



Established 1915

BROWARD
County Public Schools

PROPOSED AUDIT PLAN FOR THE 2019-2020 SCHOOL/FISCAL YEAR

To be presented to the:

AUDIT COMMITTEE OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

on

AUGUST 8, 2019

and

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

on

SEPTEMBER 4, 2019

JORIS M. JABOUIN, CPA

CHIEF AUDITOR



The School Board of Broward County, Florida

Heather P. Brinkworth, Chair
Donna P. Korn, Vice Chair

Lori Alhadeff
Robin Bartleman
Patricia Good
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Dr. Rosalind Osgood
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Robert W. Runcie
Superintendent of Schools

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INTRODUCTION



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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Superintendent of Schools

August 8, 2019

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

Ladies and Gentlemen:

In accordance with School Board Policy 1002.1 – Office of the Chief Auditor (OCA), I am respectfully submitting the Proposed Audit Plan, which consists of audit reporting and other projects to be performed during the 2019-2020 school/fiscal year, for consideration and approval from the School Board Members and the School Board Audit Committee Members.

Objective and Scope

The primary objective of the OCA is to assist the School Board Members and the Superintendent of Schools with their oversight responsibilities as well as the School Board Audit Committee with their advisory responsibilities and District Management in the performance of their strategic and operational responsibilities. The OCA furnishes reports, analyses, recommendations, counsel, and information concerning the activities reviewed.

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

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

Audit Approach

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

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

The OCA is responsible for assessing if:

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

As Chief Auditor, I continue to focus our audits in the areas of effective and efficient use of resources and the accomplishment of established goals and objectives for operations or programs. I will continue this endeavor next year and will also review our own audit procedures to ensure consistency with leading practices and the District's strategic plan.

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

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

I believe that these Standards enhance and improve the quality of our work and the professionalism of the department.

Audit Plan Areas

The Proposed Audit Plan for 2019-2020 is based on a combination of internal resources and external consultants and includes required audits per Florida State Statutes and School Board Policies covering internal funds of schools and property and inventory audits of schools and various District departments. We will also perform audit work in Facilities, Charter Schools, Information Technology, and Operations as well as evaluating school compliance with the District's student disciplinary requirements.

