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BROWARD
County Public Schools

The School Board of Broward County, Florida
Follow-Up Report for
Broward Education Communications Network (BECON)

Prepared By:
Carr, Riggs & Ingram
June 10, 2019



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June 10, 2019

Mr. Joris Jabouin
Office of the Chief Auditor
School Board of Broward County
600 S. E. 3rd Avenue Ft. Lauderdale, FL 33301

Dear Mr. Jabouin:

Pursuant to our engagement letter dated February 28, 2019, we have performed certain follow-up consulting services for the School Board of Broward County related to our previously issued report: *Operational Assessment of Broward Education Communications Network (BECON)*, dated May 3, 2018.

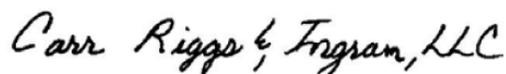
Our report is organized in the following sections:

- **Executive Summary** – The executive summary provides an overview of the objectives and scope and a concise outline of our follow-up results included in this report.
- **Objectives and Approach** – The objectives and approach are expanded upon in this section, which provides an outline of the various phases of our follow-up procedures.
- **Follow-up Results** – This section provides the results of our follow-up procedures, including the original observations, the original estimated date management indicated the associated recommended action would be completed, the current status and management’s revised estimated completion date if the recommended action has not been fully implemented.

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

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

Respectfully submitted,



CARR, RIGGS & INGRAM LLC

Executive Summary

Executive Summary

Overview

The engagement objectives were to perform certain follow-up procedures related to the previously issued report: *Operational Assessment of Broward Education Communications Network (BECON)*, dated May 3, 2018, to assist the Office of the Chief Auditor in determining whether BECON management implemented the recommended actions in keeping with management's responses for the thirteen observations included in our report and summarized below.

The following table summarizes the original operational improvements or control / compliance observations, the original estimated date to complete the recommendation, the current status, and management's revised estimated completion date if the recommended action has not been fully implemented. Since the initial engagement, 7 of the 13 original observations / recommendations have been completed by management and closed by us. Closed indicates that we have performed procedures to determine that management has completed our recommendations.

Observations*	Risk Rating	Original Estimated Completion	Current Status	Revised Estimated Completion
<u>Operational:</u>				
1. Additional Revenue / Funding Sources – pursue similar and new resources	High	August-18	Open	December-19
2. Cost Benefit/Saving Analysis – perform by service type and by department	High	August-18	Closed	
3. Capital Equipment – assess critical needs for failing equipment	High	August-18	Partially Closed	June-20
4. Strategic / Operations Plan – define more clearly or redefine	Moderate	December-18	Open	December-19
5. Job Descriptions – update for current job skills needed to operate systems	Moderate	December-18	Open	March-20
6. Training – provide additional technical training in areas deemed most vital	Moderate	December-18	Closed	
7. Operations Manual – develop to facilitate greater consistency and efficiency	Moderate	December-18 December-19	Partially Closed	December-19
8. Financial Reporting – standardize, formal reporting process and related KPI's	Moderate	March-19	Closed	
9. Spending Limits – develop spending limits for each department for better fund management	Moderate	March-19	Open	December-19
10. Management Continuity Plan – minimize significant operational interruption	Moderate	June-19	Closed	
<u>Control / Compliance:</u>				
11. Purchasing Cards – add controls / procedures to mitigate misuse of funds	Moderate	June-18	Closed	
12. School Services – add controls for proper supervision of work order completion	Moderate	August-18	Closed	
13. Distance Learning – add controls for proper supervision of work order completion	Moderate	August-18	Closed	

* Observation ratings are a subjective evaluation of the severity of the concern and the potential impact on the operations. An observation rating of "High" represents an issue of immediate concern and could cause significant operational issues if not addressed soon. A "Moderate" rating is an issue that may cause operational issues and does not require immediate attention but should be addressed as soon as possible.

Objectives and Approach

Objectives and Approach

Objectives

The engagement objectives were to perform certain follow-up procedures related to the previously issued report: *Operational Assessment of Broward Education Communications Network (BECON)*, dated May 3, 2018, to assist the Office of the Chief Auditor in determining whether BECON management implemented the recommended actions in keeping with management's responses for the thirteen observations included in our report.

