

OFFICE OF THE CHIEF AUDITOR

THE MANAGEMENT AUDITS DEPARTMENT, ESTABLISHED BY THE SCHOOL BOARD ON MAY 19, 1977, IS REDESIGNATED AS THE OFFICE OF THE CHIEF AUDITOR (OCA). THE OFFICE SHALL BE HEADED BY THE CHIEF AUDITOR, WHO SHALL REPORT ADMINISTRATIVELY TO THE SUPERINTENDENT AND SHALL BE ACCOUNTABLE TO THE SCHOOL BOARD OF BROWARD COUNTY, AND THE AUDIT COMMITTEE.

THE AUDIT COMMITTEE SHALL ACT AS THE OVERSIGHT COMMITTEE FOR THE OCA. ALL THE REPORTS COMPLETED BY THE OCA AND EXTERNAL FIRMS MUST BE PRESENTED TO THIS COMMITTEE FOR THEIR REVIEW AND TRANSMISSION TO THE SCHOOL BOARD OF BROWARD COUNTY.

ALL AUDIT REPORTS SHALL BE REVIEWED AND TRANSMITTED BY THE AUDIT COMMITTEE TO THE BOARD AND SUPERINTENDENT.

THE OCA HAS THE AUTHORITY TO REQUEST ANY AND ALL DOCUMENTATION NEEDED TO PROPERLY CONDUCT AUDITS. ALL DISTRICT LOCATIONS ARE EXPECTED TO COMPLY WITH THE REQUESTS MADE BY THE OCA, IN A TIMELY MANNER.

RULES:

1. Under the direction and supervision of the Chief Auditor, the department will carry out the following functions, as directed in the annual audit plan:
 - a. Audit schools' internal fund accounts for all locations in the District.
 - b. Audit the property and inventory for all locations in the District.
 - c. Audit school food service and cafeteria funds.
 - d. Perform operational audits of School Board of Broward County, Florida programs, organizations, functions and activities, including the examination of plans, systems and controls.
 - e. Perform construction/maintenance audits of School Board of Broward County Florida programs, organizations, functions and activities, including examination of plans, systems and controls.
 - f. Verify the accuracy and reliability of program cost reports and management information systems.
 - g. Perform special analysis and/or reviews requested by the Superintendent, the School Board as a whole, and/or the Audit Committee.
 - h. Perform special governmental required audits as directed in the annual audit plan.
2. The objectives of reviews by the OCA are to point out both actual and potential problems and to recommend possible solutions. These reviews will be conducted to determine:
 - a. Whether activities or operations are being carried out and expenditures made in compliance with established policies, plans, procedures and applicable laws and regulations.
 - b. Whether activities or operations are conducted and expenditures are made in an effective, efficient and economical manner.

- c. Whether internal account funds are administered and accounted for in accordance with existing laws, Florida State Board of Education Administrative Rules and Board policies.
 - d. Whether controls and procedures established to prevent or minimize waste, loss deterioration, or misuse of assets are adequate and effective.
 - e. Whether accounting or other financial or statistical data developed for management use or other purposes are adequate, reliable and useful.
- 3. The Chief Auditor of the OCA will develop a written audit plan consisting of a listing of the audits to be performed during the fiscal year and submit such plan to the Audit Committee. Upon approval by the Audit Committee, the plan will be transmitted to the Board and the Superintendent for approval as soon as possible. The Chief Auditor of the OCA shall strive to have the audit plan in place and approved by the start of that fiscal year.
- 4. To the extent that staff is available, the goal of this office is to audit all principal operating, administrative, and financial programs and activities of the School Board at least once during each five year period. Audits of schools' internal funds will be scheduled in accordance with School Board Policy 3411.
- 5. Generally, the detection of fraud or other improprieties in schools, departments or with vendors' contracts is not the primary reason for audits. However, evidence of fraud or other irregularities will be given full consideration for review by this office.
- 6. The OCA shall have direct communication and free access to the Superintendent of Schools, members of the Audit Committee, School Board members and the Professional Standards & Special Investigative Unit (SIU). The OCA will contact the Superintendent of Schools and the Executive Director of SIU in order to report when evidence of fraud, abuse and improper or illegal acts and expenditures are disclosed during their audits. The disposition of fraud cases involving employees will be handled by the SIU for criminal case review and possible disciplinary action to be taken by the District. Cases where criminal activity of vendors is suspected will be reported to outside law enforcement. The OCA shall be free of organizational pressures that limit its objectivity in selecting areas to be examined or in evaluating these areas. The OCA shall have adequate support from school system officials to perform its auditing activities. The OCA may independently report instances of suspected fraud, abuse and improper or illegal acts and expenditures to the appropriate law enforcement agencies. The OCA will give notice to the Superintendent of Schools when reported instances of suspected fraud, abuse and improper illegal acts and expenditures are reported to law enforcement agencies.
- 7. For audits of schools, departments or vendors' contracts which disclose losses to the District and have taxable implications, (e.g., embezzlement of funds, theft of equipment) the OCA will make a referral to the Internal Revenue Service.
- 8. All examinations made by the Office of the Chief Auditor will be brought to the Audit Committee and the Board during the normal meetings. Annually, the Chief Auditor of the OCA will disclose in the Audit Plan the number of cases and disposition of each of the cases in which fraud or other improper activities were discovered during the fiscal year.
- 9. The Chief Auditor shall be an advisor to the School Board, the Superintendent and any other staff in discussion with Federal, State and other groups with respect to audit matters.
- 10. Pursuant to Section 119.0713(2), Florida Statutes, workpapers, notes and preliminary draft audit reports shall be held confidential and exempt from public records disclosure until the audit report is completed and has been presented to The School Board and/or Audit Committee. An audit report shall not be presented to The School Board and/or the Audit Committee until it is complete. A completed audit report is defined as a report in which the auditor's preliminary findings/recommendations have been compiled and presented to the department or school's management personnel; in which the

department or school was afforded opportunities for an audit exit conference and to submit a management response to the auditor's preliminary findings/recommendations; and which includes a reply, if necessary, by the auditor to any management responses submitted to the preliminary findings/recommendations by the department or school. Management's responses shall include: the job position title of the individual responsible for completing the audit recommendations; clear solutions for the audit recommendations; a timeline for audit recommendations to be completed. Subsequently, periodic progress reports will be required to identify progress for implementing audit recommendations. If a department or school fails to timely respond to invitations for an audit exit conference or to submit a management response, the audit report shall be considered complete.

11. The Chief Auditor of the Office of the Chief Auditor will follow-up with departments/divisions to obtain a current status on the action taken on each audit recommendation of the audit report. The current status will be performed periodically and will contain:
 - a. For each accepted recommendation on which action has been completed, a brief description of the action taken
 - b. For each accepted recommendation on which further action is necessary, a brief description of the action planned and the established target date for completion
 - c. For each rejected recommendation, a statement of the specific reasons why the recommendation is not to be adopted and a description of any alternative course of action that has been considered.

AUTHORITY: F.S. 1001.41 & 1001.42

RULES ADOPTED: 12/1/81

EMERGENCY RULE #82-6, 7/1/82

RULES AMENDED: 8/19/82; 8/4/83; 12/17/02, 11/14/07, 4/20/10