



OFFICE OF THE INSPECTOR GENERAL
Lung Chiu, Inspector General

OFFICE OF INSPECTOR GENERAL
SEMI-ANNUAL REPORT
March 2016

Report Fraud, Waste, or Abuse: Fraud Hotline: 855-561-1010
Online: pbcasd@ethicaladvocate.com

MISSION STATEMENT

The School Board of Palm Beach County is committed to providing a world class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

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March 4, 2016

A Message from the Inspector General

Enclosed please see the Semi-Annual Report of the activities of the Office of Inspector General (OIG), covering July 1 through December 31, 2015. This report supplements, but it does not replace the annual report required in *Board Policies 1.091* and *1.092*.

This semi-annual report describes the audits, investigations and special reviews of the District's programs and operations to detect waste, fraud, and abuse, and to identify opportunities for improving efficiency and effectiveness. Over the last six months, OIG has completed and published four performance audits, four special reviews and five investigative reports. Highlights of this semi-annual report include summaries of the audits, reviews and investigations and recommended corrective actions.

An update on the OIG's Hotline is also provided. The Hotline provides individuals the opportunity to confidentially report, anonymously if desired, activities of fraud, waste and abuse. In addition to the hotline, OIG receives complaints via telephone, U.S. Mail, email and office visits. Of the 86 complaints received for the semi-annual report period, the hotline generated 65 of the complaints. Key challenges of the OIG include further promoting Hotline awareness to District stakeholders.

The OIG staff continues to make the most of the resources in order to meet our goals and achieve our mission. On behalf of all OIG staff, I would like to thank the Board, Superintendent and members of the Audit Committee for your continued support of the Office of Inspector General.

Lung Chiu

Inspector General

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About the Office of Inspector General

The School Board of Palm Beach County created the Office of Inspector General (OIG), in December 2011, upon adoption of *School Board Policy 1.092*. The policy became effective upon the School Board's hiring of the Inspector General in August 2012.

The School Board of Palm Beach County established the OIG to:

- Incorporate a full time program of investigation, audit, inspection, and program review.
- Provide increased accountability and promote fiscal responsibility.
- Assist management in the establishment and maintenance of effective systems of control, and provide increased oversight in improving District operations.
- Assist in improving operations, including deterring, and identifying fraud, waste, abuse, and illegal acts.

In carrying out our responsibilities under *School Board Policies 1.092, 1.091, 2.62 and 3.28*, the OIG:

- Maintains an independent objective organization to conduct audits, reviews and investigations.
- Receives and investigates complaints related to our jurisdiction granted by policies.
- Reports all possible criminal violations to School Police or the appropriate law enforcement agency.
- Submits audits, reviews and investigative reports and recommendations, if appropriate, to the School Board, School Superintendent and Audit Committee members.

