

CHIEF AUDITOR'S REPORT

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Chief Auditor
Office of the Chief Auditor
School Board of Broward County, Florida
June 17, 2021

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Documented below is a summary of significant activities performed by the Office of the Chief Auditor (OCA) since the last Audit Committee meeting on March 11, 2021.

GENERAL ACTIVITIES

1. The Chief Auditor presented the following reports at the April 20, 2021 School Board Meeting:
 - Internal Audit Report - Property and Inventory of Selected Schools
 - Internal Audit Report - Internal Funds of Selected Schools
2. The Chief Auditor attended various other School Board meetings and workshops and monitored the agenda items and discussions for issues where future audit coverage may be needed.
3. The Chief Auditor attended various Agenda Planning Group meetings related to the various School Board meetings and workshops.
4. The Chief Auditor participated in the Superintendent's weekly Cabinet meetings.
5. The OCA continued the recruiting process to hire our open Facility Audit Manager and two open Inventory Audit Specialist positions.
6. OCA Auditor, Ms. Nicole Smith, joined the OCA on March 15, 2021. She previously worked as a Tax Auditor for the Florida Department of Business and Professional Regulations.
7. Ms. Wanda Radcliff joined the OCA as a Clerk Specialist B on April 12, 2021. She previously worked for the District as an Accounting Specialist II in the CTACE Department for approximately 2.5 years and then previously worked in the Accounts Payable Department as an Accounts Payable Specialist for approximately 3 years. Prior to that, she worked outside of the District but was previously a Bookkeeper II at Pasadena Lakes Elementary School for approximately 2.5 years and was previously a Bookkeeper II at Boulevard Heights Elementary for approximately 3 years.
8. Ms. Nicole Luzadder is scheduled to join the OCA as an Inventory Audit Specialist on June 14, 2021. She previously worked for the District as a Fire Safety Inspector as well as a General Clerk / Secretary.
9. The Chief Auditor met with the former Chief Auditor of Miami-Dade County Public Schools, Mr. Jose Montes de Oca, on April 2, 2021 to discuss the District's inventory processes. They met again on June 4, 2021 to discuss controls in procurement.

10. The Chief Auditor met with the Interim Chief Auditor of Miami-Dade County Public Schools, Mr. John Goodman, on April 8, 2021 and June 4, 2021 to discuss auditing best practices.
11. The Chief Auditor attended the graduation ceremony for Dillard High School on June 5, 2021 and the graduation ceremony for Plantation High School on June 6, 2021.
12. The Chief Auditor met with Deputy General Counsel, Mr. Robert Vignola, on June 7, 2021 to discuss Policy 3100, Annual Financial Audit.
13. The Chief Auditor attended the All Principals meetings on April 21, 2021 and April 28, 2021 and May 26, 2021.
14. OCA team members coordinated the Virtual Special School Board Informational Audit Committee meeting on April 22, 2021.
15. OCA team members coordinated the School Board Audit Committee meeting for May 6, 2021. That meeting was later canceled because a School Board meeting was eventually scheduled for the same day at the KCW building.
16. OCA team members coordinated the current School Board Audit Committee meeting for June 17, 2021

INTERNAL FUND AUDITS

1. The Chief Auditor and OCA Internal Funds Audit Manager, Ms. Ann Conway, met with Director of School Counseling and BRACE Advisor, Mr. Ralph Aiello, on April 12, 2021 and April 14, 2021 to review the District's calculation of instructional hours for students in anticipation of future Florida Auditor General reviews of this subject. They later met with OSPA Chief, Dr. Valerie Wanza, Chief Academic Officer, Mr. Daniel Gohl, and their team members on April 15, 2021 to discuss communications to the schools on these requirements.
2. OCA Internal Funds Audit Manager, Ms. Conway, met with Accounting and Financial Reporting Director, Ms. Erum Motiwala, and Accounting and Financial Reporting Assistant Director, Ms. Gerrilyn Arlotta, and Business Support Center (BSC) Task-Assigned Director, Ms. Sheena Newton, on May 5, 2021 to discuss the implementation of GASB 84.
3. OCA Internal Funds Audit Manager, Ms. Conway, met with BSC Task-Assigned Director, Ms. Newton, and BSC Technical Support Analyst, Ms. Lisa Baily on May 22, 2021 to discuss internal funds issues and controls.
4. OCA Internal Funds Audit Manager, Ms. Conway, completed audits of the internal funds of 38 schools and centers. These audits are part of the Committee's June 17, 2021 agenda.