Sincerely,



Joris M. Jabouin, CPA
Chief Auditor
Office of the Chief Auditor

AUDIT PROCESS FLOW

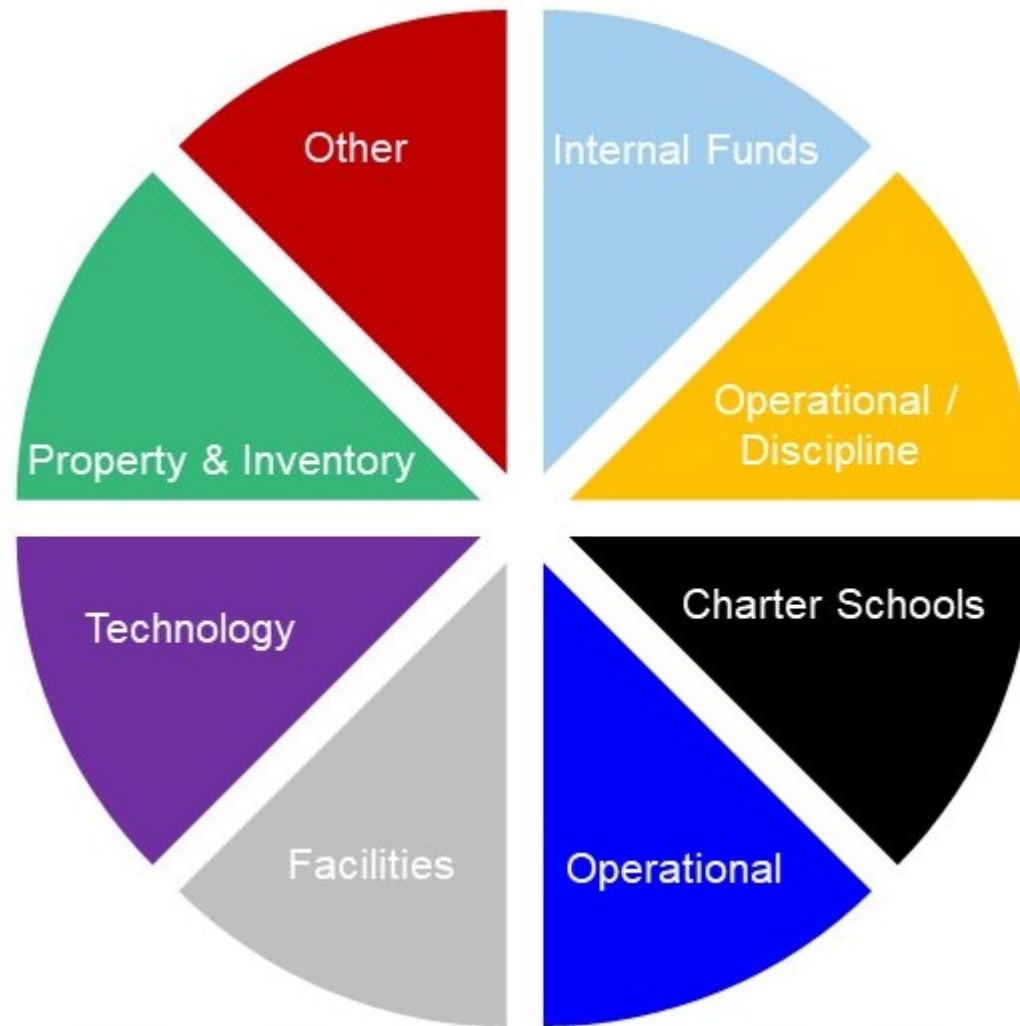
SBBC AUDIT PROGRAM



PROPOSED AUDIT PLAN

FOR THE 2019 - 2020 FISCAL YEAR

OCA – PRIMARY AUDIT AREAS – FISCAL 2020



**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE CHIEF AUDITOR
PROPOSED 2019 – 2020 SCHOOL/FISCAL YEAR AUDIT PLAN**

Project No.	Audit Subject Area	Broad Activity Scope	Assigned Auditor	Audit Area
Audit Reporting Projects (projects that yield a report)				
•	Schools Internal Funds Audit Reports	• Audits of high schools, middle schools, elementary schools, centers, technical colleges, and community schools (226 schools)	OCA	
•	Schools Payroll Audit Reports	• Payroll audits at certain schools, including reviews of payroll procedures and payroll processing (regular and overtime) • Timekeeping system review at various locations and perform payroll reviews	OCA	
•	Schools/Departments Property/Inventory Audit Reports	• Audits of high schools, middle schools, elementary schools, centers, technical colleges, community schools and District departments	OCA	
1	Discipline Process Audit Report	<u>Data Completeness Within SBBC Environment</u> <ul style="list-style-type: none"> • Emails of key words • Social media searches • Law enforcement • DMS/BMS referrals • Policy/procedure • Other <u>Discipline Matrix Compliance</u> <ul style="list-style-type: none"> • Correct code used • Correct action used • Documentation supporting the code/action • Student serves the appropriate discipline • Threat assessment eligibility (separate report) • Promise eligibility (separate report) • Training/internal communications 	OCA	

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		<ul style="list-style-type: none"> • Policy/procedure • Other <u>Behavioral Plan</u> <ul style="list-style-type: none"> • Implemented • Completed • Follow-Up • Other 		
2	Behavioral Threat Assessment Process Report	<u>Threat Assessment</u> <ul style="list-style-type: none"> • Applicability of threat assessments for an events/incident • Existence of threat assessment evaluations • Documentation of conclusions • Principal sign off • Principal supervisor sign off • Threat assessment team (membership, meets, decides) • Follow up • Communication to external parties/law enforcement • Training/internal communications • Policy/procedure • Other 	OCA and/or Consultants	
3	Promise	<u>Promise</u> <ul style="list-style-type: none"> • Incident/Student Promise eligibility • Promise election • Incident accrual/maximum • Student serves the Promise discipline 	OCA and/or Consultants	