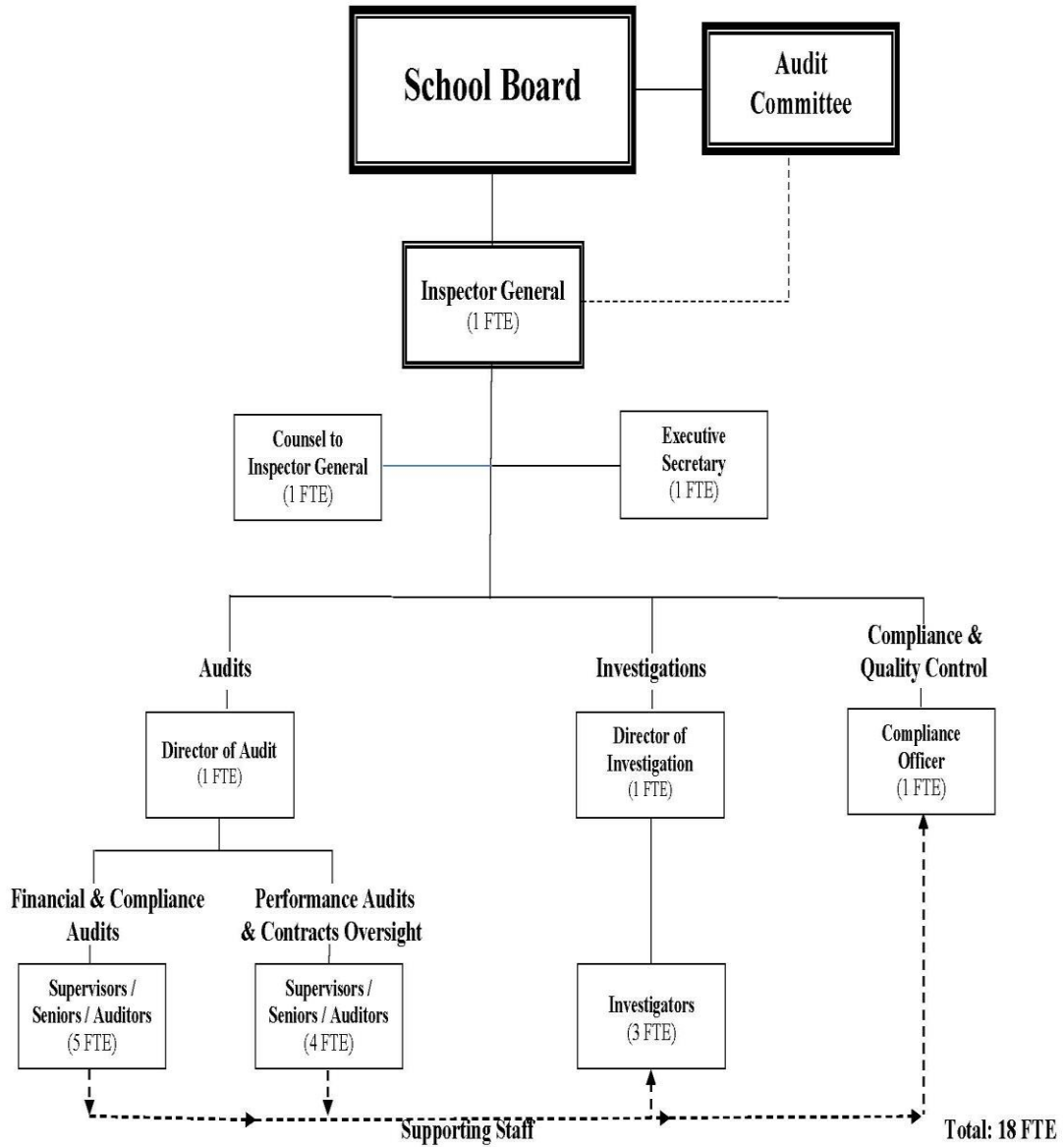
School Board Policy 1.092 serves as the OIG Charter. Some of the key provisions of the policy authorize the Inspector General to:

- Audit and investigate matters within the District, as well as vendors/contractors that do business with the District.
- Have immediate, complete and unrestricted access to all District papers, books, records, reports, information, personnel, processes, data, etc.

The OIG reports directly to the School Board to ensure the necessary independence. OIG staff consists of a skilled team of professionals, including an attorney, with expertise in internal auditing, reviews and investigations. The OIG is organized into three areas: investigations, audits, and compliance and quality control.

**PALM BEACH COUNTY SCHOOL DISTRICT
OFFICE OF INSPECTOR GENERAL**

Organization Chart



Investigations

During the six-month period, July 1, 2015 through December 31, 2015, the OIG's Investigative function received and processed 86 complaint intakes, conducted eight preliminary reviews, and released five investigative reports.

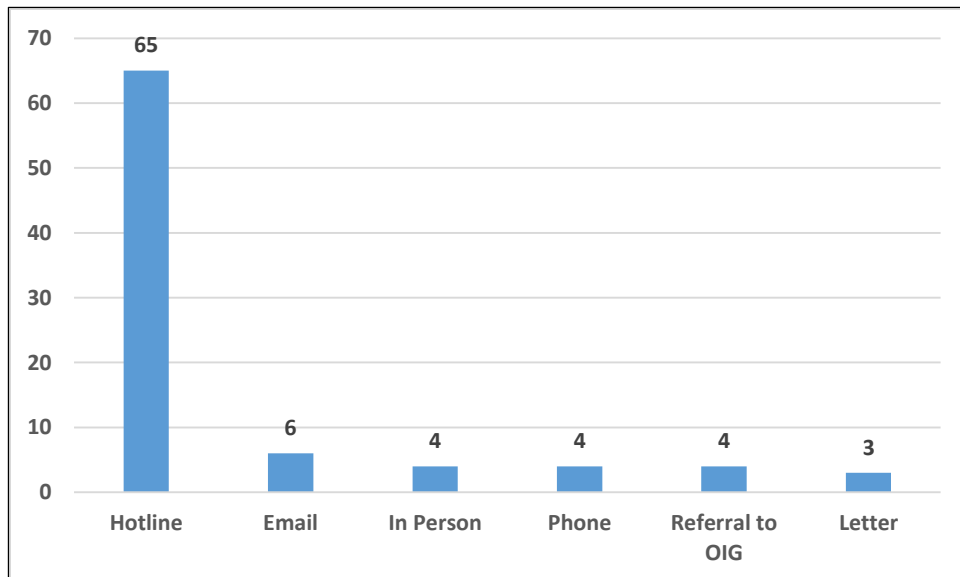
Complaints Received

The OIG received eighty-six (86) complaints during the first half of Fiscal Year 2015-16. Action by the OIG in response to these complaints are reflected below:

