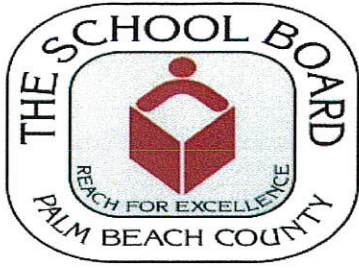


ANNUAL REPORT

OIG 2019

OFFICE OF INSPECTOR GENERAL
K. LUNG CHIU, INSPECTOR GENERAL





MISSION ON THE SCHOOL BOARD

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.

SCHOOL BOARD OF PALM BEACH COUNTY

Frank A. Barbieri, Esq., Chair
Chuck Shaw, Vice Chair
Marcia Andrews
Karen M. Brill
Barbara McQuinn
Debra L. Robinson, M.D.
Erica Whitfield

SUPERINTENDENT OF SCHOOLS

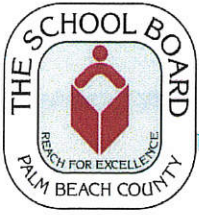
Donald E. Fennoy II, Ed.D.

AUDIT COMMITTEE

Noah Silver, CPA, Chair
David H. Talley, Vice Chair
N. Ronald Bennett, CPA
Michael Dixon, CPA/PFS
Deborah Manzo
Tammy McDonald
Chandler Williamson

REPRESENTATIVES

Frank A. Barbieri, Esq., School Board
Donald E. Fennoy II, Ed.D, Superintendent
JulieAnn Rico, General Counsel
Maureen Werner, Principal Representative
Justin Katz, CTA President



June 29, 2020

Chair and Members of School Board of Palm Beach County
Superintendent of Schools
Chair and Members of Audit Committee

I am pleased to submit the Office of Inspector General's (OIG) 2019 Annual Report, as required by School Board Policy 1.092. The annual report summarizes our activities and accomplishments for the period from July 1, 2018 through June 30, 2019.

This report highlights the FY 2018-2019 information provided to the School Board during the OIG's presentation on July 31, 2019, and to the Audit Committee on July 18, 2019. The presentations highlighted the yearly work activities of the OIG since FY 2012-2013. Information related to the Audit and Investigative Units work activities are summarized on page 7 of this report. All audits, investigations and related work highlighted in this report are products of our mission to identify and stop fraud, waste and abuse, and promote accountability, efficiency, and effectiveness through our oversight of the District's programs and operations.

In closing, I want to thank you for your support of the OIG.

A handwritten signature in black ink, appearing to read "K. Lung Chiu".

K. Lung Chiu, CPA, CIG
Inspector General

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ABOUT THE OFFICE OF INSPECTOR GENERAL

OIG Staff

The OIG's most valuable asset is its staff. The OIG has a highly educated team of professional staff where all of the professional staff have at least a four-year degree, and most have either advanced degrees or one or more professional certifications in their areas of expertise, and the staff also reflects the diversity of the Palm Beach County and School District communities. The various certifications and licensures held by staff members include more than 25 professional certificates, including: Certified Inspector General (CIG), Certified Inspector General Auditor (CIGA), Certified Inspector General Investigator (CIGI), Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certified Information System Auditor (CISA), Chartered Global Management Accountant (CGMA), Certified Management Accountant (CMA), Certified Compliance And Ethics Professional and Member of the Florida Bar and State Bar of Georgia.

Peer Review and Accreditation



ASSOCIATION OF INSPECTORS GENERAL

2019 Peer Review

As required by Board Policy 1.092, the Association of Inspectors General (AIG) conducted a peer review of the audit and investigative units of the OIG from April 1 through April 5, 2019. As a result of the review, the AIG Peer Review Team unanimously concluded that the OIG “*met all relevant AIG and GAO (Government Accountability Office) standards for the period under review.*” See Appendix - April 19, 2019 Peer Review Opinion Letter.

In its May 13, 2019 management letter and exit conference, the Peer Review Team identified several areas of distinction and recommendations for the office. See Appendix - May 13, 2019 Management Letter.



COMMISSION FOR FLORIDA LAW ENFORCEMENT ACCREDITATION

In 2009, the Commission for Florida Law Enforcement Accreditation (CFLEA) expanded its program to include the accreditation of inspectors general offices. CFLEA's accreditation program is recognized as a means for obtaining the highest standards of professionalism for the investigative functions.

The OIG successfully gained accreditation with CFLEA on June 26, 2019.

ABOUT THE OFFICE OF INSPECTOR GENERAL

Creation of 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.
- Conduct whistleblower investigations.

Duties and Responsibilities of Inspector General

In carrying out our responsibilities under *School Board Policies 1.092, 1.091 (Audit Committee), 2.61 (Fraud), 2.62 (Audit Recommendation and Follow-up)* and *3.28 (Whistleblower Protection)*, the OIG:

- Maintains an independent objective organization to conduct audits, reviews and investigations.
- Receives and investigates complaints related to our jurisdiction as granted by the above Board policies.
- Reports all possible criminal violations to School Police or the appropriate law enforcement agency.
- Submits audit, review 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.
- Refer matters to appropriate District offices for investigation or other actions related to collective bargaining agreements, employee performance and misconduct not related to fraud, waste, financial mismanagement, or fiscal misconduct and other abuses.
- Review all Board contract pertaining to Board funded projects, programs, and transactions.

The OIG reports directly to the School Board to ensure its 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 functional areas: audits, investigations, and compliance and quality assurance. Through our work, we strive for a culture of accountability, transparency, collaboration and excellence to assist the School Board and the Superintendent in their efforts to provide Palm Beach County students with a world class education.

SUMMARY OF OIG PERFORMANCE

FOR JULY 1, 2018 thru JUNE 30, 2019



Performance Audits & Special Reviews Carried Over from FY 17-18: **12**
Performance Audits & Special Review Reports Issued: **18**
School Audits Completed: **175**
Audit Findings: **591**
Audit Recommendations Issued: **691**
Increase in Revenues/Decrease in Cost: **\$775,205**
Questioned Costs/Expenses: **\$715,750**
Financial Impact of Audit Reports: **\$1,490,955**



Investigations Carried Over from FY 17-18: **14**
Investigations Opened: **41**
Investigations Closed: **22**
Matters Forwarded to Administrative Offices: **103**
Matters Submitted to Outside Agency(ies): **1**
Partial Referrals: **1**



HOTLINE CALLS

SOURCES OF COMPLAINTS:

Anonymous Complaints: **88**
Emails: **20**
Standard Mail: **5**
In Person: **10**
Direct Calls: **6**
Referred from Another Agency or Department: **3**



The Audit Unit of OIG conducts independent audits and reviews of District programs and operations. It also assesses compliance with laws, regulations, rules and Board policies and procedures, and evaluates internal controls. *Board Policy 1.092* authorizes the OIG to conduct “financial, compliance, performance, management, operational, electronic data processing or other audits of all departments, offices, activities, agencies, contracts, grants, procurements for goods, services, or construction, agreement, and other programs under the operation, control and supervision of the School District.”

District audit work is conducted in accordance with **Generally Accepted Government Auditing Standards (GAGAS)**. These standards require due professional care in conducting audits, professionally qualified staff, adequate supervision, planning of audit work, and reporting audit findings. Two major types of audits are performed by the OIG: Performance Audits and Financial and Compliance Audits.

The Florida Legislature continues to recognize the ongoing value of internal auditing in school districts. During the 2018 Florida Legislative Session, the Florida Legislature enacted Chapter 2018-5, Laws of Florida (Accountability), requiring school districts with federal, state, and local funds in excess of \$500 million to employ an internal auditor who is responsible for:

- Performing a **Comprehensive Risk Assessment of the District** every 5 years.
- Conducting **Audits and Reviews** to determine:
 - ◆ Adequacy of internal controls designed to prevent and detect fraud, waste, and abuse.
 - ◆ Compliance with applicable laws, rules, contracts, grant agreements, Board policies, and best practices.
 - ◆ Efficiency of operations.
 - ◆ Reliability of financial records and reports.
 - ◆ Safeguarding of assets.
 - ◆ Financial solvency.
 - ◆ Projected revenues and expenses; and
 - ◆ Rate of change in the general fund balance.

The 2018 legislation subjects persons responsible for furnishing or producing records for an audit or examination, who fail to do so, to first degree misdemeanor charges.

PERFORMANCE AUDITS, FINANCIAL AUDITS, AND SPECIAL REVIEWS

1. Special Review of the 2017 Hoodies Fundraiser Money Collection Records at Western Pines Middle School- Report No. 2018-05

In response to the principal's request, this special review was to determine if money collected for the school's Hoodies fundraiser was properly accounted for. This special review produced the following conclusions:

- A. *\$280 Removed from the School.* The review concluded that \$280 in cash collection and fundraiser documents were improperly removed from the school by the school office assistant. The money was later returned back to the school.
- B. *Noncompliance With Money Collection Procedures.* Money collection procedures were not followed due to:
 - Individuals collecting money did not complete the Monies Collected Reports (MCRs).
 - MCRs were prepared by Non-District Employee; i.e. the school's PTO.

The report was referred to the Office of Professional Standards for future actions if needed.

2. Special Review of Community School Fee Collections At Palm Beach Lakes High School—Report No. 2018-06

The primary objective of this special review was to determine if the school's Community School Program fees for Fiscal Year 2017 were properly accounted for. The review produced the following major conclusions:

- A. \$2,486 in Collections Unaccounted For. Money missing included \$1,326 in cash and \$1,160 in 16 checks.
- B. \$4,197 ActiveNet Payments Missing, But Recouped by the School. As confirmed by ActiveNet, the District's outside vendor, that collects Adult Ed program fees, six checks totaling \$5,324.55 were mailed to the school during Fiscal Year 2017. However, only two checks totaling \$1,127.49 were deposited into the school's Internal Funds; and \$4,197.06 (\$5,324.55 - \$1,127.49) in four checks were not cashed by the school.