FACILITY AUDITS

1. The Chief Auditor and OCA Auditor, Mr. Eric Seifer, met with RSM Director, Mr. David Luker, and RSM Manager, Mr. Matthew Blondell, to discuss the fieldwork for the RSM Quarterly reviews of the Owner Representative and Program Manager on March 15, 2021 and April 7, 2021 and April 19, 2021 and June 7, 2021.
2. OCA Auditor, Mr. Seifer, met with RSM Director, Mr. Luker, and RSM Manager, Mr. Blondell, and RSM Consultant, Mr. Christopher Gums, and employees from AECOM to review E-Builder Data Analysis reports created by AECOM on March 19, 2021.
3. The Chief Auditor and OCA Auditor, Mr. Seifer, met with RSM Director, Mr. Luker, and RSM Manager, Mr. Blondell, on March 23, 2021 to discuss the observations created per the Audit Committee's request to present diversity statistics on the RSM Roofing Process Analysis.
4. The Chief Auditor and OCA Auditor, Mr. Seifer, met with Executive Director of Capital Programs, Mr. Frank Girardi, Deputy Director of AECOM, Ms. Kathleen Langan, and Program Director of Atkins, Ms. Ashley Carpenter, to discuss the diversity statistics on the Roofing Analysis report created by RSM on March 29, 2021.
5. The Chief Auditor met with the Diversity Committee on April 1, 2021 to discuss diversity statistics on RSM Roofing Process Analysis.
6. OCA Auditor, Mr. Seifer, attended the Facilities Task Force meeting on April 1, 2021 and May 6, 2021 and June 3, 2021 and also attended the Special Facilities Task Force subcommittee meeting on April 13, 2021. He later summarized the meetings for the Chief Auditor.
7. The Chief Auditor and OCA Auditor, Mr. Seifer, met with RSM Director, Mr. Luker, and RSM Manager, Mr. Blondell, and Executive Director of Capital Programs, Mr. Girardi, and Deputy Director of AECOM, Ms. Langan, and Program Director of Atkins, Ms. Carpenter, to discuss the observations of the RSM Quarterly review of the Owner Representative and Program Manager on April 21, 2021 and May 6, 2021.
8. The Chief Auditor and OCA Auditor, Mr. Seifer, and Carr, Riggs, Ingram Partner, Rob Broline, to discuss the planning for the EHPA audit on April 23, 2021 and June 2, 2021 and June 7, 2021.
9. OCA Auditor, Mr. Seifer, attended the bid opening meetings for Nob Hill Elementary School and CSMP contracts on May 20, 2021.

PROPERTY AND INVENTORY AUDITS

1. The Chief Auditor and OCA Property & Inventory Audit Manager, Ms. Ali Arcese, met with Director of Classroom Technology, Mr. Max Rosario, Director of Accounting & Financial Reporting, Ms. Erum Motiwala, and Director of Business Applications, Mr. Ed Hinline, to discuss the accounting and databases that maintain information on student technology devices on March 23, 2021 and April 5, 2021 and April 9, 2021 and April 12, 2021 and April 19, 2021.

They later met with OSPA Chief, Dr. Wanza, Chief Information Officer, Mr. Philip Dunn, and Chief Financial Officer, Ms. Judith Marte, on April 15, 2021 and May 5, 2021 and May 10, 2021.