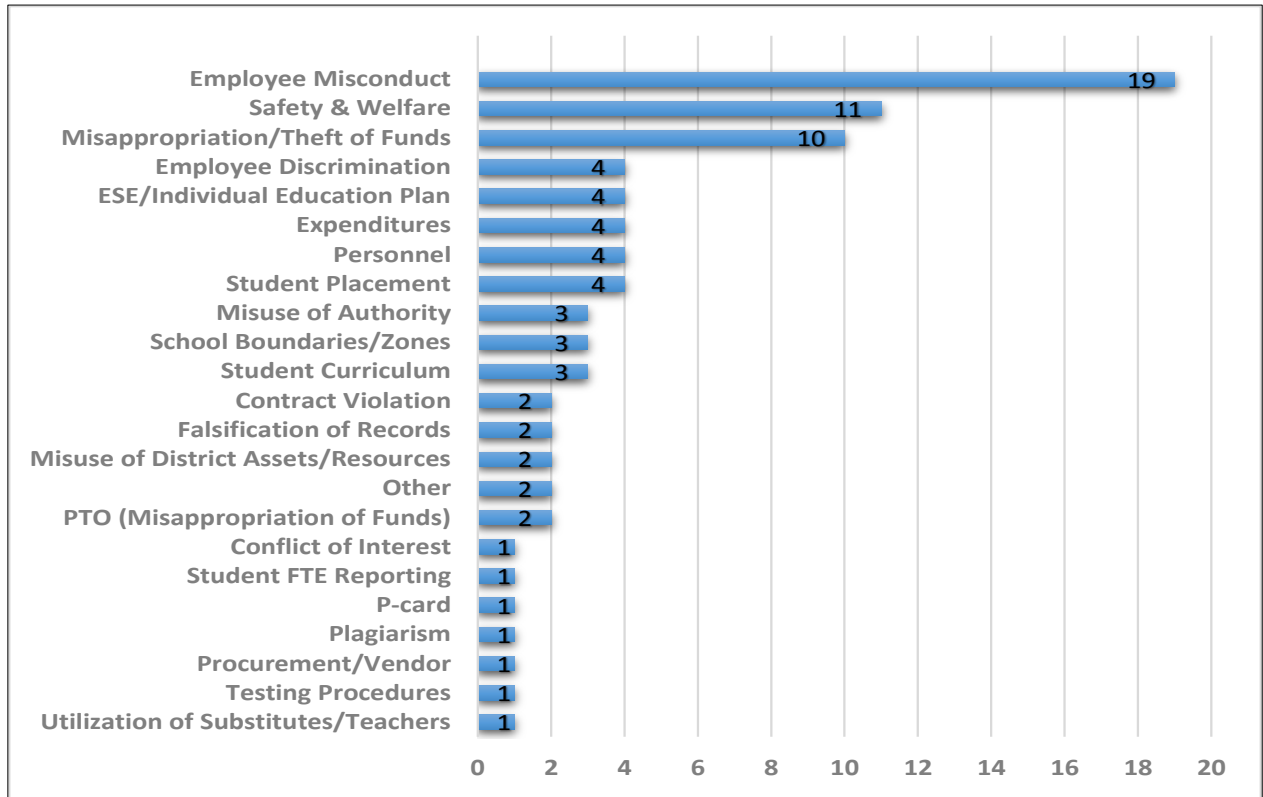
STATUS	#	%
Referred to Other Departments	59	69
Retained by OIG *	27	31
TOTAL	86	100

**Includes complaints partly retained/partly referred*

The eighty-six (86) complaints were received by the OIG through the following methods:



The general nature of the eighty-six (86) complaints are reflected below:



Disposition of Retained Complaints

The OIG carried into Fiscal Year 2015-16, fifty-four (54) retained complaints. The status of those complaints is reflected below:

STATUS	#
Closed after Preliminary Review	33
Carried Forward	12
Closed after Investigation	5
Closed (Insufficient Information)	4
TOTAL	54

Additionally, of the twenty-seven (27) complaints retained during this reporting period, eight (8) complaints were closed after preliminary review, two (2) were closed for insufficient information and the remaining seventeen (17) were carried into the next period.

In total, twenty-nine (29) complaints were carried forward into the third quarter of Fiscal Year 2015-16, seventeen (17) from this reporting period, and twelve (12) from previous reporting periods.

