



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

**Prepared By:**  
**Carr, Riggs & Ingram**  
**September 15, 2020**



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September 15, 2020

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 October 2, 2019, we have performed additional follow-up consulting services for the School Board of Broward County related to our previously issued follow-up report: *Follow-up Report for Broward Education Communications Network (BECON)* dated June 10, 2019.

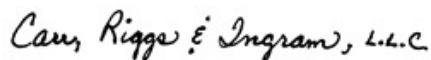
Our report is organized in the following sections:

- **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 additional follow-up procedures related to the previously issued report: *Follow-up Report for Broward Education Communications Network (BECON)* dated June 10, 2019, to assist the Office of the Chief Auditor in determining whether BECON management implemented the remaining open observations and related recommended actions in keeping with management's responses for the remaining observations included in our report and summarized below.

The following table summarizes the remaining 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. As result of the first follow-up (Follow-up #1), 7 of the 13 original observations / recommendations were completed by management and closed by us. These 7 observations / recommendations have been removed from the table since they were closed in the first follow-up. As a result of the second follow-up (Follow-up #2), 5 of the remaining 6 observations / recommendations have been completed by management and closed by us. As such, to date, 12 of the original 13 observations / recommendations have been completed by management and closed by us. Closed indicates that we have performed procedures to determine that management has implemented our recommendations.

Observations*	Risk Rating	Original (O), Revised (R) Estimated Completion	Current Status	Revised Estimated Completion
<b>Operational:</b>				
1. <i>Revenue / Funding Sources – pursue similar and new resources</i>	High	August-18 (O) December-19 (R)	Closed	
3. <i>Capital Equipment – assess critical needs for failing equipment</i>	High	August-18 (O) December-19 (R)	Closed	
4. <i>Strategic / Operations Plan – define more clearly or redefine</i>	Moderate	December-18 (O) December-19 (R)	Closed	
5. <i>Job Descriptions – update for current job skills needed to operate systems</i>	Moderate	December-18 (O) March-20 (R)	Open	April-21
7. <i>Operations Manual – develop to facilitate greater consistency and efficiency</i>	Moderate	December-18 (O) December-19 (R)	Closed	
9. <i>Spending Limits – develop spending limits for each department for better fund management</i>	Moderate	March-19 (O) December-19 (R)	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

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### Objectives

The engagement objectives were to perform certain follow-up procedures related to the previously issued follow-up report: *Follow-up Report for Broward Education Communications Network (BECON)* dated June 10, 2019, 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 remaining six (6) observations included in our report.

### Approach

Our approach consisted of three phases:

#### Phase One – Planning

During this Phase, we collaboratively worked with the Chief Auditor to create an overall plan for the work to be performed. We submitted the follow-up 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 six open observations have been implemented by management, and if not to report as to the status of each one.

#### 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.

The Chief Auditor is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services we provide. The Chief Auditor is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. The Chief Auditor is responsible for establishing and maintaining internal controls including monitoring activities.

These services are consulting related and in no way constitute an audit, review or compilation made in accordance with standards established by the American Institute of Certified Public Accountants. Therefore, we will not express an opinion on any financial statements, accounts or items. The operational consulting services will be conducted according to industry standards such as the AICPA's Professional Standards for Consulting Services.

**Follow-up Matrix**



## Follow-up Matrix

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
High	<p><b>1. Revenue / Funding Sources</b></p> <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"> <li>• Reimbursement for school material costs</li> <li>• Individual donations</li> <li>• Corporation Contributions</li> <li>• Grants</li> </ul> <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"> <li>a) Leases related to Tower Space and Airtime</li> <li>b) Revenue for videos / programs produced for outside customers, including use of the studio by updating the current rate card etc.</li> <li>c) Joining PBS network &amp; the Digital Convergence Alliance</li> </ol>	<p>BECON management set forth in its presentation to the Board of Directors during a workshop on March 10, 2020 the following revenue sources that directly benefit the District as a whole beyond the funds BECON receives through the operational and capital funds as well as the Brevard Foundation:</p> <p><b>Sprint Revenue Agreement</b></p> <ul style="list-style-type: none"> <li>• District receives \$2.4 million annually</li> <li>• \$80 million over 30 years</li> </ul> <p><b>FCC-Mandated Repack</b></p> <ul style="list-style-type: none"> <li>• District received \$2.5 million in new digital equipment</li> <li>• BECON renegotiated lease saving the District \$200,000 annually</li> <li>• T-Mobile agreement paid for non-reimbursable costs</li> <li>• \$250,000 net back to the District</li> </ul>	<p>We watched the live-streaming of BECON's presentation to the Board of Directors as part of the workshop on March 10, 2020 and inspected the presentation itself.</p> <p>We noted that the Board placed emphasis on working within their existing budget to serve the core mission of educating the students of Broward School District by assisting the teachers through various means and especially through distance learning.</p> <p>Based on our observation of the presentation and review of the revenue sources listed by management and the proposed 2020-2021 budget, we have determined that BECON has reasonably implemented our recommended actions. This matter is considered closed.</p>	Closed