In response to OIG's request, ActiveNet sent the school a \$4,197.06 replacement check. After OIG's coordination with the Accounting Department, all future payments by ActiveNet will be deposited directly into the School District's account effective January 2018.

- C. Attendance Rosters Not Maintained. The Community School did not maintain student attendance rosters. Without complete records, there is no assurance that all program fees were properly collected and accounted for.

3. Audit of TRIRIGA Work Order System—Report No. 2018-07

Pursuant to the Office of Inspector General's 2017-18 Work Plan, the OIG has audited the TRIRIGA Work Order System. The primary objectives of this audit were to (1) determine whether the purchase and use of maintenance parts were supported by Maintenance Works Orders, (2) assess the adequacy of controls for maintenance parts inventory management, and (3) evaluate the adequacy of access controls for the TRIRIGA System. This audit produced the following major conclusions:

- A. Purchases of Maintenance Parts and Supplies Properly Processed. During Fiscal Years 2014 through 2018, Facilities Services Department spent an average of \$6 million per year in parts and supplies for completing the District's Maintenance Work Orders. The review of 110 random sample purchases (totaling \$232,801) concluded that these purchases were processed with supporting documentation, correct pricing, and supervisor approvals.
- B. Regular Review of Access Needed. Two employees who were transferred to other departments still had access to create work orders in the TRIRIGA System. TRIRIGA access should be reviewed regularly; and employee access should be revoked immediately after the employee has been transferred to another department or terminated.
- C. Written Procedures Needed for Management of Maintenance Parts and Supplies Inventory. The department did not have written procedures for documenting the ordering, receiving, verification of vendors' billing, and crediting of parts inventory.

4. Special Review of Galaxy Elementary School Afterschool Program Revenue Collections—Report No. 2018-08

The primary objectives of this special review were to determine (1) if students who attended the enrichment activities were registered in the School Afterschool Program (ASP), and (2) if all ASP revenues were collected and accounted for. This special review produced the following major conclusions:

- A. Students Not Registered in Afterschool Program (ASP), But Allowed to Participate in the Program. The school's ASP provides several enrichment activities and is funded in part by grants, fundraising, donations, and fees collected from participants.
 - 22 Non-ASP students participated in the program. Two of the 22 non-ASP participants were students from a nearby middle school; the other 20 non-ASP participants were students from Galaxy E3 Elementary.
 - \$38,203 in estimated revenues uncollected. Program fee should have been collected from the non-ASP students for August 2016 through March 2017.
- B. Uncollected Fees. Each ASP student is required to pay a \$25 registration fee. Review of records for the period November 1, 2016, through March 15, 2017 revealed that inaccurate registration fees and subsidy credits information was maintained in the EZ Care database. Specifically,
 - \$3,026 in subsidy credits was mistakenly issued to a student
 - \$250 in ASP Registration Fees was unaccounted for

- C. Missing Records for Student Attendance and Parent Sign-Out. According to the ASP Site Director and the November 12, 2016, *Boca Raton Police Report*, someone stole the ASP records from the site director's car on November 12, 2016, while the car was parked in a movie theater parking lot. The site director said she took the documents home from the school in order to do some work. Because of the missing records, the OIG was unable to (1) determine the number of students who participated in the ASP, and (2) estimate the program revenues for the period of August 15 through October 31, 2016. Therefore, the OIG was not able to ascertain if all program revenues were collected and accounted for.

5. Special Review of Community School Fee Collections at Palm Beach Gardens High School - Report No. 2018-09

During the Fiscal Year 2017 Internal Funds Audit of the school, significant discrepancy was noted between the Community School Program fee collection records and the Internal Funds deposit records. The primary objective of this special review was to follow-up on the issues identified during the 2017 Audit, mainly to determine if Community School Program fees were properly accounted for. This special review produced the following major conclusion.

\$3,063 in Cash Collections Unaccounted For. Because of the noted discrepancy, the OIG examined all the fee collection records for Fiscal Year 2017. According to the ActiveNet's *Cash Distribution By Account (Summary) Report*, the school's Community School Program should have collected a total of \$10,332 in fees at the school during Fiscal Year 2017. However, only \$7,269 was recorded as deposits into the school's Internal Funds. Consequently, \$3,063 (\$10,332-\$7,269) in program fees were unaccounted for.

6. Audit of the Competitive Solicitations Process (For Projects Funded by the One-Penny Sales Tax [of which half goes to District] - Report No. 2018-10

Pursuant to the Office of Inspector General 2017-18 Work Plan, the OIG has audited the competitive solicitation and award process for six selected projects funded by the one-percent local sales tax. The audit objective was to assess the extent of compliance with State Statutes, State Board of Education Rules, and School Board Policies, procedures, and guidelines. These collective guidelines are to promote competition, transparency, and accountability in solicitation, selection, and award of contracts. The audit produced the following major conclusions:

- A. Solicitation and Award Process Compliant with 12 Key Attributes Required by Chapter 287.055 F.S. Section 119,0701 F.S. Florida Administrative Code 6A-1.012, SREF (Sect 4), School Board Policy 6.14, and the Purchasing Manual. The OIG reviewed six selected contract awards funded with local sales tax proceeds, and evaluated the competitive solicitation and award processes. The OIG concluded that the solicitation and award processes for the six selected contracts were substantially in compliance with the 12 key attributes required. These 12 attributes included:

- Adequate public notice/advertisement of solicitation;
- Proposals requested from three or more sources;
- Bid tabulations supported the contract award; and
- Participation of Minority Women Business Enterprises (M/WBE) or Small Business Enterprises (SBE), etc.

- B. Unbalanced-Bid Noted in One Invitation to Bid (ITB). Review of the awarded contract for chain link fencing (Bid# 17C-50W) revealed unusually low prices for many bid items. The vendor's proposal includes 152 different types of fencing/hardware. OIG noted 43 (or 28%) of the 152 items were significantly under-quoted at \$1.00 per unit. When the unusually under-quoted items are not ordered by the School District, the overall total price of the vendor's proposal may not be as low as presented. This practice undermines the competitive solicitation process and will not result in the lowest overall cost to the District. This practice would also discourage other legitimate vendors from submitting competing bids. This was confirmed by three vendors in the area who did not submit their bids because of the under-quoted prices by the one vendor.

Also, OIG noted the ITB stated the need for a primary and a secondary vendor; but Purchasing awarded the contract to the one vendor rather than re-advertising the bid to ensure a secondary vendor was available to meet the fencing needs of the District.

Unusually low prices (i.e. \$1.00 per unit quoted for fencing) is an unbalanced bid and should be re-evaluated further in depth by staff before contract is awarded.

- C. Evaluation Committee Meeting Not Properly Noticed. On November 1 and 2, 2017, the Evaluation Committee Meetings for ITN 18C-010J-Underwriting Services were held without providing reasonable public notice as required by Florida Statute 286.011, the Sunshine Law. The November 1, 2017 Evaluation Committee meeting

was not noticed; and approximately a one-hour notice was provided in advance of the November 2 meeting. The Sunshine Law requires the public to receive "reasonable notice of all such meetings."

7. Audit of Adult Education Program-- Report No. 2018-11

Pursuant to the *Office of Inspector General's (OIG) 2017-18 Work Plan*, we have audited the Adult Education Program for July 1, 2015, through December 31, 2017. The primary objectives of the audit were to (1) ascertain the accuracy of student enrollment and attendance reporting for adult general education classes, and (2) determine whether employee work hours paid by Workforce Development Funds were spent on services supporting the Adult Education Programs. This audit produced the following major conclusions.

- A. Improvement in Attendance Reporting Accuracy. OIG review of 315 sample student attendance records for Fiscal Years 2016 through 2018, and the information reported to the Florida Department of Education (FDOE), noted that the reporting of attendance had improved significantly. Specifically, the reporting errors of sample students that had errors decreased from 49% in FY16 to 13% in FY17, and 9% in FY18. The over-reported hours had decreased from 14% in FY16 to 2% in FY17, and 3% in FY18.
- B. Causes for Over-Reporting Errors in Instructional Contact Hours. Our testing of 315 sample students for Fiscal Years 2016 through 2018 found errors for 95 students (30% of sample), which resulted in a total of 2,064 overstated instructional contact hours. The causes for the over-reporting errors included: (1) incorrect enrollment dates, (2) students did not attend the enrolled courses, (3) incorrect course withdrawal dates, and (4) schools failed to administratively withdraw students after six consecutive absences.
- C. Payroll Expenditures Appeared Reasonable. During Fiscal Years 2015 through 2017, the Adult Education Program incurred a total of \$38,530,523 in payroll expenses. We reviewed the payroll records for 150 sample employees, totaling \$1,327,831 in payroll expenses, during this three-year period.

Our review concluded that the reported work hours appeared reasonable, except that 80.47 work hours (amounted to \$1,075.50, or 0.08%) unrelated to the Adult Education Program were incorrectly charged to the Adult Education Programs at two schools. These errors may have occurred if the employee inadvertently selected the incorrect job number on the time collection device when clocking in and out at work.

- D. Updated Adult Education Procedures Manual Needed. Prior to the implementation of the new Student Information System (SIS) in Fiscal Year 2018, the Adult and Community Education Department had an *Attendance Procedures Manual* on the Department's SharePoint site. However, this manual became obsolete and was not updated after the implementation of the new SIS system. The lack of complete and consistent written procedures increases the chance of reporting errors.