Referred Complaints

Sixty-four (64) complaints were referred either in whole, or in part, to various District departments, as reflected below:

REFERRED DEPARTMENT	#
Office of Professional Standards/HR/EEO	24
School Police	10
Chief Academic Office	9
Deputy Superintendent's Office & Office of Professional Standards	5
Charter Schools	3
Deputy Superintendent's Office	2
Deputy Superintendent's Office & Chief Academic Office	2
Chief Academic Office & Office of Professional Standards	1
Chief Academic Office & School Police	1
Chief Operating Office	1
Secondary Education	1
Performance & Accountability	1
Planning	1
School Police & Office of Professional Standards	1
School	1
Transportation Services	1

Of the sixty-four (64) referral complaints, the OIG received resolution for twelve of them as of December 31, 2015, as reflected below:

REFERRED DEPARTMENT	NATURE OF COMPLAINT	RESOLUTION
Office of Professional Standards	Misuse of authority Alternative Education Division (Correctional Center)	Complaint was turned over to the Division of Educational Alternatives. The complaint was resolved by conducting a working conditions climate survey. Based on the results, a consultant was hired to review and address any issues.
Office of Professional Standards	Utilization of Subs/Teachers Alternative Education Division (Correctional Center)	Complaint was turned over to the Division of Educational Alternatives. The complaint was resolved by conducting a working conditions climate survey. Based on the results, a consultant was hired to review and address any issues.

REFERRED DEPARTMENT	NATURE OF COMPLAINT	RESOLUTION
Chief Academic Office	Student Curriculum Alternative Education Division (Correctional Center)	Complaint was turned over to the Division of Educational Alternatives. The complaint was resolved by conducting a working conditions climate survey. Based on the results, a consultant was hired to review and address any issues.
Office of Professional Standards	Employee Misconduct Royal Palm Beach High	Allegation determined to be unfounded.
School Police	Employee Misconduct Boca Raton Middle	Complaint was turned over to the School. Issue was discussed with employee.
School Police	Safety & Welfare Transportation	Complaint was turned over to Transportation. Issue was discussed with employee.
School Police	Employee Misconduct South Intensive Transition	Allegation was determined to be unsubstantiated.
Chief Academic Office/Office of Professional Standards	Plagiarism Professional Growth	Complaint was turned over to Professional Standards. Issues were addressed by making the necessary revisions and changes.
Planning	School Boundaries/Zones William T. Dwyer High	Complaint was reviewed and results were provided to the school for appropriate action.
Transportation Services	Safety & Welfare Transportation	Allegation was determined to be unsubstantiated.
Chief Academic Office	Student Curriculum Jupiter High	Complaint was reviewed and resolved.
Performance & Accountability	Testing Procedures Riviera Beach Preparatory Academy	Allegation was determined to be unsubstantiated.

Published Investigative Reports

During the first six months, the OIG published five investigative reports. Summaries of the five published investigative reports are as follows:

REPORT NO.	INVESTIGATION	SUMMARY OF INVESTIGATION
14-193	Unauthorized Use of Facility Pahokee High School/Pahokee Pride Youth Athletic League	This investigative report addresses two unauthorized sporting events held by an outside organization at the Pahokee High School football stadium. The OIG recommended the school collect rental charges from the athletic league, prohibit the outside organization from using the school or other District facilities until all outstanding fees are paid and all the required documentation is

		received. In addition, the school should ensure all leasing fees are collected in advance and lease agreements are executed at a minimum, 48 hours in advance of the event, in compliance with applicable policy.
15-240	Failure to Obtain Fundraising Approval William T. Dwyer High School	This investigative report addresses the sale of Adirondack chairs built during woodshop class and sold at a local consignment shop without the appropriate fundraising approval.
15-246	Failure to Obtain Fundraising Approval Santaluces High School	This investigative report addresses the sale of food items by the culinary arts program without proper fundraising approval and the failure of the program to properly deposit the fundraising proceeds into the school's Internal Funds Account.
15-248	Intramural Supplement Payments Crestwood Middle School	This investigative report addresses the allegations of inappropriate payment of intramural supplements. The OIG recommended the District update current guidance with regard to payment of club and sports supplements, and consider requiring that the prescribed minimum student contact time of 25 hours is met prior to the payment of activity supplement.
15-241	Removal of Student from Choice Program Spanish River High School	This investigative report addresses the permanent removal of a student from a Choice Program after an alcohol related incident during a school sponsored fieldtrip. The OIG recommended District administration make a determination as to the intent with regard to removal of students from Choice Programs due to disciplinary infractions, and detail same in written policies and procedures. How, when, and by whom such determinations will be made in the future, including the opportunity for an appeals process.

Charter Schools

Of the eighty-six (86) complaints received during the reporting period, four (4) were related to Charter Schools. The general nature of these complaints were misappropriation/theft of funds, employee misconduct, and misuse of authority.

Two (2) complaints were referred to the Department of Charter Schools. The other two (2) complaints were retained, in part or in whole, by the OIG.

