, Chief Auditor  
Office of the Chief Auditor  
Office (754) 321-2400  
Fax (754) 321-2719  
patreilly@browardschools.com

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Joanne C. Fritz on Friday, August 30, 2013 at 4:29 PM -0400 wrote:

**Good afternoon, Mr. Reilly:**

**Please see the attached memorandum from Mr. Carland, which states:**

**This memorandum is in response to your request as it relates to the State Auditor General's Finding No. 6 - The Superintendent's Employment Agreement. Please be advised that the General Counsel's Office is currently working with the Chair on revisions to the Superintendent's contract as per the Board's desire to consider a renewal of same. As part of these discussions, appropriate revisions to the severance terms in the agreement are being considered.**



Sincerely,

Joanne

-----  
Joanne C. Fritz  
Executive Secretary to the General Counsel  
The School Board of Broward County, Florida  
600 SE Third Avenue, 11th Floor  
Fort Lauderdale, Florida 33301  
Telephone: 754-321-2050 / Facsimile: 754-321-2705  
joanne.fritz@browardschools.com

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Patrick O. Reilly on Thursday, August 29, 2013 at 3:06 PM -0400 wrote:

In accordance with School Board Policy 1002.1 and the 2013-14 Audit Plan, we are performing a Current Status Report of the Auditor General's June 30, 2012 report #2013-160. I have attached the original audit findings pertaining to your department along with your original responses.

Please provide a response for Finding #6 in word format by Friday, September 13, 2013. Your response should include a status update as to the action plans, policies, or procedures you have implemented to address this finding.

Please call if you have any questions.

Thank you,

PR/pm

Patrick Reilly, Chief Auditor  
Office of the Chief Auditor  
Office (754) 321-2400  
Fax (754) 321-2719  
patreilly@browardschools.com

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
OFFICE OF THE GENERAL COUNSEL


K.C. WRIGHT ADMINISTRATION BUILDING  
600 SOUTHEAST THIRD AVENUE, 11TH FLOOR  
FORT LAUDERDALE, FLORIDA 33301  
Telephone: (754) 321-2050  
Facsimile: (754) 321-2705

J. PAUL CARLAND, II  
GENERAL COUNSEL

**MEMORANDUM**

**TO:** Patrick Reilly, Chief Auditor

**FROM:** J. Paul Carland, II, General Counsel

**DATE:** September 13, 2013 

**SUBJECT:** (Revision to August 30, 2013 Memorandum) Current Status Report  
Auditor General's June 30, 2012 Report #2013-160  
(Finding No. 6 - The Superintendent's Employment Agreement)




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This memorandum is in response to your request as it relates to the State Auditor General's Finding No. 6 - The Superintendent's Employment Agreement. Please be advised that the General Counsel's Office is currently working with the Chair on revisions to the Superintendent's contract as per the Board's desire to consider a renewal of same. As part of these discussions, appropriate revisions to the severance terms in the agreement are being considered. The amended agreement will be in compliance with the law. This item is on the agenda for the September 17, 2013 School Board meeting.


If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

JPC:jcf

memoranda-internal/reilly17-Auditor Gen. Superintendent Severance Pay 9-12-13

From:  Dana T. Panisch  
Subject: Audit Responses 2,4,11&12  
To:  **Patrick O. Reilly**  
Cc:  **Patricia McLaughlin**

Friday, September 13, 2013 4:32:24 PM 

Attachments:  Audit Response 2, 4, 11 & 12.docx / Microsoft Word Document (16K)

Responses attached.  
Thanks and have a good weekend!