8. Special Review of 2017 Summer Camp Fee Collections at Banyan Creek Elementary School - Report No. 2018-12

During the *Fiscal Year 2017 Internal Funds Audit* of Banyan Creek Elementary School, significant discrepancies were noted between the 2017 Summer Camp fee collection records and the Internal Funds deposit records. As a result, the Office of Inspector General (OIG) initiated a special review to determine if the 2017 Summer Camp fees were properly accounted for. This special review produced the following major conclusions.

- A. \$5,570 Missing. Based on the review of the school's Internal Funds and Credit Card Payment records, and the available student registrations and attendance records, the OIG concluded that an estimated \$5,569.93 in program fees were missing. During interviews by School Police, the school's former Afterschool Site Director admitted that she had taken some of the Summer Camp monies from the school.
- B. \$2,423 in Lost Revenue through Misapplied Subsidy Credits. The examination of the Early Learning Coalition subsidy credits in the EZ-Care2 database for the 2017 Summer Camp Program noted that some subsidy credits were incorrectly recorded in the database, resulting in a loss of \$2,423.24 in program revenue.

The report was referred to the School Police Department for future investigation. Subsequently, School Police forwarded its investigation report to the State Attorney's Office for further actions.

9. Special Review of 2018 Internal Funds at Jupiter Middle School-- Report No. 2018-13

This special review was performed in response to the request of the Principal of Jupiter Middle School and the referral from the Department of Accounting Services. The primary objectives of this special review were to assess the compliance with District's procedures in handling money collection, fundraising, disbursements, leasing, and consultant engagements during Fiscal Year 2018. This special review produced the following major conclusions.

A. Noncompliances With Money Collection Procedures

- 23% of Yellow Copies of MCRs Missing or Not Retained by Staff. Only 1,077 (77%) of the 1,391 yellow copy *Monies Collected Reports* (MCRs), totaling \$246,733.44, were available for our review. The other 314 (23%), totaling 84,106.51 (25% of the total deposits), were missing or not retained by staff.
- No Money Missing for Available Yellow Copies of MCRs. Based on the review of the 1,077 yellow copies of MCRs, the OIG concluded that all \$246,733.44 collected was reconciled to the deposit records and General Ledger. However, because 23% of yellow copy MCRs were not available or missing, there was no assurance that the collections for the unavailable MCRs were properly accounted for.
- Lack of Accountability for Returning Monies Collected to Sponsors. Numerous collections were marked “no deposit” and not ready for deposit were returned to the sponsors for clarification. However, there were no records to document that the monies were returned to, and received by, the sponsors accordingly.

B. 27% of Transfers/Adjustments Among Activity Accounts Lacked Justification. During the year, 139 *Transfers* occurred, with \$113,645.82 being transferred between various accounts. The review of these *Transfers* noted that:

- 38 (or 27%) *Transfers* (for \$12,082.61) did not have adequate supporting documentation.
- Two *Transfers* inappropriately moved \$130 from student activity accounts to the Administrative Courtesy Account (#6-0200.00).

C. Noncompliances With Fundraiser Procedures. The sponsors of three sample fundraisers did not complete the required Annual eLearning Fundraiser Training Course prior to conducting the fundraiser activities. Moreover, \$2,070 (21%) in estimated revenue was unaccounted for in the Uniform Sales Fundraiser.D. Noncompliances With Disbursement Procedures. During Fiscal Year 2018, a total of \$460,105.90 in 638 check disbursements were processed through the school’s Internal Funds, and \$59,077.73 in purchases were made through 340 P-Card transactions. The OIG reviewed 240 sample transactions totaling \$223,279.42 (\$199,675.40 in 119 checks and \$23,604.02 in 121 P-Card transactions) and noted:

- 38 school checks were voided during July 1, 2017, through April 7, 2018. Of the 38 voided checks, 11 were blank checks pre-signed by the treasurer; 10 were missing; and 18 were not defaced.
- The treasurer did not record the check number and check date on the *Check Requisitions*. Additionally, the supporting documentation, such as invoices and receipts, were not defaced in order to prevent potential duplicate payments.
- 15 P-card transactions (totaling \$2,428.02) by one staff did not have any supporting documentation for the purchases. Another six P-card purchases (totaling \$2,239.84) in food items did not have the explanation of business or educational purpose.
- A \$1,196.89 P-Card purchase was split into two smaller transactions: \$897.70 and \$299.19. P-Card purchase exceeding \$1,000 per day should be pre-approved by the Purchasing Department.
- Disbursement #14143 (for \$699.80) was for a deposit to reserve a pavilion at a local water park and a catered lunch. However, the accompanying *Catered Outing Agreement* was signed by the sponsor instead of the Principal.

E. Engagement of Consultants

- Five consultants, for a total of \$3,905, were engaged by the school without the required *School District Consultant Agreements* (PBSD 1420).
- One *Consultant Agreement*, for \$2,500, did not have the Principal’s signature; and the consultants’ signatures (totaling \$2,835) were not dated for another two *Agreements*.
- A June 2, 2017, *Consultant Agreement* with a contract price of \$8,000, exceeded the \$5,000 threshold, but did not have the signatures of the Regional/Instructional Superintendent, Deputy Superintendent, or Superintendent. In addition, none of the seven payments (totaling \$8,000) were supported by invoices documenting the dates and hours of services.

F. Leasing of School Facilities

- Four *Agreements* were neither signed by the lessees nor the witness; three were not approved by the

Principal until two to 11 days after the leasehold periods began; one was not signed by the lessee until 22 days after the leasehold period began; and two did not have the witnesses' signatures.

- The *Certificates of Insurance* for Lease #1034 did not include the School Board as an additional insured.
- The school did not have hard copies of the executed *Lease Agreements* for eight of the 36 leasing arrangements as recorded in the Tririga System during the year.
- Leasing charges were not always collected prior to the use of facilities by lessees. Specifically, as of June 30, 2018, \$20,571.20 in leasing charges had not been collected for eight leases; and \$4,298.96 in leasing charges for three leases were not collected prior to the use of facilities with delays ranging from 12 to 22 days after the leasehold periods began.

G. Morning Care Programs

- 10 students attended the Morning Care Program free-of-charge (estimated \$14,078.12) without documentation of Principal's approval/justification.
- Based on the available *Record of Payment Forms (PBSD 1652)*, the school collected a total of \$19,042.45 in program fees during the year. However, a total of \$26,902.88 in program revenues were deposited into the school's Internal Funds. According to staff, the discrepancy was due to some program fees collected via online payments but were not recorded on the *Record of Payment Forms*.
- The school did not transmit the fees to the Central Office monthly as required. Instead, the fees were transmitted only three times during the year.

10. **Audit of Crisis Response Plans for District Schools - Report No. 2019-01**

Pursuant to the *Office of Inspector General's (OIG) 2017 and 2018 Work Plans*, we have audited the Crisis Response Plans of District Schools for Fiscal Years 2015, 2016, and 2017. The primary objective of this audit was to determine if the School Crisis Response Program was handled in accordance with the requirements of (1) *School Board Policy 2.38*, (2) *Florida Statutes 1001.41* and *1006.07*, and (3) Florida Department of Education Rule – *Statewide Policy for Strengthening Domestic Security in Florida's Public Schools*. These requirements include annual submission of *Crisis Response Plans* by all schools, level of preparedness, and emergency drills conducted at schools, etc.

Due to this audit including information related to the security system plans of District schools, the audit report is a confidential and exempt document pursuant to *Sections 119.071(3)(a) and 281.301, Florida Statutes*.

11. **Audit of Payroll System - Report No. 2019-02**

Pursuant to the *Office of Inspector General's (OIG) 2017-18 Work Plan*, we have audited the District's Payroll System for the period July 1, 2015, through June 30, 2018. The primary objectives of this audit were to (1) evaluate the adequacy of controls for payroll processing, (2) determine the completeness of personnel records and forms for newly hired employees, and (3) determine the accuracy and timeliness in processing payroll adjustments. The audit produced the following major conclusions:

A. Adequate Internal Controls

OIG performed tests to determine if controls were adequate in ensuring (a) paychecks were issued to legitimate employees, (b) newly hired employees had valid social security numbers, (c) critical staff duties were segregated, (d) off-cycle payrolls were handled accordingly, and (e) salaries for newly hired employees were set properly. The tests revealed no exceptions in the above areas, and the controls appeared adequate.

B. Some Personnel Records/Forms Missing for New Employees

During Fiscal Years 2017 and 2018, the District hired 6,405 and 6,058 new employees respectively. OIG reviewed the personnel records for 60 sample new employees to determine if the new employment documentation was complete and salary information was accurate. We noted that some required records/forms were missing for 12 of the 60 sample new employees. Missing forms included one *Employment Reference Verification Form*, six *Public Record Exemption Forms*, four *Online New Employee Orientation (NEO) Forms*, and one *Collection & Use of Social Security Collection Notice*.

C. Payroll Overpayments

The District spends approximately \$1.1 billion in payroll per year. According to the Accounting Services Department, a total of \$476,665 in payroll overpayments occurred during Fiscal Years 2016, 2017, and 2018: \$157,024 in Fiscal Year 2018, \$167,375 in Fiscal Year 2017, and \$152,226 in Fiscal Year 2016. As of November 30, 2018, the District had recouped \$350,519 (74%) of the \$476,665 overpayments from current and former employees.

Based on the District's *Fringe Benefit Rate Schedules*, the District also incurred \$73,669 in additional expenses in the Florida Retirement System "FRS" contributions, and Social Security & Medicare taxes due to payroll overpayments. Consequently, total overpayments, including fringe benefits, were \$550,334 (\$476,665 + \$73,669) during Fiscals Years 2016 through 2018.