During the October 2015 Audit Committee Meeting, the Director of Charter Schools provided an overview of charter schools program including the application process, renewals and annual reviews, as follows:

- ❖ Approximately 20,600 students were enrolled in fifty (50) charter schools as of October 2015.
- ❖ Fifty-one (51) Annual Reviews were conducted for charter schools during 2014-15. Some of the areas assessed during the Annual Review are curriculum, exceptional student education, finance, transportation, food services, and governance.
- ❖ Eleven (11) charter schools received corrective action plans; these schools are continuously monitored.
- ❖ At the request of the Superintendent, the National Association of Charter School Authorizers (NACSA) will evaluate the Charter School process, including applications and ongoing monitoring, and provide improvement recommendations.



Call: 855-561-1010

Audits and Special Reviews

During the first six months of Fiscal Year 2016, the OIG completed four (4) performance audits and four (4) special reviews as follow:

1. Follow-up Review of Fundraising Activities at John F. Kennedy Middle School (July 9, 2015)

During the *Annual Internal Funds Audits* of John F. Kennedy Middle School for Fiscal Years 2013 and 2014, we noted repeated noncompliance in inventory controls and record keeping for certain fundraising activities. Pursuant to the *Office of Inspector General's (OIG) 2014-15 Work Plan*, we performed a follow-up review of physical inventory and revenue collections at the school for selected fundraisers during July 1, 2014, through March 5, 2015. The primary objectives of this follow-up were to determine (1) the extent of corrective actions and (2) whether the revenues collected from fundraisers were properly accounted for. The follow-up review concluded that:

- A total of \$884 in estimated fundraiser revenue was unaccounted for from three sample fundraisers handled by the same sponsors who were found noncomplying with fundraiser policies and procedures in prior audits.
- The school treasurer misrepresented information to the auditor.

Staff agreed with the findings and corrective actions were implemented.

2. Special Review of Missing Monies at John F. Kennedy Middle School (July 9, 2015)

The March 2, 2015, cash count at John F. Kennedy Middle School revealed shortages in several collections when compared to the *Monies Collected Reports* (MCRs). Due to the cash shortages identified during the unannounced cash count, the scope of review was expanded to review all monies collection records at the school during July 1, 2014, through April 21, 2015. The primary objectives of the expanded review were to determine (1) the causes for the discrepancy between the March 2nd cash count and the records of the subsequent bank deposit, and (2) if all the monies were accounted for as of April 21, 2015. This review produced the following major conclusions:

- Noncompliance With Money Handling Procedures
 - None of the school staff completed the required Online Sponsor Training Courses.
 - 36% of the collections were not timely processed by school treasurer during July 1, 2014, through April 21, 2015.
 - Yellow copies of MCRs and *Official Receipts* were not retained by the activity sponsors.
 - MCRs were not always completed with all the required information.
- Noncompliance With *Drop-safe Log* Procedure

- Three pages of the *Drop-safe Log* were missing during June 18 through August 25, 2014.
- No document custodians were assigned for keeping and issuance of any of the prenumbered documents used by the school, including the *Drop-safe Log*.
- *Periodic inventories of the Drop-safe Log* were not performed.
- *Section 3* of the *Drop-safe Log* was not always completed by an independent staff to verify that the school treasurer had entered the deposit information into the Internal Accounts System.

Staff agreed with the findings and corrective actions were taken.

3. Audit of Cash Handling Procedures at 14 Selected Schools (September 17, 2015)

During March 2015, the Office of Inspector General performed unannounced cash counts and audited the cash handling procedures for fourteen (14) selected schools. The primary objectives of the audit were to: (1) determine if the amount of money to be deposited into the bank agreed with the collection records; (2) examine the school-based cash handling procedures and assess the adequacy of control procedures implemented; and, (3) determine the extent of compliance with procedures at the selected schools. The audit produced the following major conclusions:

- Three of the 14 schools had no significant noncompliance.
- Monies were missing at two schools.
- School treasurers at two schools had full access to the Drop safe.
- Noncompliance with *Drop-safe Log* Procedures:
 - One staff person signed/initialed another staff person's name on the logs which was forwarded to the Office of Professional Standards for further action.
 - Missing *Drop-safe Log* pages at two schools.
 - *Drop-safe Logs* were not completed with all the required information at five schools and *Official Receipts* were not timely provided to the remitters to verify the accuracy of the deposits.
 - Five schools failed to have the *Document Custodian Assignment Register*, or their *Registers* were not approved by the Principal.
 - 11 schools did not complete or maintain the *Prenumbered Document Inventory Register* to document the perpetual inventory and periodic inventory check of the *Drop-safe Log*.
- Collections not properly documented:
 - At two schools, all the yellow copies of *Monies Collected Reports* (MCRs) were not retained.
 - At one school, some MCRS were not completed with all the needed information.

- Some collections were not recorded on the *Drop-safe Logs* by the sponsors at two schools and some collections did not have the required MCRs at two schools.
- Four schools failed to timely deposit monies into the banks, with delays ranging from three to 65 days.