Approach

Our approach consisted of three phases:

Phase One - Project planning and scoping

Phase 1 was to create an overall plan for the work to be performed.

Major work steps included:

- Held entrance conference with the Chief Auditor
- Held joint-entrance conference with the Chief Auditor and BECON senior management to establish communication protocols, engagement logistics and information requests, etc.
- Through inquiry, determine / verified the status of the recommended actions and management's respective responses
- Submitted proposed follow-up work plan to the Chief Auditor for review and approval

Phase Two – Testing

During this phase, we executed the work plan developed in Phase One in order to validate whether the recommended actions related to the thirteen observations have been implemented by management, and if not to report as to the status of each one.

Major work steps included:

- Facilitated sessions with the Chief Public Information Officer, BECON Director
- Performed individual interviews with key management and staff as needed
- Executed testing, preserving appropriate documentation for any potential exceptions
- Analyzed results and determined findings
- Prior to completing fieldwork, discussed findings, status of management's action plan

Phase 3 - Reporting and Communication

The final report includes the status of any recommended actions implemented and not implemented. We also communicated with the Chief Auditor throughout the engagement.

Major work steps included:

- Met with BECON Director / General Manager to discuss results
- Drafted report, indicating status of the recommended actions and management's responses
- Held exit conference with management to finalize the draft report
- Held exit conference with Chief Auditor to finalize the final report

Follow-up Matrix

Follow-up Matrix

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
High	<p>1. Revenue / Funding Sources</p>			Open
	<p>Based on our interviews with BECON’s Director / General Manager, it is our understanding that in previous years, BECON charged internally for labor and materials for services performed for the schools related to their key activities. Since part of BECON’s mission is to provide such services to the school, the School District decided to have BECON provide their labor services as part of BECON’s operating budget (Fund 1000) funds remaining from previous external internal charges (Fund 1020) and funds raised through sponsorships and donations (BEF).</p> <p>The present revenue / funding sources generated by or donated to BECON that are available to fund BECON’s current operations include:</p> <ul style="list-style-type: none"> • Reimbursement for school material costs • Individual donations • Corporation Contributions • Grants <p>Based on current trends, by the end of Fiscal Year 2018, the carryover reserve for fund 1020 is expected to be fully depleted, and will no longer be an option for making up the difference between BECON’s operating budget (Fund 1000) and BECON’s actual operating expenses.</p> <p>We recommend that BECON management consider the following additional potential revenue / funding sources, including, but not limited to:</p> <ol style="list-style-type: none"> a) Leases related to Tower Space and Airtime b) Revenue for videos / programs produced for outside customers, including use of the studio by updating the current rate card etc. c) Joining PBS network & the Digital Convergence Alliance 	<p>a. BECON management has begun conversations with local wireless technology companies which have expressed interest in the District’s network of over 200 school-based broadcast towers and BECON’s WBEC-TV broadcast tower. There is potential for setting up community-based wide area networks (WAN) for delivery of Wi-Fi services to local residents or businesses using the District’s towers. Leasing more airtime on WKPX-FM or possibly on WBEC-TV could be an option, but programming would have to follow non-commercial licensing guidelines, so potential partners would likely be other non-profit organizations, such as religious groups and charities.</p> <p>b1 - BECON’s marketing and fundraising coordinator has been challenged with monthly revenue goals, and supported with assistance from the station manager for developing new opportunities for program sponsorship.</p> <p>b2 - New program blocks have been established on WBEC in primetime (classic movies and TV shows) that are already showing an increase in viewer numbers.</p> <p>b3 – Staff have researched fundraising strategies for other South Florida non-commercial broadcasters (WPBT, WLRN) in order to apply successful principles and practices to BECON’s fundraising activities.</p> <p>c. PBS & DGA - not options for SBBC; per PBS VP, company policy prevents acceptance of PBS affiliate if one is already present within a certain geographic area.</p> <p>Additionally, It is strongly recommended that the annual revenue from BECON’s Sprint agreement of</p>	<p>Management has explored various resources as described in the management comments section to increase revenue sources as indicated in management’s comments as to the actions taken. We reviewed relevant support including email correspondence and other documentation evidencing management’s activities in these areas. These efforts are ongoing in nature as a formal revenue strategy / funding mechanism needs to be developed and approved by the PIO. The new Chief PIO has only been in this position for a couple of months.</p> <p>Finally, BECON’s revenue strategy / funding mechanism should be reviewed and approved by the District through the budget approval process and/or the Superintendent or the School Board.</p>	