2. OCA Property & Inventory Audit Manager, Ms. Arcese, attended the Assistant Principal meetings (2 sessions) and High School Principal Semi-Annual Inventory Training meetings on April 29, 2021 where she provided best practices on how to conduct semi-annual inventories.
3. OCA Property & Inventory Audit Manager, Ms. Arcese, attended the Elementary School Principal Semi-Annual Inventory Training meetings on May 12, 2021 and May 26, 2021 where she provided best practices on how to conduct semi-annual inventories.
4. OCA Property & Inventory Audit Manager, Ms. Arcese, attended the Cadre Director Semi-Annual Inventory Training meeting on May 17, 2021 where she provided best practices on how to conduct semi-annual inventories.
5. OCA Property & Inventory Audit Manager, Ms. Arcese, attended the All Principals Meeting on May 26, 2021 where she discussed the end of the year close out procedures for school leaders.
6. The Chief Auditor and OCA Audit Manager, Ms. Arcese, met with Strategic Initiatives Management Program Development Director, Mr. Peter Eschenbrenner, on June 4, 2021 regarding the Tangible Personal Property Management Improvement Project. This is the project that is evaluating the District's inventory processes from beginning to end.
7. OCA Property & Inventory Audit Manager, Ms. Arcese, completed property and inventory audits of 6 departments. These audits are part of the Committee's June 17, 2021 agenda.

OPERATIONAL AUDITS

1. OCA Operational Audit Manager, Ms. Meredith Arlotta, and OCA Auditor, Ms. Elena Pritykina, continued working on fieldwork for the OCA's eventual audits of the District's Student Code of Conduct and compliance with school disciplinary policies.
2. OCA Operational Audit Manager, Ms. Arlotta, and OCA Auditor, Ms. Pritykina, worked on the school and department payroll-specific audits.
3. The Chief Auditor and OCA Property & Inventory Audit Manager, Ms. Arcese, and OCA Auditor, Mr. Seifer, continued with the fieldwork on an audit of the B Stock Warehouse. They met with Director of Procurement and Warehousing Services, Ms. Mary Coker, on May 21, 2021 to discuss the District's auction process for surplus assets.

INFORMATION TECHNOLOGY AUDITS

1. The Chief Auditor and OCA IT Audit Manager, Ms. Jennifer Harpalani, and OCA Auditor, Ms. Raysa Lugo, met with HCT Certified Public Accountants and Consultants Partner, Mr.

Rodrick Harvey, regarding the IT Technology Devices Bid 16-059E Agreed-Upon Procedures project on March 12, 2021 and April 21, 2020. They met again on April 23, 2021 and April 28, 2021 and June 4, 2021 to discuss Audit Committee member comments from their meeting on April 22, 2021.

2. The Chief Auditor and OCA IT Audit Manager, Ms. Harpalani, and OCA Auditor, Ms. Lugo, met with Director of School Applications Infrastructure, Mr. Jeff Stanley, and Director of Information Security, Ms. Teresa Macri, and Director of Business Applications, Mr. Hineline, to discuss the status of information technology controls on March 16, 2021 and March 24, 2021 and March 30, 2021 and June 7, 2021 and June 9, 2021.
3. The Chief Auditor and OCA IT Audit Manager, Ms. Harpalani, continued a current status / follow up to the agreed-upon procedures report on the Recordex SimplicityTouch Interactive Flat Panels and Accessories.
4. OCA IT Audit Manager, Ms. Harpalani, attended the Technology Steering Committee meeting on March 8, 2021 and May 10, 2021. She later summarized the meeting for the Chief Auditor.

CHARTER SCHOOLS AUDIT WORK

1. The Chief Auditor and OCA Charter Schools Audit Manager, Mr. Reynaldo Tunnermann, attended meetings with Director of Charter School Management / Support, Ms. Donte Collins, on March 15, 2021 to discuss the ESSER Grant.
2. OCA Charter Schools Audit Manager, Mr. Tunnermann, attended the Charter School Applicant Interview and Final Recommendation meetings on March 18, 2021.
3. OCA Charter Schools Audit Manager, Mr. Tunnermann, met with Director of Charter School Management / Support, Ms. Collins, to discuss audit contract language in the standard charter school contracts on March 23, 2021.
4. The Chief Auditor and OCA Charter Schools Audit Manager, Mr. Tunnermann, met with Director of Charter School Management / Support, Ms. Collins, on April 19, 2021 to discuss the status of the findings in the Championship Academy investigation report submitted to the Committee in September 2020.
5. OCA Charter Schools Audit Manager, Mr. Tunnermann, presented at the Charter Schools Principals End of the Year meeting on May 12, 2021.
6. OCA Charter Schools Audit Manager, Mr. Tunnermann, and OCA Property & Inventory Audit Manager, Ms. Arcese, attended the Bridgeprep Charter School Closure Meeting between District and charter school officials on May 19, 2021.
7. OCA Charter Schools Audit Manager, Mr. Tunnermann, and OCA Property & Inventory Audit Manager, Ms. Arcese, participated in the Ben Gamla Charter School Inventory meeting on May 25, 2021.