Findings were brought to the attention of the principals and corrective actions will be reviewed during the annual internal fund audits.

4. Special Review of Money Collection Records at Palm Beach Public School (September 17, 2015)

An unannounced cash count was conducted at Palm Beach Public on March 11, 2015. Due to irregularities noted during the cash count, the scope of the review was expanded to determine if all the monies collected during July 1, 2014 through March 11, 2015 were properly accounted for. The review produced the following major conclusions:

- The detailed examination and analysis of the deposit records concluded that no money was missing during the review period.
- The school treasurer had signed/initialed the data processor's name on the *Drop-safe Logs*.
- The school treasurer had the full combination to access the drop-safe and misrepresented this information to OIG staff.

Staff agreed with the findings and corrective actions were implemented.

5. Audit of Adult Education Expenditures and Grant Compliance (October 30, 2015)

The OIG has audited Adult Education and Family Literacy grants for Fiscal Years 2013 and 2014. These grants were awarded by the Florida Department of Education (FDOE). The primary objective of the audit was to determine whether the expenditures for Adult Education grants and Adult Education/Workforce Development Fund complied with related rules and regulations. During Fiscal Years 2013 and 2014, the District received a total of \$19.3 million and \$19.5 million respectively in Workforce Development and Adult Education Grant Funds. This audit produced the following major conclusions:

- The School District had a total of \$17 million in accumulated Adult Education Fund balance as of June 30, 2014.
- No exceptions were noted for Adult Education/Workforce Development Program expenditures.
- Grant expenditures complied with the grant requirements.

- Equipment purchased with grant funds were assigned with District asset tags and inventory records were maintained.

6. Special Review of Pierce Hammock Elementary School’s Parent Teacher Organization (October 30, 2015)

Pursuant to the *Office of Inspector General (OIG) 2014-15 Work Plan* and in response to the requests of the Principal and Parent Teacher Organization (PTO) of Pierce Hammock Elementary, OIG has performed a special review of the PTO’s financial records and board member election process. The primary objectives of this special review were to determine (1) whether all fundraising revenues were accounted for, (2) the appropriateness of expenditures, and (3) the extent of compliance with the Bylaws for PTO’s board members election. This special review produced the following major conclusions:

- During the fieldwork, the PTO dissolved and donated its \$7,290.35 in remaining cash balance, equipment, and unsold fundraiser inventory to the school.
- The estimated revenues for all the seven sample fundraisers were accounted for.
- All the disbursements processed during July 1, 2014, through April 10, 2015, did not have documentation of approval from the PTO’s executive board as required by its Bylaws.
- \$1,266.62 of the \$4,119.13 for nine disbursements had no supporting documentation for the expenses.
- No noncompliance with the PTO’s Bylaws was noted for the 2014-15 PTO’s Board Officers Election conducted during September 2014.

7. Audit of Accounts Payable Procedures (November 20, 2015)

The primary objectives of the audit were to (a) assess the adequacy of internal controls of the Accounts Payable System, and (b) determine the accuracy and timeliness in processing payments after products and services have been received. The audit produced the following conclusions:

- Accounts Payable Internal Controls
 - No duplicated invoices
 - Accounts Payable sub-ledger agreed with general ledger
 - Minor exception: need for segregation of duties for monthly reconciliation and data entry into the Accounts Payable.
- No material noncompliance for purchases from District employees
- 98% sample invoices were paid within 30 days

- *Accounts Payable Standard Operating Procedures Manual* needs updating

8. Audit of Purchase Order Procedures (November 20, 2015)

The primary objectives of the audit were to (1) evaluate the adequacy of internal controls for PO processing and (2) to determine the extent of compliance with the related laws, ***School Board Policies***, and District procedures. This audit produced the following major conclusions.

- Vendor Master File
 - Vendor Master File updated without supervisor review
 - Vendor Master File needed review and update
- 33% of sample *Change Orders* not adequately documented
- 13% of POs with purchase under \$1,000
- Services performed before POs issued to vendors



Performance Audits in Progress

Performance audits are to “provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.”¹

Thus, the OIG seeks to help improve the accountability and performance of District schools and programs through auditing and reporting. Our goals are to improve effectiveness and efficiency; to provide useful, objective, and timely information; and, to strengthen administration and management systems and controls.

The following performance audits were completed in accordance with the approved OIG Annual Work Plans.

A. PERFORMANCE AUDITS – PROJECTS IN PROGRESS, FIELDWORK SUBSTANTIALLY COMPLETED

As of December 31, 2015, the following projects were not yet complete. However, the fieldwork on such projects has been substantially completed.