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		<ul style="list-style-type: none"> • Documentation • Law enforcement interaction • Follow up • Training/internal communications • Threat Assessment referral • Policy/procedure • Other 		
4	Discipline Technology Application Audit Report (Specific application TBD)	<u>Disciplinary System / Application (specific application TBD)</u> <ul style="list-style-type: none"> • Access • User administration • Processing • Data security • Data quality • Policy/procedure • Other <p>(Note: This audit is dependent based on the successful hire and onboarding of the IT Audit Manager)</p>	OCA	
5	Charter School Audit Report (Specific charter school TBD)	<ul style="list-style-type: none"> • Review FTE of a selected charter school • Review a sample of inventory of a selected charter school, including inventory purchased with FTE and SMART Bond technology funds • Review select expenses of a selected charter school • Review the adequacy of source student attendance records • Other 	OCA	
•	Charter School Investigation Report(s) (Specific charter school TBD)	<ul style="list-style-type: none"> • Potential investigation(s) originated by the Florida Department of Education 	OCA	

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Project No.	Audit Subject Area	Broad Activity Scope	Assigned Auditor	Audit Area
6	Purchase Cards Audit Report	<ul style="list-style-type: none"> • Determine and confirm that P-Card purchases were valid and justified • Transactions in accordance with the District's policies and State regulations • Determine whether purchases were approved by the appropriate level of authority • review credit limits • verify P-Cards were not active for employees no longer employed within the district or who had changed positions or responsibilities 	OCA	
7	District-wide Follow-Up Audit Report 1	First of two follow-up reports on all audits published since SY 2017 – 2018 which includes all audits from the OCA, Auditor General, and external audit firms	OCA	
8	District-wide Follow-Up Audit Report 2	Second of two follow-up reports on all audits published since SY 2017 – 2018 which includes all audits from the OCA, Auditor General, and external audit firms	OCA	
9	Payroll, Overtime, Overpayments Audit Report (If not outsourced)	<ul style="list-style-type: none"> • Calculation of salary of initial and changes to base compensation to final compensation • Calculation of incentives • Appropriateness of additional compensation (supplements, stipends) • Calculation and appropriateness of overtime compensation • Determination and status of overpayments • Termination of compensation at the end of employment • Other <p>(Any fieldwork will avoid duplicating and/or delaying the District's</p>	OCA and/or Consultants	

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Project No.	Audit Subject Area	Broad Activity Scope	Assigned Auditor	Audit Area
		ongoing Payroll Process Improvement initiative and the redesign of the Payroll/HR Processes)		
10	Smart Bond Audit Report 1	Verify that the District's SMART Bond Program Management Consultant and Owner's Representative are providing deliverables and services in conformance with the terms and conditions of their respective agreements/RFP as well as the District's standard operating procedures and leading industry practices	Consultants (RSM)	
11	Smart Bond Audit Report 2	Verify that the District's SMART Bond Program Management Consultant and Owner's Representative are providing deliverables and services in conformance with the terms and conditions of their respective agreements/RFP as well as the District's standard operating procedures and leading industry practices	Consultants (RSM)	
12	Smart Bond Audit Report 3	Verify that the District's SMART Bond Program Management Consultant and Owner's Representative are providing deliverables and services in conformance with the terms and conditions of their respective agreements/RFP as well as the District's standard operating procedures and leading industry practices	Consultants (RSM)	
13	BECON Follow-Up Audit Report	Perform follow-up procedures related to the previously-issued Operational Assessment of BECON dated May 3, 2018 as well as the Follow-Up Operational Assessment of BECON dated June 10, 2019	Consultants (CRI)	
14	Healthy Vending	<ul style="list-style-type: none"> • Selection process used by the schools for vending company • Calculation of commissions • Test for approved items • Test for approved machines 	OCA	
•	Comprehensive Annual Financial Report	Facilitate and coordinate the presentation of the following District financial reports for/with Moore, Stephens, Lovelace	External Auditors	