Follow-up Matrix

		<p>\$2.4 million be utilized to help fund BECON's operations and capital needs (See observation 3).</p> <p>BECON's annual budget, including salaries, general operating fund, broadcast tower lease, and hardware/software service contracts, is approximately \$4.8 million. BECON manages approximately \$21 in equipment throughout the District, only about half of which is covered under service contracts.</p> <p>Responsible party: Chief PIO, BECON Director Original Estimated completion date: August 2018</p> <p>Revised estimated completion date: December 2019</p>		
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Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
High	2. Cost Benefit/Saving Analysis			Closed
	<p>In line with our observation regarding Revenue / Funding Sources (Observation 1), we noted that potential cost savings and benefits associated with the services the various BECON departments provide to the other departments and especially the schools throughout the district are not identified and measured in a quantifiable or qualitative way.</p> <p>We recommend BECON management perform a cost / benefit savings analysis to measure the associated cost savings and value, by type of services provided by departments as applicable. This analysis should include, but not be limited to:</p> <ul style="list-style-type: none"> a) School Services – internal technical support labor and materials vs. outsourcing; providing repair services related to security cameras for the District IT department previously serviced through 3rd party vendors b) Engineering / Production – telecasting the biweekly school board meetings; this should include the internal cost (labor and equipment) vs. outsourcing; internal cost (labor and equipment) to produce the various videos and programs vs. outsourcing c) Distance Learning – internal technical support labor and material vs. outsourcing <p>This will enable management to measure and present the cost benefit / savings of the services currently being provided to the School District vs. outsourcing them.</p>	<p>BECON managers calculated staff time and associated costs for key tasks performed by each department, and researched comparable costs for the same services if contracted to an outside vendor instead. The cost / benefit reviews demonstrate, in general, BECON operations clearly provide significant value in meeting District goals at far less cost than would be required to secure these services from outside sources.</p> <p>However, for Distance Learning, we could not find a practical comparison for a cost/benefit analysis of our Distance Learning operation. There is no single vendor or other organization that we could identify that provides the services that our team schedules, coordinates, and supports for all distance learning and videoconferencing sessions. Finally, the range of services we provide, the necessity of an intimate knowledge of a wide variety of equipment employed throughout the 200+ schools in the District, and the unique requirement to provide specialized content to BCPS students led us to conclude that there is no practical way to outsource this operation.</p> <p>Responsible party: BECON Director and managers Original estimated completion date: August 2018</p>	<p>We obtained and reviewed the cost benefit analysis and related supporting calculations and assumptions to verify for reasonableness.</p> <p>Based our review, BECON management performed and reasonably supported the recommended cost / benefit savings analysis to measure the associated cost savings and value, by type of services insourcing vs. outsourcing for School Services and Engineering / Production.</p> <p>Management in its comments, was unable to provide internal vs. outsourcing for Distance Learning for the reasons stated. The reasons provided by management appear reasonable.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
High	3. Capital Equipment			Partially Closed
	<p>Based on discussions with BECON’s Director/General Manager, BECON oversees and maintains over \$21 million in production, display, and broadcast equipment that schools and District departments depend on every day. Approved capital requests for replacing failing equipment, much of which is 10 to 20 years old, has totaled less than 2% of the equipment value in the prior fiscal year.</p> <p>We recommend that BECON assess the most critical needs for production, display and broadcast equipment utilized by schools and District departments and develop a refresh and replacement plan that is updated on an annual basis. This plan can be presented to the School Board along with the annual capital budget request.</p>	<p>BECON staff itemized all categories of equipment that BECON is responsible to maintain - including replacement value totals for all equipment, both currently under warranty or service contract, and all equipment not covered and therefore vulnerable to costly failure. Its total value is estimated at approximately \$21 million. Just over half that total (valued at \$10.6 million) is not covered by warranty or service contract. The total estimated capital need for BECON over the next two years is \$2,049,077.</p> <p>BECON was asked to make across-the-board budget reductions in operating and staffing costs for FY20. As discussed in the management comments in observation / recommendation 1, it is strongly recommended that the Sprint Lease Revenue be utilized to help address BECON’s critical, capital needs identified above.</p> <p>BECON’s management intends to submit their critical, capital needs request as part of the FY2020-21 budget process.</p> <p>Responsible party: BECON Director and managers</p> <p>Original Estimated completion date: August 2018</p> <p>Revised estimated completion date: June 2020</p>	<p>Capital Needs Assessment - We obtained and reviewed documentation verifying that BECON management performed a capital needs assessment by department.</p> <p>As noted in the management comments section, BECON will work with the District Budget office to submit a capital budget request; as such, the second part of our recommendation remains open.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	4. Strategic / Operations Plan			Open