Dana Panisch, Executive Secretary  
Office of the Chief Financial Officer  
School Board of Broward County  
600 S.E. 3rd Avenue, 10th Floor  
Ft. Lauderdale, FL 33301  
754-321-1990  
F: 754-321-1999  
[dana.panisch@browardschools.com](mailto:dana.panisch@browardschools.com)

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## Response to Findings 2, 4, 11 & 12

### Finding No. 2: Electronic Funds Transfers

#### Current Status as of August 31, 2013:

The Treasurer's Office is currently drafting a policy addressing EFT's and the use of electronic signatures as required in Section 1010.11 and Chapter 668, Florida Statutes. The draft policy will then be reviewed by the Financial Advisory Committee at its scheduled meeting in November, and brought before the Board for approval as soon thereafter as feasible.

### Finding No 4: Payroll Processing

#### Current Status as of August 31, 2013:

Diligent efforts to continue analyzing data and provide appropriate training have successfully reduced overpayments from FY 11-12 to FY 12-13 by nearly \$300,000.00. We are continuously reviewing processes, training, and communications to further reduce overpayments before they occur.

### Finding No. 11: Expenditure Processing




#### Current Status as of August 31, 2013:

The Accounting and Financial Reporting Department (AFRD) issued a memo on April 11, 2013 to the Senior Leadership Team, Department Heads and Principals informing that AFRD will discontinue processing Check Requests that are not permitted under School Board Purchasing Policy 3320 beginning July 1, 2013. As of August 31, 2013, AFRD has returned 20 check requests totaling approximately \$938 thousand. There has been a reduction of 295 check requests processed this year as compared to the prior year though the month of August 2013. AFRD will continue to review checks requests and only process the check requests that are in compliance with School Board Purchasing Policy 3320.


### Finding No 12: Journal Entries



#### Current Status as of August 31, 2013:



The Accounting and Financial Reporting Department (AFRD) issued a memo on May 23, 2013 to the Treasury Department and Food Service Department informing them that journal entries that involve transfers between funds will need to be reviewed and approved by AFRD. The Treasury Department will be able to continue to process journal entries involving cash receipts and debt service transfers as they are exempt from the additional review of AFRD. In addition, AFRD is performing a monthly reconciliation of all transactions that involve transfers between funds to confirm compliance with this new review and approval process. As of August 31, 2013 all journal entries that involve transfers between funds have been in compliance with the new process.

From:  **Debbie Connelly**  **Patrick O. Reilly** Wednesday, September 11, 2013 9:03:06 AM 

Subject: Fwd: Current Status - Auditor General's Report #2013-160

To:  **Patrick O. Reilly**

Cc:  **Shelley N. Meloni**  **Patricia McLaughlin**

Attachments:  09.10.13StatusUPDATEto3.19.13Resp\_ FL Auditor General Fnd .docx / Microsoft ...  
 F&C Response 3.19.13 FL Auditor General Finding No.8\_2.21.1.pdf / Adobe Acro...

Attached is Management's current status update (September 10, 2013, in WORD format) to our response issued March 19, 2013 (also attached and included as an attachment to the status update).

Thank you.

Debra Connelly, Department Secretary  
Secretary to Shelley N. Meloni, Task Assigned Chief Facilities & Construction Officer  
Office of Facilities & Construction  
The School Board of Broward County, Florida  
Office: (754)-321-1614 Fax: (754) 321-1680

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----- Original Message -----

From: Patrick O. Reilly Thursday, August 29, 2013 3:07:34 PM  
Subject: Current Status - Auditor General's Report #2013-160  
To: Shelley N. Meloni  
Cc: Debbie Connelly Pat M.  
Attachments: AG CS Finding #9 083113.pdPDF File 89K

In accordance with School Board Policy 1002.1 and the 2013-14 Audit Plan, we are performing a Current Status Report of the Auditor General's June 30, 2012 report #2013-160. I have attached the original audit findings pertaining to your department along with your original responses.

Please provide a response for Finding #9 in word format by Friday, September 13, 2013. Your response should include a status update as to the action plans, policies, or procedures you have implemented to address this finding.

Please call if you have any questions.