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Project No.	Audit Subject Area	Broad Activity Scope	Assigned Auditor	Audit Area
		<ul style="list-style-type: none"> • Auditor communication of audit results • Audit Management Letter • Comprehensive Annual Financial Report 	(MSL)	
•	Other Investigation Report(s) (Specific area TBD)	• Potential investigation(s) originated by the State of Florida Auditor General, Federal auditors and others in any potential information on the OCA's fraud hotline or in conjunction with other audits and inquires	OCA & Consultants	
•	Special Assignments (reporting)	<ul style="list-style-type: none"> • Special assignments requested by School Board, Audit Committee (after the passing of a formal motion), the Superintendent, and District Management • (Note: a special assignment may serve as a substitute to audits in the plan) 	OCA & Consultants	
Audit Non-Reporting Projects (that may not yield an audit report)				
•	Inventory Process Improvement Initiative	A review of the District's property and inventory process is needed to address the historical issues noted on the audits	OCA	
•	Internal Funds Initiatives (non-reporting)	<ul style="list-style-type: none"> • Provide direct assistance to schools in reconciling and resolving Internal Funds accounting issues • Assist Cadre Directors with monitoring Internal Funds in schools with audit exceptions • Provide assistance to school administrators and bookkeepers related to Standard Practice Bulletins, Business Practice Bulletins, and School Board policies • Perform athletic ticket inventory verification at high schools, prior to the start of the school year 	OCA	
•	Charter School Initiatives (non-reporting)	• Perform reviews of Charter Schools' monthly, quarterly, and annual financial statements to determine if there are adequate	OCA	

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		standards of fiscal management <ul style="list-style-type: none"> • Monitor Charter Schools' financial operations which have been identified with a financial emergency • Perform site visits of Charter Schools and perform various compliance reviews • Assist in the closeout process when Charter Schools are terminated, (i.e. recovery of property and inventory purchased with FTE and SMART Bond Technology funds, participation in close out meetings, and review final audit report of the charter schools) • Participate in the District's Charter School Monitoring and Oversight Committee • Provide assistance to the Charter Schools Management/Support Office related to financial, auditing, and compliance with Charter School agreements • Participate with the Charter Schools Management/Support Office to provide training and workshops to Charter Schools' management • Participate in discussion panels for the Superintendent's Charter School Summit meetings • Assist the Charter Schools Management/Support Office with the process of reviewing applicants applying for Charter Schools 		
•	Facilities Initiatives (non-reporting)	<ul style="list-style-type: none"> • Attend Qualification Selection Evaluation Committee meetings • Attend Bond Oversight Committee meetings • Attend Facility Task Force meetings 	OCA	
•	Information Technology Initiatives (non-reporting)	<ul style="list-style-type: none"> • Hire an Information Technology Audit Manager • Train new Information Technology Auditor • Attend Technology Committee meetings 	OCA	