	<p>Based on discussions with BECON’s Director / General Manager and the respective department managers, we noted that the departments typically operate independently of one another. BECON’s Director / General Manager was hired in March 2017 and stated that he is still in the process of gaining a better understanding of the organization’s structure in how it operates and how it aligns with the current strategic plan and mission as understood by the School Board in general and the Public Information Office in particular to whom BECON’s Director / General Manager reports. Due to other competing, pressing priorities, BECON’s Director / General Manager indicated that there has not been the specific opportunity to have strategic sessions about the future direction of the organization as a whole in terms of its mission and strategic plan / goals and whether a new organizational structure and focus of priorities is needed.</p> <p>We recommend that BECON’s Director / General Manager work with the Chief Public Information Officer to more clearly define or redefine the organization’s mission, strategic plan and resulting operations (operational plan)</p> <p>This will enable BECON management to develop / revise its Operations plan accordingly so that its organizational structure, goals, key initiatives, key performance indicators, etc. are in line with the strategic plan.</p>	<p>BECON leadership consulted with the BCPS office of Strategic Initiative Management (SIM) and scheduled a half-day workshop/retreat conducted by SIM Executive Director Deborah Posner. In that session, team members followed specific directions to formulate a concise BECON mission statement:</p> <p><i>Providing quality multimedia content and support to enhance educational experiences for the District and community.</i></p> <p>With a new Chief Public Information Officer assuming that role in November 2018, there has been no opportunity to fully comply with the stated recommendations by the estimated completion date of December 2018. BECON’s director will provide the PIO Chief with data on current operational plans and challenges that will provide a context for completing the work of redefining BECON’s strategic plan and operational plan.</p> <p>Responsible party: BCPS Chief Public Information Officer and BECON Director</p> <p>Original estimated completion date: December 2018</p> <p>Revised estimated completion date: December 2019</p>	<p>We obtained and reviewed relevant documentation as evidence that BECON management participated in a workshop conducted by the District's Strategic Initiative Management which resulted in the development of a BECON mission statement as noted in management's comments.</p> <p>As noted, more time is needed to work with the new Chief PIO to revise/redefine BECON's strategic /operational plan.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	5. Job Descriptions			Open
	<p>During our interviews with management, we noted that most of the job descriptions are not up-to-date. Many do not reflect the skill set that is currently needed given the changes in technology whether in terms of services performed or equipment used. BECON’s Director / General Manager indicated he was aware of this matter and he indicated that it was a difficult process to change job descriptions for current or even open positions to match the skill set and qualifications needed for the position. Any changes to the employee job descriptions must be approved by the School Board. Also, depending on the changes, this may need to be approved by the respective union.</p> <p>Based on additional discussions with BECON’s Director/General Manger, we noted that many current BECON job descriptions require skills in obsolete systems or omit skills necessary for current operations. Examples include clerical positions that require proficiency in shorthand or operation of typewriters, CRT terminals, “word processors” and duplicating machines. Technical and production position job descriptions require knowledge of archaic media equipment such as film chains, ¾” and ½” broadcast recorders, and still store units. Finally, totally lacking is any mention of proficiency in digital video and audio formats, social media channels, and Web-based communications.</p> <p>We recommend that management follow the necessary steps to update job descriptions for each employee where applicable, as well as for the job descriptions posted for open positions.</p>	<p>BECON staff positions comprise 33 different job descriptions. Nine of these positions (e.g.: Office Manager II, Clerk Specialist IV, Head Facilities Serviceperson, etc.) are common to other departments within the District and it was deemed impractical to recommend revisions to these job descriptions where changes might create unintended complications for those other departments. This left 24 job descriptions unique to BECON to review. BECON staff completed a round of recommended changes based on current staff duties and activities.</p> <p>This raised a larger question that merits consideration: Will all current BECON staff positions continue to be relevant as technology advances and new digital media forms continue to emerge and grow? Or should new job descriptions be drafted and roles changed as part of a broader strategy to modernize operations and provide optimal media support to the District and community? It is recommended that enough time be allotted for a thorough review of BECON’s staff operations and projection of the District’s future needs, rather than a simple update of existing individual job descriptions.