8. OCA Charter School Audit Manager, Mr. Tunnermann, participated in the Charter Schools Monitoring and Oversight Committee meeting on May 27, 2021.

WORK WITH REGULATORS / OTHER AUDITORS

1. The Chief Auditor organized the Auditor General Audit Entrance meeting on April 5, 2021. In attendance were Auditor General Audit Supervisor, Ms. Diana Garza, and Auditor General Audit Lead, Ms. Samantha Palaigos. In attendance for the District were Superintendent, Mr. Robert Runcie, and several members of the Superintendent's Cabinet. Fieldwork is expected to conclude in late March 2022.
2. The Chief Auditor and OCA Internal Funds Audit Manager, Ms. Conway, worked with District management on the strategy for the issues noted in the prior Florida Auditor General's FEFP and Student Transportation Audit.

TRAINING / DISTRICT INITIATIVES

1. OCA managers and staff attended various online Continuing Professional Education (CPE) courses for compliance with governmental auditing standards as follows:

Workiva – Achieving Breakthrough Performance

– Ms. Kashama Patel on March 15, 2021

CPE Network – Governmental Accounting and Reporting Winter 2021

– Mr. Tunnermann and Ms. Smith on March 26, 2021

CPE Network – Nonprofit Accounting Report

– Ms. Smith on March 16, 2021

CPE Network – Nonprofit Accounting Report

– Ms. Smith on March 16, 2021

CPE Network – Governmental Accounting and Reporting Autumn 2020

– Mr. Tunnermann and Ms. Smith on March 17, 2021

RSM – Annual Public Sector Webcast

– Ms. Arcese on March 18, 2021

FAU – Improving Your Internal Auditing Career

– Ms. Hermine James on March 18, 2021

FGFOA – Ethics

– Ms. James, Ms. Patel, Ms. Cecilia Guerrero, Ms. Kathleen Watson-Wilkin, Ms. Smith on April 20, 2021

Galvanize – Audit Automation

– Ms. Conway, Ms. Arcese, Ms. Harpalani, and Mr. Bryan Erhard on May 12, 2021

ISACA – Cyber Security

Ms. Lugo from May 17 – 20, 2021

ISACA – Cyber Security

Ms. Harpalani on May 25, 2021

2. OCA Property & Inventory Audit Manager, Ms. Arcese, provided property and inventory training to the OCA Inventory Audit Specialists on March 12, 2021 and April 5, 2021 and April 7, 2021 and May 19, 2021 and June 1, 2021.

3. OCA Auditor, Ms. Watson-Wilkin, participated in meetings of the Broward International Women's Club Scholarship Committee on March 26, 2021 and April 24, 2021.
4. OCA Property & Inventory Audit Manager, Ms. Arcese, provided training on property and inventory controls to the ESLS department on April 6, 2021.
5. OCA Auditor, Ms. Watson-Wilkin, served as a panelist on the Senior Thesis Project on April 28, 2021 and April 29, 2021.
6. OCA Property & Inventory Audit Manager, Ms. Arcese, provided training to school employees at the Inventory Town Hall Device Collection meeting on May 14, 2021.
7. OCA Property & Inventory Audit Manager, Ms. Arcese, attended the District Surplus / Recycling Process training provided by the IT department on May 18, 2021 and June 1, 2021 and June 3, 2021.

GENERAL / ADMINISTRATIVE FOLLOW-UP

- **Overall Follow-up Process**

Background: At the August 9, 2018 and November 15, 2018 Audit Committee meetings, the Chief Auditor was asked by several Committee members about follow-up. At the April 9, 2019 School Board meeting, the Chief Auditor was also asked about follow-up by the School Board members. Follow-up was also discussed at the September 4, 2019 School Board meeting.