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•	Other Initiatives (non-reporting)	<ul style="list-style-type: none"> • Attend School Board meetings and School Board workshops and monitor agenda items and respond to Board Follow-Up requests and referrals. Monitor for issues where audit coverage may be needed • Monitor the discussions of various School Board committees for issues where audit coverage may be needed • Coordinate and serve as a liaison between the School Board Members and the School Board Audit Committee • Coordinate School Board Audit Committee meetings • Record, transcribe, and distribute minutes from Audit Committee meetings to the Audit Committee and District staff • Copy and deliver all audit reports and other School Board Audit Committee materials to Audit Committee Members 	OCA	
•	Additional Initiatives (non-reporting)	<ul style="list-style-type: none"> • Enhance and maintain the website for the Office of the Chief Auditor • Review financial statements of proposed vendors at the request of various District departments • Perform audits of grants and contract services, as required by the terms and conditions of the contracts • Attend meetings related to School Board Policy 1341 Committee, "Use of School Facilities for Non-School Purposes" to assist District Management • Continue quality assurance and in-service training programs for school administrators and staff 	OCA	
•	OCA Management Initiatives (non-reporting)	<ul style="list-style-type: none"> • Participate in the Superintendent's Cabinet • Hire replacement auditors to fill vacancies 	OCA	
•	Florida Auditor General	<ul style="list-style-type: none"> • Respond to issues from the Operational Audit 	OCA	

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		<ul style="list-style-type: none"> Respond to issues from the FTE Audit 		
•	Other Regulatory Organizations	<ul style="list-style-type: none"> Assist law enforcement organizations and outside agencies including the U.S. Department of Education, the Florida Department of Education, the Florida State Attorney, the State of Florida Office of Management Services, and others 	OCA	
•	OCA Team Improvement Initiatives (non-reporting)	<ul style="list-style-type: none"> Review the OCA's processes to ensure that our own operating practices are in line with leading practices Enhance the existing risk assessment methodology for the determination of selected audit subject areas Implement a continuous improvement audit model Establish relationships with the Chief Auditors of the school districts in Miami-Dade and Palm Beach counties Participate in seminars and continuing education on accounting and auditing Interact with the community by attending events held at various locations 	OCA	
•	Special Assignments (non-reporting)	<ul style="list-style-type: none"> Reserved for special assignments requested by School Board, Audit Committee (after the passing of a formal motion), the Superintendent, and District Management 	OCA	

OCA LONG RANGE AUDIT PLAN

LONG RANGE AUDIT PLAN Audits for Future Fiscal Years		
	Audit Subject	Audit Area
15	Contract (Maintenance) (specific contract not disclosed to maintain audit confidentiality)	
16	District Vehicle Program	
17	Transportation	
18	District School FTE Controls (specific schools not disclosed to maintain audit confidentiality)	
19	Contract (Vendor) (specific vendor not disclosed to maintain audit confidentiality)	
20	Grant (Title I)	
21	IT General Computer Controls	
22	Travel	
23	Treasury	
24	Accounts Payable	
25	Accounts Receivable	
26	IT Application (specific application not disclosed to maintain audit confidentiality)	
27	Bidding Process	
28	SREF Compliance	
29	Grant (non-Title 1) (specific grant not disclosed to maintain audit confidentiality)	
30	Intergovernmental Agreement (specific agreement not disclosed to maintain audit confidentiality)	
Note 1: Audit subjects are re-assessed annually to create a new audit plan. Note 2: Audit subjects in the current year plan may be re-audited in future years based on the results of the audit or changed risks. Note 3: Future year audits may be moved to the current year to substitute for current year audits.		

**OCA ORGANIZATIONAL CHART
AND
STAFFING / RESOURCES**

STAFFING / RESOURCES

This Audit Plan is based on the Office of the Chief Auditor's current internal staff of 24 employees, plus five open positions to be filled in the 2019-2020 fiscal/school year. Our staff consists of Managers, Internal Auditors, Inventory Audit Specialists, Clerical Specialists, and Supervisory staff.

The OCA also has contracts with outside audit and consulting firms that can be used to perform audits and reviews that are deemed necessary.

Summary of Resources			
Position	Current Resource	Vacancy	Total
Chief	1	0	1
Secretary/Clerk Specialist	3	0	3
Manager	5	1	6
Auditor	9	3	12
Inventory Audit Specialist	5	1	6
System Support Specialist	1	0	1
	24	5	29