Thank you,

PR/pm

Patrick Reilly, Chief Auditor  
Office of the Chief Auditor  
Office (754) 321-2400  
Fax (754) 321-2719  
[patreilly@browardschools.com](mailto:patreilly@browardschools.com)

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
OFFICE OF FACILITIES & CONSTRUCTION

SHELLEY N. MELONI, R.A., NCARB, LEED® AP  
TASK ASSIGNED CHIEF FACILITIES & CONSTRUCTION OFFICER

Telephone: (754) 321-1610

Facsimile: (754) 321-1680

September 10, 2013

Signature on File

TO: Patrick O. Reilly, Chief Auditor  
Office of the Chief Auditor

FROM: Shelley N. Meloni, R.A., NCARB, LEED® AP  
Task Assigned Chief Facilities & Construction Officer

SUBJECT: **CURRENT STATUS UPDATE  
TO MANAGEMENT'S RESPONSE (MARCH 19, 2013)  
TO FINDING NO. 9 (f.k.a. NO. 8)  
AUDITOR GENERAL, STATE OF FLORIDA, FEBRUARY 21, 2013**

The following is Management's current status update to the previous response (March 19, 2013, attached) to finding No. 9 (*f.k.a. No. 8*) as reported February 21, 2013, by the Auditor General, State of Florida.

*\*Current Status as of August 31, 2013: The status remains unchanged. Funding has not improved; therefore a specific timeline cannot be determined at this time. Additionally, extreme limited staffing continues to be an issue; in fact staff resources have been further drastically reduced.*



SNM:djc

Attachment


c: Audit Response File, Office of Facilities & Construction  
Project File









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From:  **Diane M. Plesher** Thursday, September 12, 2013 8:09:58 AM 

Subject: Response to Auditor General's Report Finding #10

To:  **Patrick O. Reilly**

Cc:  **Patricia McLaughlin**  **Amanda Bailey**  **David Golt**  
 **Craig W. Kowalski**  **Camille S. Reich**

Attachments:  Response to Auditor Generals Report Background Screenings.doc / Microsoft...

---

Good Morning, Mr. Reilly:

Enclosed is our response, in Word format, to the Auditor General's Report requesting a status update on Finding No. 10 - Background Re-Screenings.

The original will follow via pony.

Thank you,

Diane Plesher, Executive Confidential Secretary  
Human Resources  
Office: 754-321-1840  
Fax: 754-321-2704

Under Florida law, e-mail addresses, and all communications, including e-mail communications, made or received in connection with the transaction of School Board business are public records, which must be retained as required by law and must be disclosed upon receipt of a public records request, except as may be excluded by federal or state laws. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**AMANDA BAILEY  
ACTING CHIEF HUMAN RESOURCES OFFICER**

**Telephone: 754-321-1840**

**Facsimile: 754-321-2704**

September 11, 2013

Signature on File

**TO:** Patrick Reilly, Chief Auditor  
Office of the Chief Auditor

**FROM:** Amanda Bailey  
Acting Chief Human Resources Officer

**SUBJECT:** **STATUS UPDATE – AUDITOR GENERAL’S REPORT  
FINDING #10 – BACKGROUND RE-SCREENINGS**

**Finding No. 10: Background Re-screenings**

As of August 2013, the process of re-capturing all fingerprint records of active employees who were no longer being retained by the Florida Department of Law Enforcement has been completed.

In July 2013, we transitioned fingerprinting services of charter school personnel to our contracted vendor. This enables us to have one data source for charter school personnel, which allows the current status in the process to be viewed by the responsible charter agency/school.

As stated in our response of March 15, 2013, the lack of one data source housing all the necessary information needed to determine if a fingerprint record needs to be resubmitted or deleted continues to be an obstacle. We have requested that the Information and Technology Department review our current process for a suitable solution.

AB/DG/CK:dp

**C:** David Golt, Chief of Police  
Broward District Schools Police Department  
Craig Kowalski, Investigator  
Broward District Schools Police Department