</p> <p>BECON leadership should complete its review and revision of BECON’s Strategic Operations Plan (CRI Observation 4), with input and direction from the District’s new PIO Chief, before submitting these recommended revisions to job descriptions.</p> <p>Responsible party: BECON Director, Original estimated completion date: December 2018 Revised estimated completion date: March 2020</p>	<p>As noted by BECON management, the process to update job descriptions requires significantly more time to complete than originally estimated by management.</p> <p>Additionally, as noted by management, updating certain job descriptions would be affected by the strategic and operational focus of BECON.</p> <p>Finally, more time is also needed for this task for the new Chief Public Information Officer’s review and approval.</p> <p>Estimated testing date: March 2020</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	6. Training			Closed
	<p>Based on discussions with BECON’s department managers and Director/General Manager, there is very little technical training (internal or external) provided for the employees.</p> <p>Examples noted include:</p> <ul style="list-style-type: none"> • Production: Adobe CS Premiere • Programming: ComScore (audience measurement reports) and ProTrack scheduling software • School Services: Remedy service ticketing, Dell iDrac for IPTV troubleshooting and repair • Engineering: broadcast technology training, IPTV delivery systems <p>Given the technical nature of the duties performed by many of the employees and how quickly technology advances/changes, we recommend that Management consider providing the technical training for employees as needed.</p> <p>Proper training is necessary to help facilitate employee proficiency and efficiency in the performance of their daily tasks.</p>	<p>BECON has arranged training opportunities as follows:</p> <ul style="list-style-type: none"> • Production: Adobe CS Premiere. BECON arranged for 13 employees to attend certification training in December for this editing software tool. • Programming: ComScore and ProTrack. Training for these tools is available through online tutorials and the station manager is directing the Traffic team to take advantage of this opportunity. • School Services: Remedy Service Ticketing, Dell iDrac. Dell iDrac training has been scheduled and completed for the School Services team. • Engineering: broadcast technology training, IPTV delivery systems. StreamVu, the District’s contract provider for our IPTV system, provides training as part of its annual maintenance contract. <p>BECON managers drafted a spreadsheet summarizing the training needed and the estimated costs for providing it.</p> <p>While BECON is actively employing every free or low-cost training opportunity possible, there remains a need for investing in a few professional development opportunities that can keep the staff up to date on emerging technologies and strategies in media and education. We want to make sure that the services we provide to students, staff, and other stakeholders keep BCPS at the forefront of technological advancements in media and education.</p> <p>Responsible party: BECON Director and managers</p> <p>Original estimated completion date: December 2018</p>	<p>Through our inquiries of management and review of training documentation, we determined that BECON has addressed and continues to address the training needs of the respective departments as has been described in management's comments.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	<p>7. Operations Manual</p>			Open
	<p>We noted that there are few to no written procedures for BECON as a whole and the individual departments as indicated below:</p> <ul style="list-style-type: none"> • BECON as whole – few • Programming / Traffic – few* • Production – few* • Marketing / Public Relations – few* • School Services – none • Engineering – few* • Distance Learning - none <p>*Relate specifically to FCC rules and underwriting guidelines. However, neither BECON as a whole, nor any of the departments have an operations manual. An operations manual is a comprehensive document of how the entity functions and lays out the day-to-day procedures for operating the entity.</p> <p>We recommend that Management consider developing an Operations Manual. Items to consider in developing an operations manual, include, but are not limited to:</p> <ul style="list-style-type: none"> • Structure – divide the manual by Department • Content: <ul style="list-style-type: none"> ○ Types of information – how-to procedures, contacts, business-related policies ○ Description of department specific tasks ○ Job Descriptions ○ Emergency Procedures, Disaster Recovery • Steps: <ul style="list-style-type: none"> ○ Assign an internal project manager ○ Explain the benefits to staff ○ Write / update job descriptions ○ Document series of tasks and assign them to individuals based on job descriptions ○ Test the manual • Update the operations manual as needed 	<p>We have an internal project manager and research/writing team has been identified, and we expect be done by the December 2019 estimated completion date that was indicated in CRI's report.</p> <p>Responsible party: BECON Director and department managers, internal project manager and team</p> <p>Original estimated completion dates: Begin: December 2018 Completed: December 2019</p>	<p>Through inquiry of management, we noted that management has begun the process in that an internal project manager and research/writing team has been identified. The estimated completion date of developing the operations manual is December 2019. This observation / recommendation is not due for follow-up until then.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	8. Financial Reporting			Closed