1. Audit of Inventory Control of Classroom Technology Devices

The District’s Asset Management System (AMS) records and tracks tangible personal property that costs \$1,000 or above. The costs for most iPads and other mobile computing devices are less than the \$1,000 threshold for tracking through the AMS. This audit is to assess the adequacy of controls in safeguarding District owned iPads and other mobile computing devices at the schools.

2. Audit of Fuel Inventory Controls

The objectives of this audit include (1) assessing the adequacy of controls and extent of compliance in safeguarding the fuel inventory at the Transportation Department, and (2) determining the extent of vendors’ billing compliance with related contracts.

3. Audit of Controls in Safeguarding District Assets and Disposal of Surplus Property

This audit evaluates (1) the adequacy of internal controls within selected departments in safeguarding District assets, and (2) the adequacy and extent of compliance in controls over surplus property and the proceeds from sales of these properties.

4. Audit of Tririga System

This audit evaluates the adequacy of internal controls in processing school facility leasing, and the extent of compliance with related *School Board Policies* and procedures.

¹ *Government Auditing Standards*, December 2011 (2011 Yellow Book).

5. Audit of PeopleSoft Security

The objective of this audit is to evaluate the adequacy and extent of compliance in system and procedural controls for accessing the District’s PeopleSoft System.

6. Audit of Payroll & Time Collection Device

The primary objectives of this audit are to (1) evaluate the adequacy of internal controls for recording and processing employees’ work hours through the Time Collection Device (TCD) System, and (2) determine the extent of compliance with the District’s policies for overtime payroll.

B. PERFORMANCE AUDIT – FIELDWORK IN PROGRESS

1. Audit of Glade View Elementary School’s Modernization Project

This audit is to review schedules of progress, payments, quality assurance, change orders review and approval, use and monitoring of contingency funds, and compliance with related *School Board Policies*, *Florida Statutes*, and State requirements.



School Internal Funds Audits

The Annual Audit of Internal Fund Accounts for each of the 175 District Schools is required by *Florida State Board of Education Administrative Rules 6A-1.087(2)*. As of December 31, 2015, the audit fieldwork has been completed for 112 schools. Except irregularities in money collection records identified at three schools, other audit findings are similar to previous year audits, including

- ***Irregularities in Money Collections***

During the audit fieldwork, certain irregularities in money collections were identified at three schools. We have expanded the scope of review of the money collection records at these three schools. The audit conclusions were forwarded to the School Police for necessary actions.



- ***Money Collections*** – Non-compliances include:
 - ❖ Monies not deposited timely
 - ❖ Fundraising sponsors did not complete the required eLearning Fundraiser Training Course
 - ❖ Inadequate fundraising documentation, such as (a) *Sales Item Inventory Report* and *Ticket Sellers Report* missing or incomplete, (b) record of “give-away” items not maintained/documented, and (c) Fundraising Application/Recap Form missing or not approved by the Principal

- ***Disbursements*** – Non-compliances include:

- ❖ Disbursements and P-Card transactions not properly documented or approved
- ❖ Vendors performed services on campus without Consultant Contract



- ***Leasing of School Facilities*** – Non-compliances include:
 - ❖ *Lease Agreements* not properly signed
 - ❖ Late payment of rental charges

The Management Letter for the 2015 School Internal Audits should be completed and ready for management responses in March 2016. We expect to present the results of the 2015 audits to the Audit Committee shortly after that.

Compliance and Quality Control

Office Peer Review by Association of Inspectors General

The OIG has been preparing for an upcoming Peer Review by the Association of Inspectors General, to be conducted on March 14 through March 16, 2016. The scope of this peer review will be to determine whether internal safeguards and management procedures are in place and operating effectively to provide reasonable assurance that established policies, procedures, and applicable investigative, audit and/or inspection and evaluation standards are being followed. In making these determinations, the three-person review team will analyze existing manuals, policies and procedures; conduct interviews with selected board members, management officials, investigators, auditors, and external partners; and sample closed investigative, audit and/or inspection and evaluation reports, files, and other administrative records, as warranted. The Peer Review period covers Fiscal Years 2013, 2014, and 2015 ending June 30, 2015.

Pre-Award Contract Oversight

The OIG continues to engage in contract oversight with the objective to promote honesty, integrity, and transparency during the District's procurement and contracting process by observing competitive selection committee and contract negotiations meetings. OIG staff attended five (5) contract negotiation meetings and two (2) competitive solicitations evaluation meetings.

Construction Oversight and Review Committee (CORC)

OIG staff regularly attended and participated in the monthly CORC meetings. Six (6) CORC meetings have occurred from July to December 2015. During this time period, OIG staff have provided input to construction staff of the revision of its policies.



Employee Training/Development

OIG auditors and investigators are required by the Association of Inspectors General² and the *Government Auditing Standards* issued by the Comptroller General of the United States³ to maintain their professional competence through continuing professional education (CPE) requirements.

