

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

**REPORTS REQUIRED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS* AND CHAPTER 10.550, *RULES OF THE  
AUDITOR GENERAL* OF THE STATE OF FLORIDA**

**Year Ended June 30, 2019**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Chairperson and Members of  
The School Board of Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School Board of Broward County, Florida (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 21, 2019. Our report includes a reference to other auditors who audited the financial statements of the agency funds and the discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Chairperson and Members of  
The School Board of Broward County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated November 21, 2019.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 21, 2019



## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Chairperson and Members of  
The School Board of Broward County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of The School Board of Broward County, Florida (the "District") as of and for the year ended June 30, 2019 and have issued our report thereon dated November 21, 2019. Our report includes a reference to other auditors who audited the financial statements of the agency funds and the discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control or compliance and other matters that are reported on separately by those auditors.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements Chapter 10.800, *Rules of the Auditor General*.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Accountant's Report in accordance with the provisions of Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports, which are dated November 21, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions were taken to correct MLC 2018-001. The following findings were not corrected in the current year. They were not included in the second preceding annual financial report.

**MLC 2018-002 – Purchasing Card Authorization**

**Finding:**

During our audit, we noted two (2) of forty (40) Purchasing Card Agreements we selected for testing were not signed by the cardholders.

**Criteria:**

Per District Purchasing Card Program Policies and Procedures, each individual cardholder must sign a Purchasing Card Agreement.

**Cause:**

Two (2) of the forty (40) items sampled did not have signed authorized agreements.

**Effect:**

The District is non-compliant with its own policies and procedures.

**Recommendation:**

We recommend that the District continue to monitor and ensure that all purchasing cardholders have signed their Purchasing Card Agreements.

**Management's Response:**

All Purchasing Card Agreements are under review to ensure proper signatures are in place for current cardholders. Upon identification of any Purchasing Card Agreements without signature, immediate action will be taken to obtain required signatures. Additional review of current form structure and content is in progress to identify methods for additional control in this area. Areas of improvement have been identified where Procurement & Warehousing Services staff are aligning with the Office of the Chief Auditor and Finance to make the necessary updates.

**Current Year Status:**

During our audit, we noted one (1) of forty (40) Purchasing Card Agreements we selected for testing were not signed by the cardholders.

**Current Year Management's Response:**

We have addressed and implemented procedures to remedy this finding in our Internal Audit Report, Audit of Purchasing Card Processes.

**MLC 2018-003 – Purchasing Card Statement of Financial Interest**

**Finding:**

During our audit, we noted two (2) of five (5) employees we selected for testing did not fill out their required Form 1, Statement of Financial Interest.

**Criteria:**

Pursuant to Florida Statutes 112.3145 and 112.31445, employees who are authorized to make single purchases over twenty thousand dollars need to file the form noted above with the Supervisor of Elections' Office.

**Cause:**

Two (2) of five (5) employees we selected for testing did not fill out their required Form 1, Statement of Financial Interest.

**Effect:**

The District appears to be non-compliant with Florida Statutes.

**Recommendation:**

We recommend that the District continue to monitor and ensure that all required filings regarding the form noted above be filed timely.

**Management's Response:**

All cardholder accounts will be reviewed to determine if the appropriate cardholder profile is assigned. Only those with legitimate need to make single purchases over twenty thousand dollars will be assigned the Bank of America WORKS system profile which allows them to do so. All others will be reassigned to an appropriate profile below this threshold. Cardholders with a profile allowing them to make single purchases over twenty thousand dollars will be receiving a communication indicating that they are required to file the Statement of Financial Interest as per Florida Statutes. The Purchasing Card Manual and PCard Application and Acknowledgement Form will be updated to reflect these requirements. An annual report and communication will be generated reminding cardholders with this profile of this requirement each year.

**Current Year Status:**

During our audit, we noted four (4) of five (5) employees we selected for testing did not fill out their required Form 1, Statement of Financial Interest.

**Current Year Management's Response:**

We have addressed and implemented procedures to remedy this finding in our Internal Audit Report, Audit of Purchasing Card Processes.

## **Financial Condition and Management**

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of specific conditions met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by the same.

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In conjunction with our audit, we have the following recommendations:

### **MLC 2019-001 – Purchasing Card Approval**

#### **Finding:**

During our audit, we noted seven (7) of forty (40) purchasing card statements we selected for testing were not signed by a principal, department head or designee.

#### **Criteria:**

Per District Purchasing Card Program Policies and Procedures, each statement must be reviewed and signed by a principal, department head or designee.

#### **Cause:**

Seven (7) of the forty (40) items sampled did not have signed statements.

#### **Effect:**

The District is non-compliant with its own policies and procedures.

#### **Recommendation:**

We recommend that the District continue to monitor and ensure that all purchasing card statements are reviewed and signed, in accordance to their policies and procedures.

#### **Management's Response:**

We have addressed and implemented procedures to remedy this finding as detailed in our Internal Audit Report, Audit of Purchasing Card Processes.

Chairperson and Members of  
The School Board of Broward County, Florida

### **Transparency**

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we report the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

### **Additional Matters**

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the District School Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 21, 2019



## INDEPENDENT ACCOUNTANT'S REPORT

Chairperson and Members of  
The School Board of Broward County, Florida

We have examined The School Board of Broward County, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended June 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied with those requirements. An examination involves performing procedures to obtain evidence about the District's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements. In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2019.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 21, 2019