	<p>We noted that BECON does not have a standard monthly, quarterly or annual reporting system / process in place that captures all of the revenues and expenses and related funds for all revenue sources and expenses related to BECON.</p> <p>We noted that there are three funds related to BECON:</p> <ul style="list-style-type: none"> • Fund 1000 – operating expenses funded by the School Board • Fund 1020 – revenue generated internally by providing various services to the School Board to cover cost of materials (not labor) • BEC Fund – Broward Education Fund – revenues relate primarily to individual and corporate donations, sponsorships etc. <p>Further, for annual reports separately extracted by BECON staff from SAP for District Funds 1000 and 1020 that was provided to us, we noted that there are overlapping of expenses among the funds and apparent discrepancies in the rollforward / reconciliation of Funds 1000 and 1020.</p> <p>We recommend BECON management do the following:</p> <ol style="list-style-type: none"> a. Work with the District finance/budget office to address the redundancy and reconciliation issues in the reports BECON staff extracted from SAP related to Funds 1000 and 1020 b. Work with District finance/budget office to develop a reporting template that captures all revenues and expenses from all sources / funds. 	<p>BECON's bookkeeper created a transaction log for listing all expenses chronologically by fund account (Fund 1000, Fund 1020 - Capital Fund, 1022 - Sprint Fund, and the P-Card accounts. The log is updated daily and a print copy is submitted to the BECON Director/GM monthly. The item is effectively completed.</p> <p>Responsible party: BECON Director and Bookkeeper</p> <p>Original Estimated completion date: March 2019</p>	<p>We reviewed a sample of monthly transaction logs that lists the expenses by fund account noting no exceptions. The process that management put in place is deemed adequate to address the observation / recommendation.</p> <p>However, BECON has been without a bookkeeper since February 2018 which may impact this process as well. See observation 9 status below.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	9. Spending Limits			Open
	<p>During our discussions with BECON’s Director / General Manager and department managers, we noted that individual spending limits (in total or by line item) are not clearly established for each department.</p> <p>We recommend that BECON management develop spending limits for each department and monitor on a monthly basis spending limits vs. actual expenditures for each department Further, the spending limits vs. actual monthly tracking should include salary and benefit expenses as well as non-salary / benefit expenses.</p> <p>This will enable BECON’s Director / General Manager and the respective department managers to more effectively track and monitor their spending limits vs. actual expenses at the department level as part of the overall BECON budget tracking process.</p>	<p>This item calls for each department to develop monthly budget vs. actual spending reports. This item was more challenging to address and was not completed before BECON's bookkeeper retired on February 26, 2019. As soon as BECON is able to fill this open position, we will address this observation.</p> <p>When BECON’s bookkeeper retired, BECON sought input from the District’s Business Support Center (BSC) to analyze BECON’s financial processes and assist with temporary support services. After a review of BECON’s operations, the director of the BSC advised BECON to reclassify our bookkeeper position to Accounting Specialist III. BECON sought for and received approval for this staffing classification change. Once this position is filled, BECON can return to this task and complete the process of establishing spending limits for each BECON department.</p> <p>Responsible party: BECON Director, managers</p> <p>Original Estimated completion date: March 2019</p> <p>Revised estimated completion date: November 2019</p>	<p>As noted in the management comments, BECON has been without a bookkeeper since the end of February 2018.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	10. Management Continuity Plan			Closed
	<p>Based on our interviews with BECON’s Director / General Manager and each of the Department Managers, there are not continuity plans in place for BECON’s Director or any of the Department Managers. Additionally, none of the Department managers have assistants.</p> <p>Based on discussions with BECON’s Director/General Manager, we noted that School Services has two staff members classified in positions defined as “Lead” which gives them leadership roles on specific projects, but not with any management responsibilities. Other departments (Engineering, Production, Programming, etc.) have no such roles defined.</p> <p>We recommend that continuity plans be put in place for BECON’s Director / General Manager and the Department Managers. Also, this recommended action can be addressed in concert with the updating of job descriptions to provide for current employees or future hires to incorporate relevant leadership qualifications, duties and experience.</p> <p>This will help ensure that any significant interruption in operations caused by planned retirement or sudden departure / turnover is mitigated.</p>	<p>This item calls for BECON managers to identify and train a staff member to be able to take over essential management tasks to mitigate the impact of a sudden departure or planned retirement. Management continuity plans have been put in place for all BECON staff with direct reports.</p> <p>Responsible party: BECON Director and managers, talent acquisition (HR) representative(s)</p> <p>Original Estimated completion date: June 2019</p>	<p>We obtained and verified that continuity plans were developed by the BECON managers and the BECON Director/General Manager.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	11. Purchasing Cards			Closed