Status (06/17/21): The OCA follow-up database has now been populated for most audits from fiscal 2017, 2018, 2019, 2020 and some of 2021. Based on School Board and Committee requests, certain other audits were also added. The next step is to complete the District-wide Follow-up Audit Report that commenced in September 2020 and is described on the OCA audit plan as project 10.

- **Headcount Assessment**

Background: At the August 9, 2018 Audit Committee meeting, the Committee passed a motion to communicate to the School Board, via the minutes and the Audit Chair Report, the need to review the headcount of the OCA.

During the OCA Peer Review presented to the Committee on March 12, 2020, the reviewer noted the need for a director-level position within the OCA.

Status (05/06/21): The Chief Auditor prepared an "Assessment of Responsibilities and Headcount" presentation to the School Board at a workshop on October 30, 2018. That presentation called for four additions to the OCA team. With the appointment of OCA Auditor, Ms. Smith, on February 17, 2021, the hire of all four positions would be complete.

On March 12, 2020 a Peer Review of the OCA revealed a need to hire a director-level position within the OCA. Based on the Peer Review and the workload within the OCA, the Chief Auditor submitted an addition to the OCA at the District's Organization meeting in the Spring 2021. **Status (06/17/21):** At the May 18, 2021 School Board meeting, the Chief Auditor discussed the OCA organization chart during the discussion and eventual approval of the District's organization chart. The Chief Auditor responded to questions from the School Board members and explained that the director-level position is needed to accomplish the goals of the Office of the Chief Auditor and ensure its success.

- **Audit Committee Motion – Payroll Processing, Overpayments, Overtime**

Background: At the May 2, 2019 meeting, the Committee passed a motion with respect to SAP. The official communication to the School Board and the response is noted below.

Motion: Whereas the findings of the Florida Auditor General, in the most recent audit dated April 2019 and three previous audits, have identified issues dealing with payroll processing, overpayments, and overtime

and

Whereas the Office of the Chief Auditor has periodically conducted payroll and timekeeping audits which have previously identified overtime, overpayments, and other issues with recordkeeping in such departments as Transportation, Design Services, and the Special Investigative Unit (SIU)

The Committee moves that the Office of the Chief Auditor

(1) perform or engage an outside auditor to perform an audit whose scope would include payroll processing, overpayments, and overtime in compliance with School Board policies and procedures at a designated department

or

(2) perform or engage an outside auditor to perform a District-wide audit to determine compliance with School Board policies, procedures, and protocols that cover payroll processing, overpayments, or overtime.

Status (03/11/21): The Chief Auditor met with OCA Operational Audit Manager, Ms. Arlotta, and OCA Auditor, Ms. Pritykina, and crafted an audit program for these procedures. **Status (05/06/21):** The Chief Auditor and Ms. Arlotta anticipate that the first audit under this payroll program would start in May 2021. **Status (06/17/21):** OCA Operational Audit Manager, Ms. Arlotta, and OCA Auditor, Ms. Pritykina started and continued with the fieldwork on the school and department payroll-specific audits.

- **Separate Evaluation of Discipline Data**

Background: At the August 13, 2020 meeting, the Committee requested that the discipline audit work include a separate evaluation of discipline with respect to grade levels and race.

Status (06/17/21): This analysis will be included as part of the discipline audit strategy but will be performed by an outside firm.

- **Roofing Best Practices**

Background: At the September 30, 2020 meeting, the Committee requested a roofing best practices review.

Status (06/17/21): A follow up to the Roof Inspection Process Analyses is included in the OCA audit plan as project 16. However, this initiative will include more specific industry experts.

- **Audit Committee Motion – Presenting to Diversity Committee**

Motion: The Chief Auditor to make a presentation to the Diversity Committee regarding the findings (in the RSM Roof Inspection Analysis).

Response: The Chief Auditor discussed this motion with the Diversity Committee liaisons and intends to make this presentation with RSM Director, Mr. Luker, at the Diversity Committee’s meeting on April 1, 2021.

Status (06/17/21): The Chief Auditor presented to the Diversity Committee at its meeting on April 1, 2021. This issue is now closed and will not be re-presented.

OFFICE OF THE CHIEF AUDITOR ORGANIZATION CHART

Office of the Chief Auditor Organization Chart

(June 2021)