The recoupment of overpayments from active employees is being handled through the District's PeopleSoft Payroll System which would automatically adjust the fringe benefits expenses paid by the District. As a result, as of November 30, 2018, the remaining overpayments in fringe benefits, were \$19,573 and the remaining total overpayments including fringe benefits were \$145,719 (476,665 - \$350,519 + \$19,573).

The \$183,445 (\$550,334 ÷ 3) in average payroll overpayments per year was about 0.02% of the District's average annual payroll of \$1.1 billion.

D. *Retroactive Pays Processed Timely*

During Fiscal Year 2018, the Payroll Section processed a total of \$13,015,346 in 23,892 retroactive pays due to pay rate adjustments. The OIG reviewed the calculations of retroactive payments, totaling \$34,509.12, for 30 random sample employees. The review concluded that all sample retroactive payments were timely processed.

E. *Access to PeopleSoft Not Timely Removed from Four Terminated/Transferred Employees*

As of April 12, 2018, a total of 135 persons (31 District employees at six locations, and 104 employees at 45 charter schools) had access to update salary information screens in the PeopleSoft System. The review of these 135 users revealed that access to the PeopleSoft System was not timely removed for four transferred/terminated employees.

12. Review of District Vehicle Drivers' License Verification Process - Report No. 2019-03

The OIG has reviewed the District Vehicle Drivers' License Verification Process. This review was performed as a follow-up on the April 21, 2017, Audit of District's Take-Home Vehicles (Report# 2017-02). The primary objectives of the review were to (1) assess the adequacy of procedures in verifying driver license information, (2) determine if school bus drivers and drivers of assigned District vehicles had valid licenses, (3) determine the extent of compliance in self-reporting traffic violations, and (4) determine if complete and updated driving records of all District vehicle drivers were included in the *2017 and 2018 Motor Vehicle Records (MVR) Driving Reports*. This review produced the following major conclusions:

A. *School Bus Drivers' Records Being Monitored by the School District*

The OIG verified that all bus drivers were included in the *Florida Department of Education School Bus Driver Records System* database for District's review and monitoring in accordance with School Board Policy 3.21(2) (d) and State Board of Education (SBE) Rule 6A-3.0141(4).

B. *Review of Bus Driver Infractions Needed to be Expedited*

The OIG found that penalty points were assessed accordingly for those bus drivers with infractions; and appropriate disciplinary actions were taken. However, the review also noted that the time in notifying the affected employees with driving infractions ranged from 68 days (2.3 months) to 204 days (6.8 months) after the infractions; and the time for completing the disciplinary actions ranged from 83 days (2.8 months) to 214 days (7.1 months) after the infractions. The School District should expedite the process in reviewing traffic infractions of bus drivers for disciplinary actions in accordance with the Safe Driver Standards.

C. *License Information Not Monitored for Some Drivers of District Vehicles*

1. Results of March 8, 2017, OIG's 1st Follow-Up.

- Of the 51 take-home vehicle drivers that were not included in the July 25, 2016 MVR database, none of them were in the March 8, 2017 MVR database.
- Of the 340 pool-vehicle drivers, 45 (or 13%) of them were not in the MVR database.

2. Results of June 19, 2018 OIG's 2nd Follow-Up.

- Of the 51 take-home vehicle drivers not included in the March 8, 2017, MVR database, 24 (47%) of them were still not included in the June 19, 2018 MVR database.
- Of the 45 pool-vehicle drivers not included in the March 8, 2017 MVR database, 19 (42%) of them were still not included in the June 18, 2018 MVR database.

D. No Safe Driver Standards for White Fleet Vehicle Drivers

The current District's Safe Driver Standards (dated April 26, 2012) apply only to school bus drivers. Except for self-reporting of certain traffic violations as required by School Board Policy 3.13, there is no driver safety program for drivers of District take-home vehicles and pool vehicles (i.e., white fleet).

- Traffic violations committed by non-bus drivers were not monitored.
- 10 (or 77%) of the 13 sample employees did not self-report traffic violations to their immediate supervisors.

13. Review of Money Collection at U.B. Kinsey/Palmview Elementary - Report No. 2019-04

Pursuant to the *Office of Inspector Generals (OIG) 2017-18 Work Plan* and in response to the referral from the District's Accounting Services Department, the OIG has reviewed the deposit records and money collection procedures at U.B. Kinsey/Palmview Elementary School for Fiscal Year 2018. The primary objective of this special review was to determine whether the money collected was properly processed and deposited accordingly by the school treasurer. The review produced the following major conclusions:

A. Collections Deposited With Minor Discrepancies

The OIG performed an unannounced cash count at the school on May 18, 2018; and compared the cash count results to the deposit records on SchoolCash.net (General Ledger) on May 21, 2018. The cash count concluded that no money was missing, except a \$47.76 (shortage) discrepancy was noted.

B. Nine Pages of Drop-safe Log Missing

The OIG reviewed all available Drop-safe logs and found that nine pages were missing. Since nine pages of the original Log were missing, there was no assurance that all the collections had been properly deposited into the Internal Funds.

C. Noncompliance With Drop-safe Log Procedures

Section 2 of the Drop-safe Log was initialed by both the treasurer and the school secretary (acting as verifier), although the PeopleSoft System indicated the school secretary took sick leave on the transaction day (January 12, 2018).

Removal of collections was not confirmed by staff verifier.

Verification of *Section 3* of the Log was not properly completed. There was no independent confirmation that collections recorded on those pages were deposited into the Internal Funds by the treasurer.

D. Collections Not Deposited Timely or in the Order Put in the Safe

Our review of the *Drop-safe* Log found \$7,983.68 in collections recorded on six pages of the Log were not deposited timely into the Internal Funds or not in the order they were put in the safe.

E. Information Changed on Monies Collected Reports Inconsistent With Manual

The information for collection and the total dollar amounts for deposit listed on 39 (or 4%) of the 883 *Monies Collected Reports* (MCRs) were changed after the treasurer counted the monies. The changes on the MCRs were not made in a manner consistent with the Internal Accounts Manual.

F. 13% of Yellow MCRs Unavailable for Review

Seventy-four (74) yellow copies of MCRs, totaling \$18,310.38, were not available for OIG review. These 74 MCRs were either missing or not retained by staff.

14. Special Review of Okeeheelee Middle School Yearbook Collections-- Report No. 2019-05

In response to the Principal's request, the OIG has reviewed the Internal Accounts records for the 2018 Yearbook Sales and 2018 Candy Sales collections at the school. The primary objectives of this review were to determine (1) whether all monies collected from both fundraisers were properly accounted for, and (2) the extent of compliance with money collection procedures. This special review produced the following major conclusions:

A. \$2,983 Missing

The OIG analyzed all the fundraiser records and available money collection records for the 2018 Yearbook Sales and the associated Candy Sales. The analysis concluded that a total of \$2,983 was missing: \$2,112 missing from Candy Sales, \$671 from Yearbook Sales, and \$200 from eight collections from eight *Classroom receipts*.

B. Noncompliances with Money Collection Procedures

The review also noted the noncompliances with the District's money collection procedures. The sponsor-teacher (a) did not timely turn-in collections for deposit, (b) did not retain all the yellow copies of the *Monies Collected Reports* (MCRs) and *Official Receipts*, and (c) did not complete the MCRs with all the required information.

C. Noncompliances with Fundraising Procedures

The sponsor-teacher did not complete the required online Annual Fundraiser Training Course. *Sales Item Inventory Report* for the Candy Sales was not completed with accurate information. Thirty-four yearbooks with a total resale value of \$1,020 were given-away free-of-charge without proper documentation and approval.

15. October 8, 2018, Unannounced Cash Counts at Five Sample Schools-- Report No. 2019-06

Pursuant to the *Office of Inspector General's (OIG) 2018-19 Work Plan*, we have performed unannounced cash counts at five sample schools on October 8, 2018. The primary objectives of this audit were to determine (1) if all the monies in the drop-safe and change funds were properly accounted for, and (2) the extent of compliance with District procedures for money collections. The five randomly selected sample schools included Barton Elementary, Boca Raton High, Jupiter High, Spanish River High, and Wellington High.

A. No Money Missing in Four Schools, and \$25 Missing in One School

Four schools were found with no money missing; and \$25 in change fund was missing at Spanish River High School. Three of the schools (Boca Raton High, Jupiter High, and Wellington High) had football games on campus on the Friday (October 5) prior to our visit. The cash counts included both change funds and all the collections in the drop-safe awaiting processing and deposit into the bank.

Subsequent Testing. Subsequent to the October 8, 2018, unannounced cash counts, the OIG verified bank deposit records for the five schools and concluded that all collections were properly deposited into the bank.

B. No Findings for Two Schools, Minor Noncompliances Noted in Three Schools

The unannounced cash counts revealed no findings for Barton Elementary and Boca Raton High Schools. Several minor noncompliances were noted for Jupiter, Spanish River, and Wellington High Schools.

16. Audit of Afterschool Programs' Revenue Collections and Expenditures - Report No. 2019-07

Pursuant to the *Office of Inspector General (OIG) 2017-18 Work Plan*, the OIG audited the Afterschool Programs' Revenue Collections and Expenditures for Fiscal Year 2018. The audit produced the following major conclusion:

A. Revenues

- ◇ Program revenues appeared reasonable
- ◇ All collections were accounted for
- ◇ Attendance properly recorded in seven schools, with one student not on record in one school
- ◇ High accounts receivable balances for some schools

B. Expenditures

- ◇ No exceptions for non-salary expenditures
- ◇ Seven (88%) of eight sample schools' work hours within 6% of scheduled hours
- ◇ Some schools have higher staff-to-student ratios

17. Supplemental Information – Analysis of Accounts Receivable Aging for Afterschool Programs - Report No. 2019-07A

The *Audit of Afterschool Programs' Revenue Collections and Expenditures (Report #2019-07)* was presented to and approved by the Audit Committee at its March 15, 2019, meeting. At the meeting, the Audit Committee requested, supplemental analysis for the fee receivables aging. The analysis produced the following conclusions:

A. \$433,655 (89%) of the \$488,574 Receivables Considered Inactive/Removed Accounts

Active: For students who are currently enrolled in the afterschool program (\$54,918; 11% of receivables).