	<p>During our inquiries and testing regarding the purchasing card function, we noted the following exceptions related to five purchasing card holders for two different months selected :</p> <ul style="list-style-type: none"> • For one transaction tested, at the point of purchase, there was no pre-approval for the purchase of \$365.70 of chemicals as required by school board policy. • For one transaction, sales tax of \$3.46 was paid for items purchased. <p>Additionally, we noted the following:</p> <ul style="list-style-type: none"> • A purchasing card file / log with the most up-to-date purchasing card numbers, expiration dates and credit limits is not currently maintained by BECON. • Monthly credit limits and individual transaction limits either are not in place and / or are not consistently enforced. <p>We recommend that BECON management do the following:</p> <ol style="list-style-type: none"> a) Provide training for the proper usage of purchasing cards pursuant to school district policy. b) Create a purchasing card file / log with the most up-to-date purchasing card numbers, expiration dates and credit limits by card by purchasing card holder. c) Establish and enforce monthly credit and individual credit limits for each purchasing card holder. <p>This will facilitate better controls over the purchasing card program and its usage and mitigate the risk of misuse of funds.</p>	<p>BECON took the following actions:</p> <ul style="list-style-type: none"> • On June 14, 2018, the director conducted a meeting of all BECON purchasing cardholders and explained the findings of regarding purchasing card use. Each cardholder was given a copy of the guidelines for purchasing card use provided by Procurement and Warehousing Services. Key points in the guidelines were discussed. • Each cardholder was given a form to complete and sign, stating that he/she had reviewed the guidelines and understood the responsibilities related to use of the card. The form also required each cardholder to confirm his/her monthly credit limit and the expiration date on the card. Each cardholder later signed and submitted the completed form to BECON's bookkeeper. • The director worked with BECON's bookkeeper to create a list of all BECON purchasing cards, with card numbers, cardholder names, credit limits and expiration dates, which is kept on file by the bookkeeper. <p>These actions effectively complete the responses recommended in Observation 11 regarding purchasing cards.</p> <p>Responsible party: BECON Director and managers</p> <p>Original Estimated completion date: June 2018</p>	<p>Through performance of sample transactional testing and review of relevant documentation, we verified that the recommended training was provided, purchasing card log was properly created for each cardholder.</p> <p>Additionally, during our sample testing, we noted no exceptions in the selected cardholder's usage of their respective purchasing cards.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	12. School Services			Closed
	<p>During our testing of 40 work order tickets for the period of November 1, 2016 through October 31, 2017, we noted there was neither a field in the data base for the date/time the work order was completed by the technician, nor a field in the data base for the review and approval of the completed work order ticket by the Department manager or his supervisory designee.</p> <p>We recommend that BECON management add fields in the work order data base for the date/time the work order was completed by the technician, and reviewed and approved by the Department manager or supervisory designee (other than the technician assigned to the work order) before the work order is closed.</p> <p>This will provide supervisory independent oversight over the process to ensure the work orders are being properly completed and closed in an effective, efficient and satisfactory manner. Further, this will provide proper segregation of duties related to this function.</p>	<p>BECON took the following actions:</p> <ul style="list-style-type: none"> • School Services initiated the process of revising the Filemaker Pro database to add new fields for date and time work was completed and date and time work was reviewed and approved. School Services is working with a Systems Analyst to make custom revisions to the database. • All School Services technicians are now providing work status updates in the database, using the notes field as needed until the new fields are inserted and tested. • Additionally, School Services is building a new status log feature into the database that will automatically update the status of a work order with a date and time stamp as information is added. • Also, School Services is building a reporting feature that will alert the manager to any projects that are not completed in a timely manner, so those projects can be given priority attention. <p>The recommended revisions to the database are still in process, but the School Services team is already employing increased reporting practices that allow for recording and confirming that work projects are completed as requested. Technicians are securing signed confirmations from clients that work has been completed satisfactorily.</p> <p>Responsible party: BECON School Services manager and administrative staff.</p> <p>Original estimated completion date: August 2018</p>	<p>We obtained and reviewed a sample of work order tickets noting the notes field was utilized by the technician to document the date/time completion of the work order.</p> <p>Additionally, we noted that the School Services manager or designee (other than the technician who completed the work order) manually initialed the completed work order tested as evidence of this review.</p> <p>Although, School Services is still in the process of trying to add separate fields to the work order ticket in Filemaker Pro, the current process adequately addresses the risk and control associated with our recommended action.</p>	

Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	13. Distance Learning			Closed
	<p>During our testing of 20 work order tickets, we noted various exceptions related to the 20 work orders tested for the period of November 1, 2016 through October 31, 2017 related to the following:</p> <ul style="list-style-type: none"> • Incomplete contact information in the work order data base. • Date/Time that work order was completed was not documented. • There was no field for date/time the work order was completed by the technician or signed off by management after the work order was completed. <p>We recommend the following:</p> <ol style="list-style-type: none"> a. Provide training/reminders to BECON staff responsible for properly entering all contact information into the work order data base. b. Update the data base that automatically populates the school contact information in the work order system c. Add fields in the work order data base for the date/time the work order was completed by the technician, and reviewed and approved by the Department manager or supervisory designee (other than the technician assigned to the work order) before the work order is closed. <p>This will facilitate more accuracy and efficiency in the initiation of the work order process. This will also provide supervisory independent oversight over the process to ensure the work orders are being properly completed and closed in an effective, efficient and satisfactory manner. Further, this will provide proper segregation of duties related to this function.</p>	<p>BECON took the following actions:</p> <ul style="list-style-type: none"> • Distance Learning staff has been trained to properly open a work order ticket for every service call, and to enter all information relevant to the issue reported. • Work order database has been updated to include school contact information, date and time work order was completed by technician, and date and time work order was reviewed and approved by the manager/supervisory designee. <p>Responsible party: BECON Director and Distance Learning staff</p> <p>Original estimated completion date: August 2018</p>	<p>We obtained and reviewed relevant documentation as evidence that training / reminders were provided to BECON staff responsible to enter in the contact information.</p> <p>Additionally, we obtained and reviewed a sample of work order tickets noting the following:</p> <ul style="list-style-type: none"> • The work order data base included the proper school contact information, • the date and time the work was completed by the technician, and • The date and time the work order was reviewed and approved by the manager or designee (other than the technician who completed the work order). 	