**Follow-up Matrix - continued**

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
High	<b>3. Capital Equipment</b>			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 performed a capital needs estimate and submitted a capital budget request of \$2.4 million for FY2020-21 in February 2020. The CFO was receptive to stated needs, but in view of overall budget concerns, agreed to submit only top priorities for Board approval.</p> <p>The CFO's presentation to the Board during the School Board Workshop #3 on June 16, 2020, proposed \$6.5 million in capital spending, of which \$830,000 is for BECON for two projects: tower safety inspections and upgrades for videoconferencing endpoints for distance learning.</p> <p>On September 2, 2020, the Capital Budget Department confirmed that \$830,000 in Capital funds for BECON was approved for FY2020-21.</p>	<p>We obtained and inspected a copy of BECON's capital budget request for the FY2020-21 Budget that was presented at the School Board Workshop #3 on June 16, 2020 noting that it included \$830,000 for BECON capital needs.</p> <p>Additionally, we inspected the approved capital budget for BECON that totaled \$830,000. This matter is considered closed.</p>	

## Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	<b>4. Strategic / Operations Plan</b>			Closed
	<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 developed a strategic / operations plan which was presented to the Board of Directors during a workshop on March 10, 2020.</p>	<p>We watched the live-streaming of BECON's presentation to the Board of Directors as part of the workshop on March 10, 2020 and inspected the presentation itself.</p> <p>Based on our observation of the presentation and review of the presentation itself, we have determined that BECON has more clearly defined its organizational mission, strategic plan and resulting operational plan. As such, we believe that management has reasonably met and implemented our recommended actions related to the development of a strategic / operational plan for BECON. This matter is considered closed.</p>	

## Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	<b>5. Job Descriptions</b>			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 Manager, 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.</p> <p>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>Beyond the updating of individual job descriptions, BECON's organizational structure needs review and revision. This would include reviving some positions previously filled and establishing some new positions.</p> <p>Understanding that an increase in funding for staff is not practical under current conditions, BECON is working on a phased approach to reorganization that would allow filling new and revived positions as openings are created by staff retirements. BECON's director has begun drafting new job descriptions and has contacted the relevant bargaining unit to begin the process of updating current job descriptions and creating new positions to recommend for Board approval. Board members responded positively to the brief presentation of this plan during the March 10, 2020 Board workshop.</p> <p><b>Responsible party:</b> BECON Director  <b>Revised estimated completion date:</b> April 2021</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>Also, given the impact of COVID-19, more time is needed for this task for the Chief Communications Officer's review and approval.</p> <p><b>Estimated testing date:</b> May 2021</p>	

## Follow-up Matrix - continued

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
Moderate	<b>7. Operations Manual</b>			Closed
	<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"> <li>• BECON as whole – few</li> <li>• Programming / Traffic – few*</li> <li>• Production – few*</li> <li>• Marketing / Public Relations – few*</li> <li>• School Services – none</li> <li>• Engineering – few*</li> <li>• Distance Learning - none</li> </ul> <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"> <li>• Structure – divide the manual by Department</li> <li>• Content: <ul style="list-style-type: none"> <li>○ Types of information – how-to procedures, contacts, business-related policies</li> <li>○ Description of department specific tasks</li> <li>○ Job Descriptions</li> <li>○ Emergency Procedures, Disaster Recovery</li> </ul> </li> <li>• Steps: <ul style="list-style-type: none"> <li>○ Assign an internal project manager</li> <li>○ Explain the benefits to staff</li> <li>○ Write / update job descriptions</li> <li>○ Document series of tasks and assign them to individuals based on job descriptions</li> <li>○ Test the manual</li> </ul> </li> <li>• Update the operations manual as needed</li> </ul>	<p>We have developed an operations manual in line with the internal auditor's recommended actions. This is a working document and will be reviewed on an annual basis and updated as needed to stay in alignment with BECON's mission, goals, and strategic / operational plan.</p>	<p>We obtained and inspected the operations manual noting it was consistent with our recommended attributes. Additionally, we noted that the operations manual was aligned with BECON's revised mission, goals and strategic / operational plan (see observation / recommendation 4). This matter is considered closed.</p>	

**Follow-up Matrix - continued**

Rating	Observation/Recommendation	Management Comments	Internal Auditor Comments	Status
<b>Moderate</b>	<b>9. Spending Limits</b>			<b>Closed</b>
	<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>Spending limits by department were established and monthly reports with the limits by department were implemented beginning in January of 2020. Each month the BECON Director reviews the reports by Department to check the department's compliance with their respective monthly spending limits. The BECON Director follows up with the respective department heads for any overages noted and resolves accordingly.</p>	<p>We obtained a sample of the monthly spending limit reports for each department from January to April 2020. We reviewed the reports noting evidence of review by the BECON Director and noting that monthly expenditures for each department were within their monthly spending limits. This matter is considered closed.</p>	