Inactive: For students who attended the past two years, but are not currently attending the school. (\$283,306; 58% of receivables).

Removed: For students who have been inactive more than two fiscal years (\$150,349; 31% of receivables).

B. Afterschool Program Fees Should be Paid in Advance as Required

During Fiscal Year 2018, 94 schools collected a total of \$33,143,191 in Afterschool Program fees. Thirteen (13) of the 94 schools had no receivable balance from the active student accounts. The remaining 81 schools had a total active receivable of \$54,918 (0.17%) from 812 accounts as of June 30, 2018. Total active receivables by schools ranged from \$4.14 at North Grade Elementary to \$6,310.68 at Freedom Shores Elementary.

18. January 7, 2019, Unannounced On-Site Observations of School Bus Safety Devices - Report No. 2019-08

Pursuant to the *Office of Inspector General's (OIG) 2018-19 Work Plan*, and as part of the follow-up of the *Audit of School Bus Safety Devices (Report #2017-03)*, the OIG has performed unannounced observations of 60 sample school buses' safety devices on January 7, 2019. The primary objective of these unannounced observations was to determine if the safety devices on school buses were in working condition. These safety devices OIG observed included child reminder systems, student crossing arms and stop sign signal arms, and video camera monitoring systems.

Comparing to the results of the 2016 Audit, substantial improvements were noted in the District's maintenance of school bus safety devices. This review produced the following three major conclusions:

A. 10 Non-Working Safety Devices Found in Nine (15%) Sample Buses; Observations Found No Manual Tampering

The unannounced inspections revealed that nine (15%) of the sample 60 buses had 10 non-working safety devices, compared to 46% noted in the 2016 Audit. There was no manual tempering in the Child Reminder Systems, compared to 35% of the samples with manual tempering noted in the previous audit. A subsequent inspection of the specific buses with non-working safety devices indicated that the devices were repaired.

B. Mandatory Safety Inspections Completed.

The mandatory safety inspections for all the sample buses were performed within the 30-day interval as required by law.

C. Eighteen percent (18%) of Reports Not Available for Daily Bus Driver and Attendant Pre/Post-trip Inspections

At the April 19, 2019 Audit Committee Meeting, the Committee reviewed and recommended the approval of Report #2019-08 January 7, 2019 Unannounced On-site Observation of School Bus Safety Devices.

19. FY2018 Annual Internal Funds Audit-- Report No. 2019-09

As required by State Board of Education Rules, the OIG has audited the Internal Fund Accounts for all the 175 schools for Year Ended June 30, 2018. The Audit produced two positive conclusions and findings in four areas: Disbursements, Money Collections, Leasing of School Facilities, and Segregation of Duties.

A. Schools with No Significant Noncompliances:

- 47 Schools had no significant noncompliance.
- Nineteen (19) of them also had no significant noncompliances for Fiscal Year 2017 Audits (two consecutive years).
- Four (4) of them had no significant noncompliances for Fiscal Years 2016, 2017, and 2018 Audits (three consecutive years): Northboro Elementary, Palm Beach Virtual, Pine Jog Elementary, and Waters Edge Elementary.

B. Updates to Procedures Implemented By Management:

Since the prior year's Audit, the District has implemented several new procedures to further enhance the controls and efficiency of financial management:

- Document Custodian Supplement
- Scanning of Drop-safe Logs
- Internal Accounts Best Practices Reference Guide for Principals
- Documenting Fundraiser Give-Away Items

C. Findings In Four Areas

1. Disbursements

- Disbursements Not Properly Documented or Approved
- Vendors Performed Services on Campus Without Consultants Agreements
- 2. Money Collections
 - Cash Collections and Deposit Not In Compliance with Procedures
 - Monies Not Deposited Timely
 - Inadequate Fundraising Documentation
 - * No Annual Online Training
 - * Insufficient/Lack of Documentation
 - * Inaccurate Information
 - * Lack of Principal's Authorization
 - Lack of Documentation for Fundraising Give-Away Items
- 3. Leasing of School Facilities
 - Lease Agreement Not Properly Signed
 - Late Payment from lessees
- 4. Segregation of Duties
 - Staff Performing Incompatible Duties





ORGANIZATIONAL FUNCTIONS AND STRUCTURE

Investigations are conducted by the Investigations Unit of the Office of Inspector General (OIG). They are conducted in accordance with the quality and quantitative standards as set forth in the *Association of Inspectors General Principals and Standards for Offices of Inspector General*.

The Investigations Unit works to deter, detect, and investigate fraud, waste, abuse, or other misconduct adversely impacting the School District. The unit receives inquiries or complaints through a variety of means: the OIG Hotline, emails, telephone calls, letters, in person statements, Florida Department of Education, or other entities.

All complaints are reviewed to determine whether the complaints fall within the jurisdiction of OIG or should be referred to another District office. For all matters referred to other District offices, the OIG obtains periodic updates on the status of the complaints.

Complaints submitted to, or filed with, the Inspector General, may come from various sources: students, employees, parents, District vendors or contractors, and other members of the public. The complaints may include a wide range of alleged wrongdoing and may include allegations of more than one type of misconduct committed by an individual, District office, or District vendor or contractor. Even as an investigation proceeds, there may be new allegations of wrongdoing which come to light. Other individuals, District offices or District vendors or contractors may become a part of the investigation. Pursuant to Board Policies 1.092, 2.62 and 3.28, wrongdoings that fall under the jurisdiction of the Inspector General include:

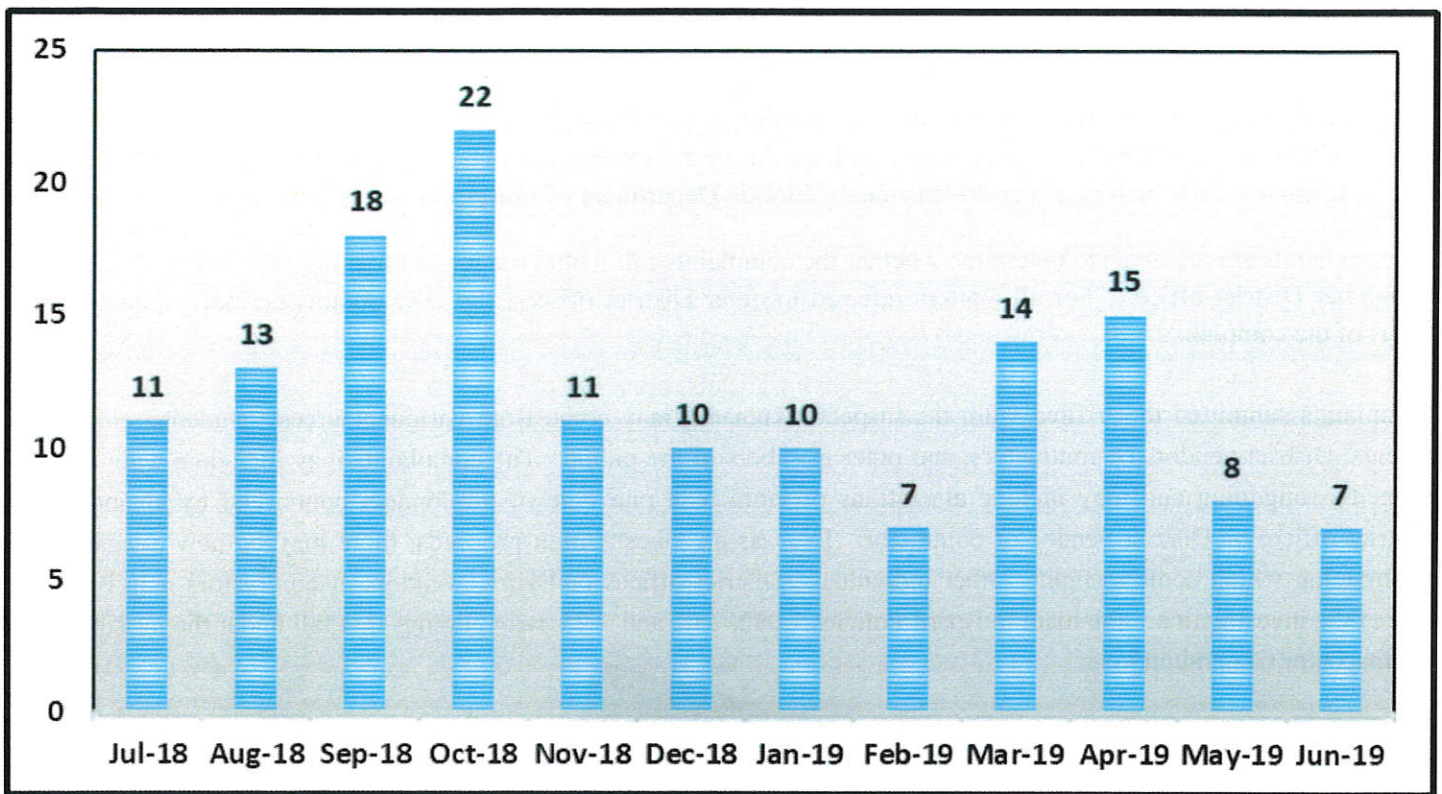


STATISTICAL SUMMARIES for July 1, 2018 through June 30, 2019

For FY 2018-2019, the OIG's Investigations Unit received and processed 146 complaint intakes, completed 18 preliminary reviews, and released 22 Investigative reports. Whereas, in FY 2017-2018, the unit received and processed 155 complaint intakes.