From July through December 2015, OIG staff attended numerous CPE classes during this period in the areas of government auditing, fraud auditing and investigation, ethics, and specialized knowledge/skills.

OIG TRAINING ACTIVITIES (July 2015 – December 2015)			
Date	Topic		No. of OIG Attendees
7/7/15	PBC Ethics Training	Workshop	1
7/9/15	Securing Data in the Age of Mega Breaches	Webinar	1
7/13/15	Full Circle Threat Management with SIEM	Webinar	1
7/16/15	Deterring Financial Fraud	Webinar	3
7/20 -24/15	Certified Inspector General Auditor Certification Program	Workshop	1
9/15/15	Everyday Ethics: Using a Practical Tool to Manage Ethical Dilemmas	Webinar	4
9/30/15	The Inseparable: Leadership, Values, and Ethics	Seminar	1
10/6/15	GASB 68, 71, & 72	Webinar	1
10/9/15	Evolving Skillsets for Highly Effective Internal Auditors	Seminar	6
10/15/15	High Impact Audits and Reports	Webinar	4
10/21/15	Fighting Fraud in the Government		1
10/23/15	Power Excel and Guerilla Data Analysis Using Microsoft Excel	Seminar	2
11/2 -5/15	Annual CFO/IG/Internal Auditor Conference	Conference	1
11/6/15	Ninth Annual Ethics Seminar – “Moral Courage in Action”	Webinar	1
11/10/15	How to Audit Wireless Communication Devices	Webinar	4
12/17/15	Transparency in Local Government	Webinar	1

² *Principles and Standards for Offices of Inspector Generals* (Green Book), require “each staff person who performs investigations, inspections, evaluations, reviews, or audits should complete, every 2 years, at least 40 hours of CPE that directly enhance the person’s professional proficiency. Dependent upon the focus of the office, at least 12 of the 40 hours of CPE should be in subjects directly related to the person’s responsibility (investigation, inspection, evaluation, review, or audit), the government environment, or the specific or unique environment in which the entity subject to examination operates.”

³ *Government Auditing Standards*, December 2011 (2011 Yellow Book) require auditors performing work in accordance with GAGAS should maintain their professional competence through continuing professional education (CPE). Each auditor should complete at least 80 hours of CPE, including 24 hours in government auditing, every two years.

Audit Committee



The Audit Committee (Committee), consisting of seven members, assists the School Board in accordance with its duties and responsibilities as outlined in Board Policies 1.091, 2.62 and 1.092. The Committee met five times during the months of July through December 2015. Findings of such meetings were reported to the School Board, at its regular meetings, during the months of July, September, October and December.

During the above time period, in accordance with Policy 1.091, the Committee has

- Reviewed the external auditor, McGladrey LLP, Audit Plan and AU-C 260 Communication for the fiscal year ending June 30, 2015.
- Received and reviewed the District's 2015 Management Letter, 2015 Single Audit Reports and 2015 Comprehensive Annual Financial Report presented by McGladrey LLP.
- Reviewed and approved the Office of Inspector General's 2016 Proposed Work Plan, which was presented at a September 9, 2015 School Board Workshop.
- Received information on District charter schools and on the use of credit cards in District schools.
- Received monthly status reports on Internal Funds Accounts audits.
- Approved the 2015 Annual Report of the OIG and Audit Committee for submission to the School Board.
- Received, commented and recommended approval of eight (8) audits and/or reviews.
- Reviewed and recommended changes to *Board Policy 1.091* (Audit Committee), which provide for the Committee to:
 - Review and monitor the implementation of any OIG recommendations for corrective actions to be taken related to investigations.
 - Review year-end financial statements and associated documents of charter schools that have been audited by the charter schools' contracted external audit firms, as required by state law, in support of the District's fiscal oversight of its charter schools.
 - Review and make recommendations to the School Board regarding any charter school experiencing deteriorating financial conditions, or demonstrating a circumstance(s) that has resulted or will result in the occurrence of a state of financial emergency, as provided or defined by state laws and rules.
- Reviewed and recommended changes to *Board Policy 2.62* (Audit Recommendations and Follow-up), which clarifies the OIG's responsibilities for follow-up of corrective actions, and to receive audit and investigative reports from external auditors and investigators.
- Reviewed and commented on a proposed new policy, Fraud, to be reviewed and considered by the School Board, upon its consideration of revisions to other related OIG policies.

Tell us about fraud, waste, or abuse involving PBCSB programs, contracts or funds



pbcسد@ethicaladvocate.com



855-561-1010

We encourage you to use the above email or Hotline to file a complaint; however, you may call or write the Office of Inspector General to file a complaint.

**File a WRITTEN
COMPLAINT
With the OIG**



Suite C-306, FHESC
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**(561) 434-7335**