COMPLAINT STATISTICS

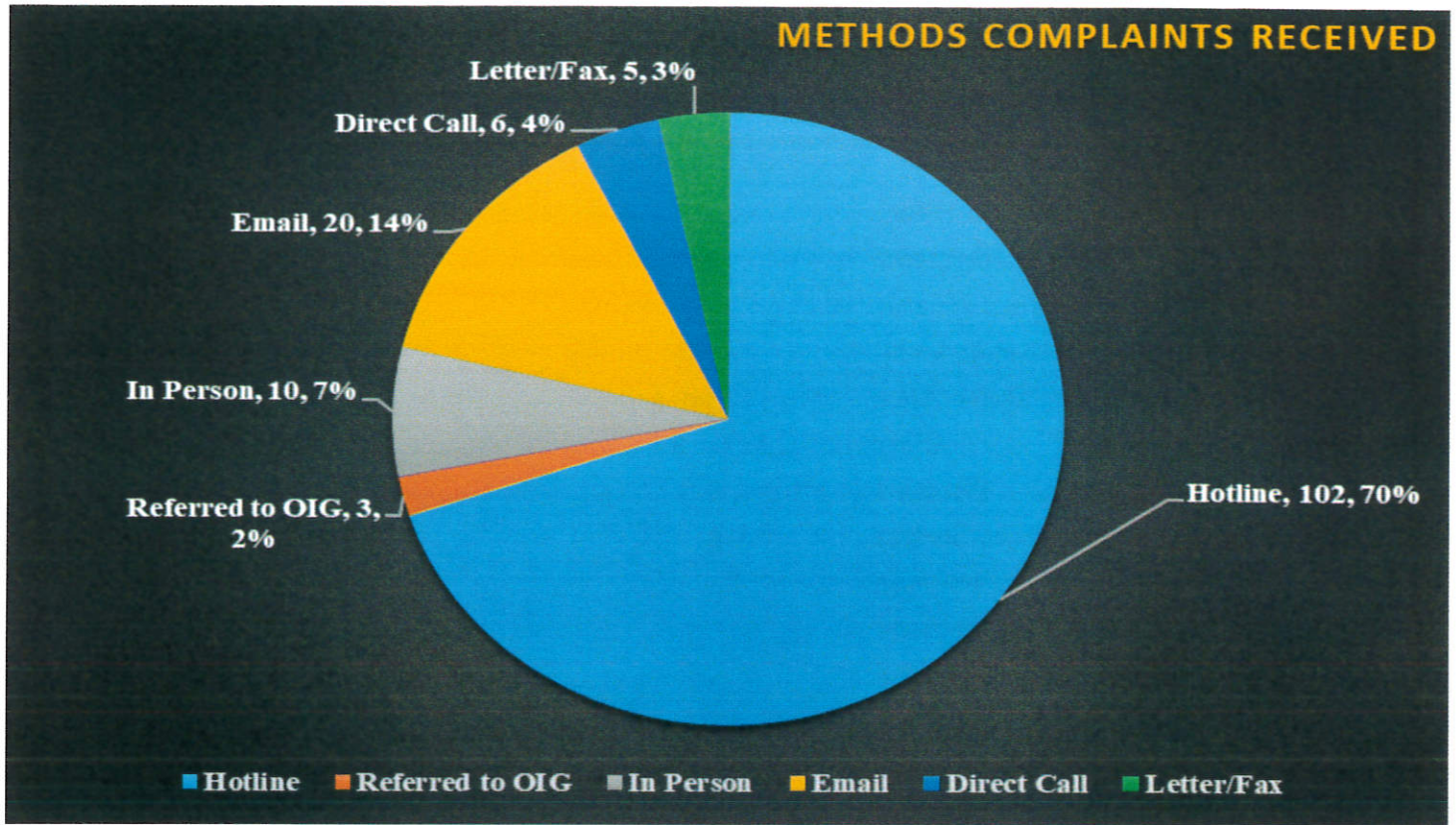
A monthly breakdown of the 146 complaints received this fiscal year is provided below. Months with the largest number of complaints are September 2018, December 2018 and April 2019. Less than ten complaints were received during the months of February 2018 and May/June 2019.



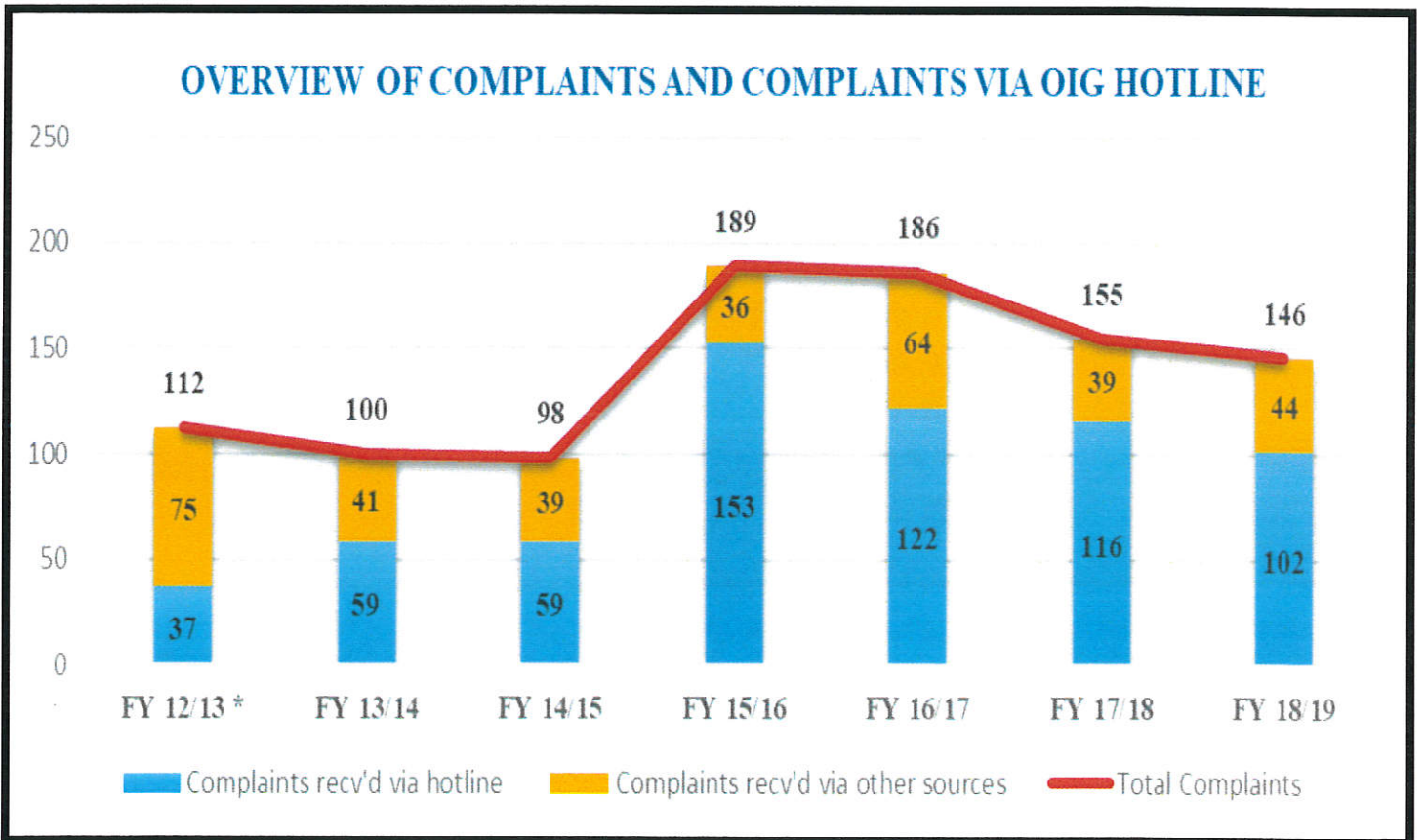
METHODS COMPLAINTS RECEIVED

As with previous years, the OIG Hotline continues to be the preferred method of reporting fraud, waste and abuse. Of the 146 complaints received during FY 18-19, 102 (70%) of the complaints came to the OIG Hotline followed by email complaints (20 or 14%), in person complaints (10 or 7%) and direct calls (6 or 4%). Comparing FY 18-19 to FY 17-18, 116 or 75% of the complaints received were through the OIG Hotline.

A graph demonstrating the methods of receipt of OIG complaints and chart providing an overview of complaints from the Hotline are provided on the following page.



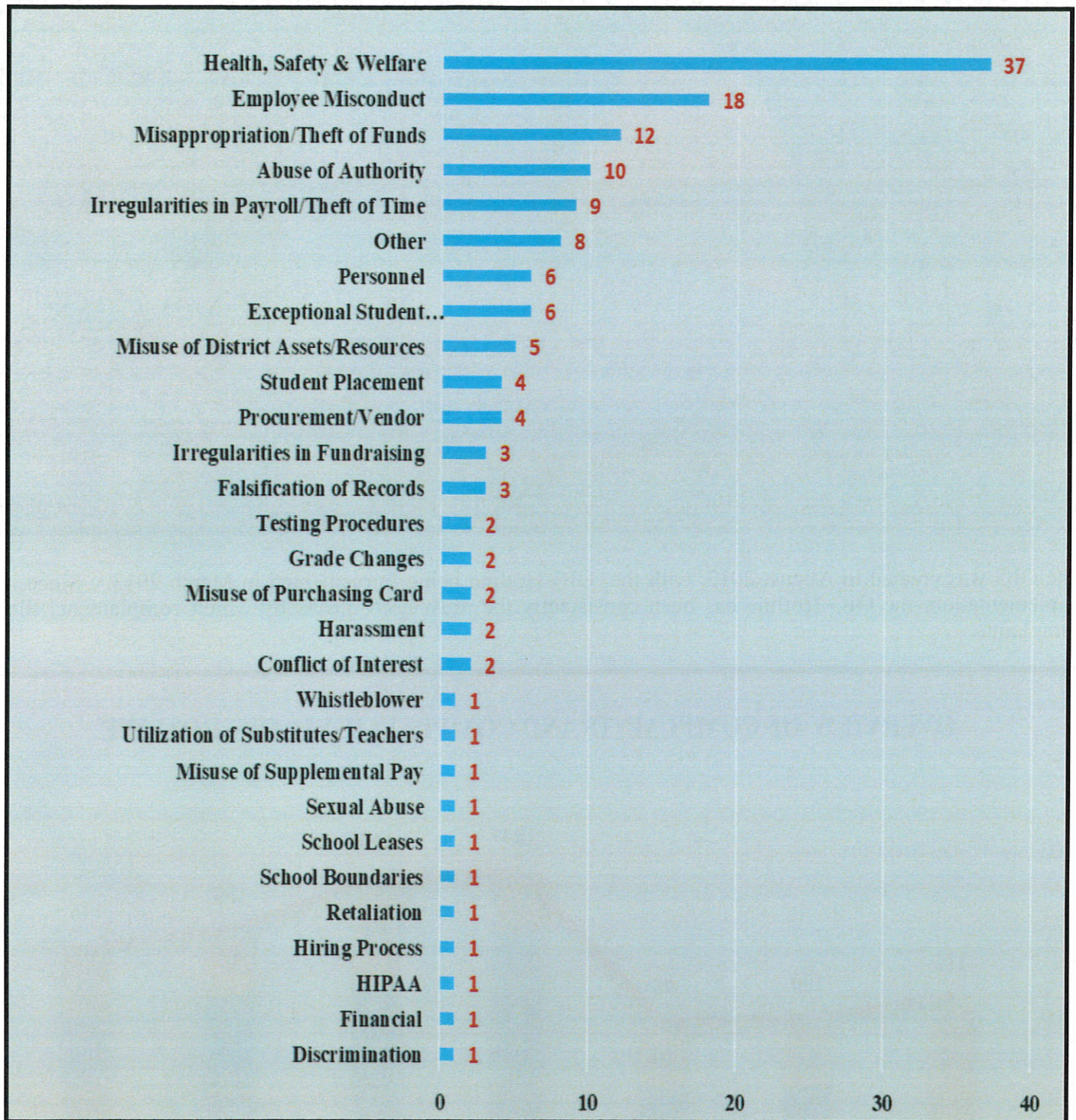
The OIG was created in August 2012, with the OIG Hotline being implemented in March 2013. Since its implementation, the OIG Hotline has been consistently the most used means by which complainants filed complaints.



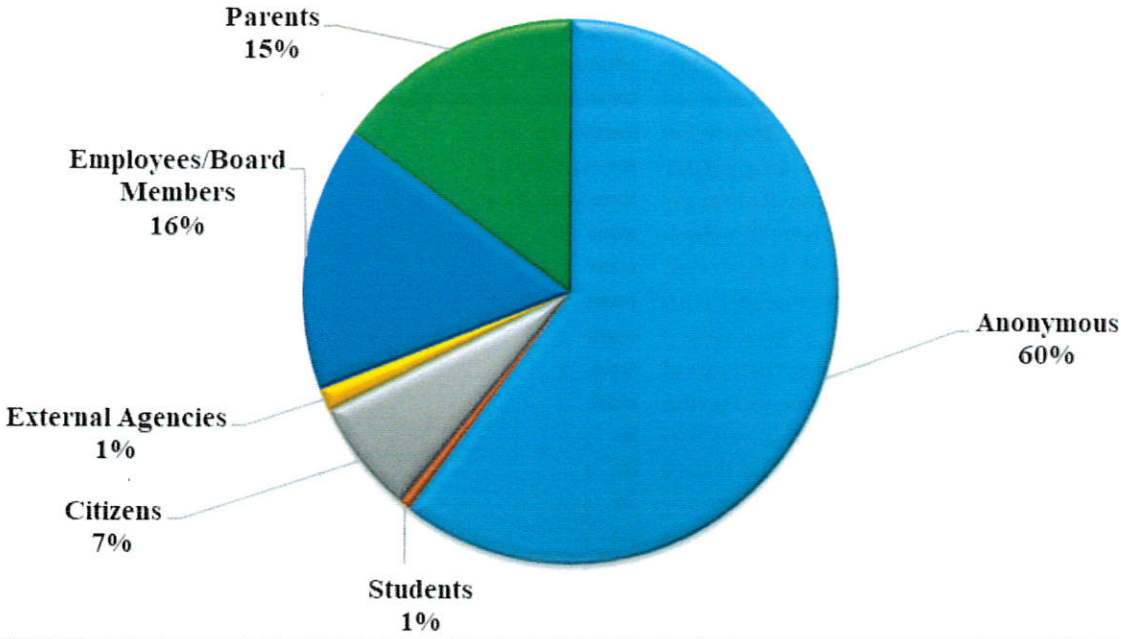
* Hotline implemented in March 2013

General Nature of Complaints

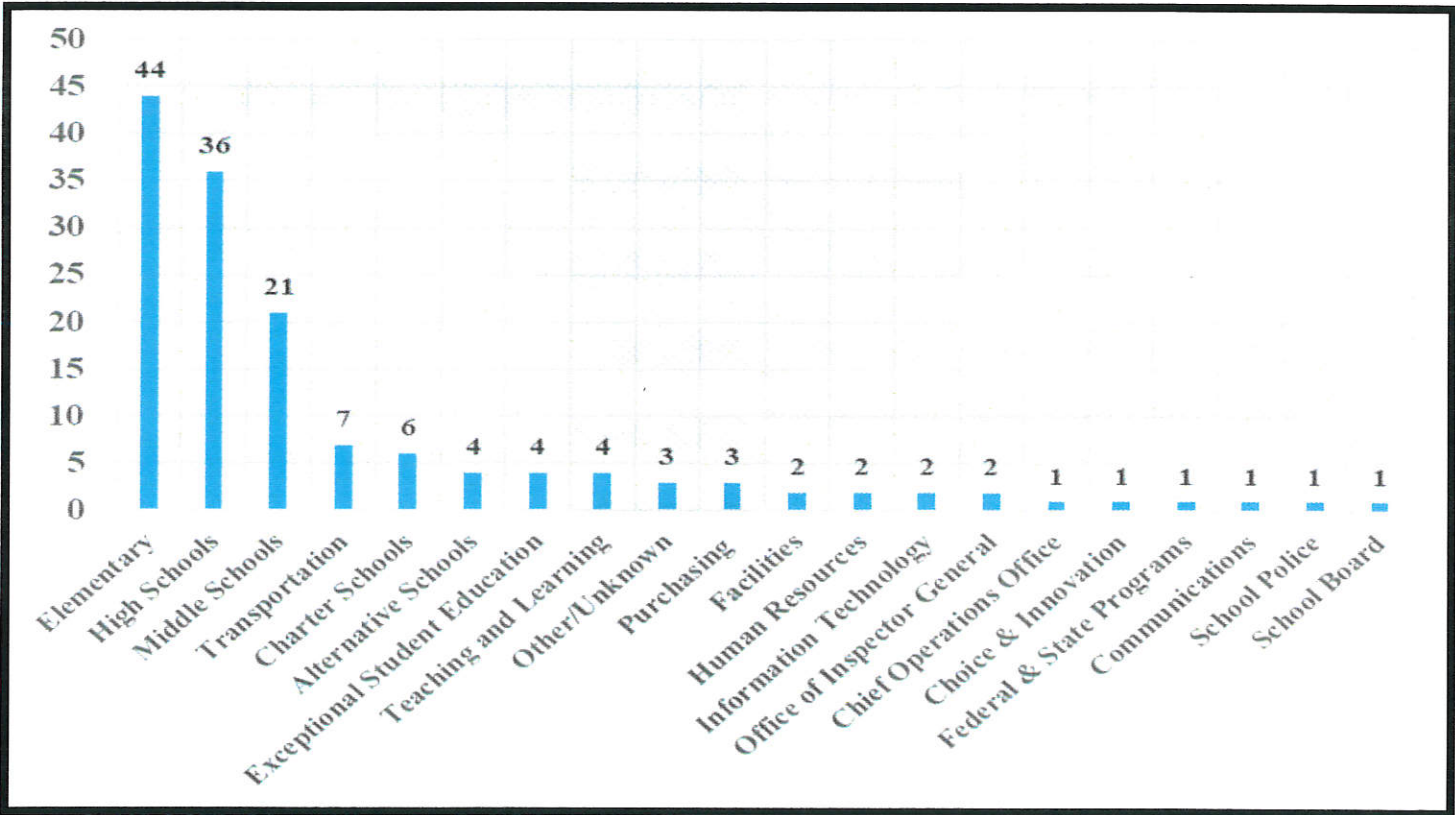
The table below reflects the nature or types of 146 complaints received in FY 2018-2019.



SOURCES OF COMPLAINTS

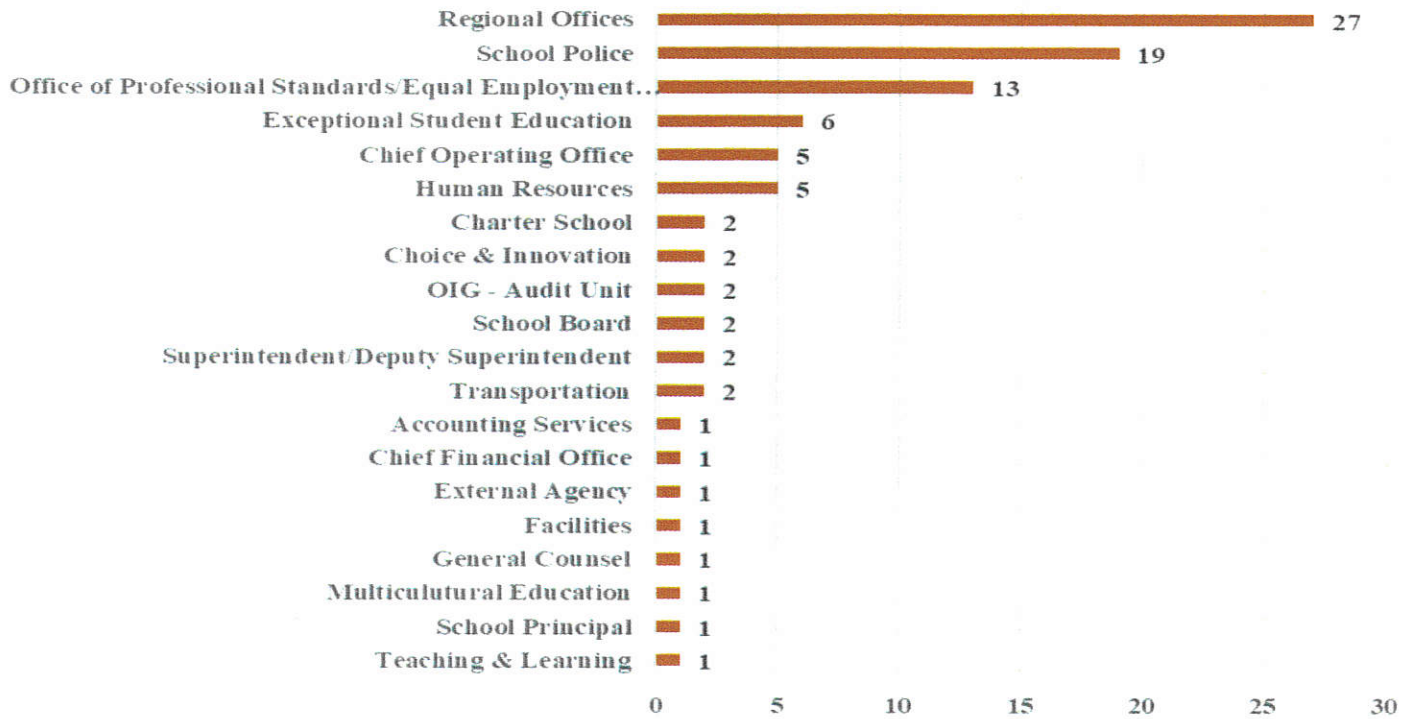


DISTRICT SCHOOLS, DEPARTMENTS AND PROGRAMS ASSOCIATED WITH COMPLAINTS

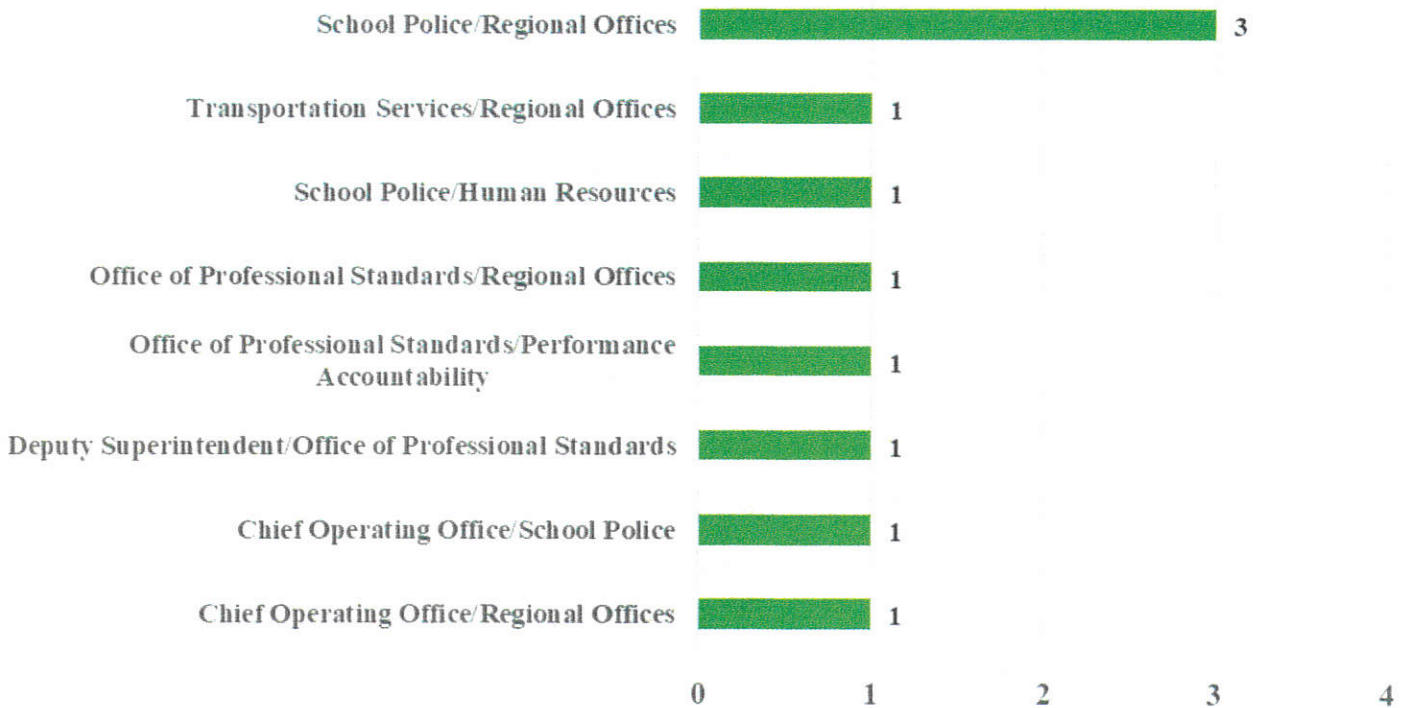


COMPLAINTS REFERRED

Referrals to Single Departments



Referrals to Multiple Departments



STATUS OF REFERRALS TO DISTRICT DEPARTMENTS

RESOLUTIONS OF REFERRALS	
Referral Office, Department, Etc.	# of Resolutions
Accounting Services	1
Chief Financial Office	1
Charter School	4
Chief Operations Office	7
Exceptional Student Education	5
External Agency	2
Facilities/Support Services	2
Human Resources	3
OIG - Audit Unit	3
Office of Professional Standards	11
School Police	12
Student Services, Equity & Access	1
Superintendent	1
Chief Operations Office/School Police	1
Chief Operations Office/Regional Offices	1
Regional Offices/School Principal	22
School Police/Office of Professional Standards	2
School Police/Regional Offices	4
School Police/Human Resources	1

STATUS OF COMPLAINTS RETAINED

COMPLAINTS RETAINED BY OIG	#
Opened by OIG for Investigation	14
Closed after Investigation and Release of Investigative Report	8
Closed after Preliminary Review Due to: *No violation/wrongdoing (16) * No jurisdiction (2)	18
Public Records Request	1
TOTAL	41

CARRY FORWARD

The 17 complaints from Fiscal Year 2017/2018 that were carried over into 2018/2019 were completed as fifteen (15) investigative reports (Two complaints were completed in one investigative report.) and 1 preliminary review. One complaint remains open as of June 30, 2019.

WHISTLEBLOWER INFORMATION

Seven (7) complaints had whistleblower determination forms completed. Of the seven, two (2) met the requirements.

SUMMARY OF PUBLISHED INVESTIGATIVE REPORTS

REPORTS PUBLISHED JULY 1, 2018—DECEMBER 31, 2018

Case No. 17-654 Seminole Ridge Community High School (Inappropriate grade changes, violation of purchasing procedures, improper payment of supplements, etc.)

An investigation was commenced upon the OIG receiving the following 12 allegations. The outcome of the investigation of each allegation is indicated.

- An assistant principal at Seminole Ridge High School changed the grades for students assigned to the Edgenuity class (credit lab recovery). *Substantiated.*
- The head football coach did not get approvals from the principal and budget keeper prior to purchasing items over \$200. *Substantiated.*
- Another assistant football coach, the girls' basketball coach, and the junior varsity head basketball coach were paid supplements for the sponsoring clubs that did not exist. *Substantiated.*
- The head football coach requested the athletic director to pay two assistant football coaches who did not complete background checks as required by the District. *Unsubstantiated.*
- A physical education teacher received a football stipend which she provided to the head football coach so that he could pay two volunteer assistant coaches. *Unsubstantiated.*
- The head football coach kept fundraising cash in a drawer located in the weight room or a locker in his office, and he was personally reimbursed for items purchased using money raised during fundraisers. *Unsubstantiated.*
- The head football coach had and a physical education teacher to change the grades for football players. *Unsubstantiated.*
- The head football coach allowed an assistant football coach to recruit, enroll and play students who did not reside within the school's boundaries. *Unsubstantiated.*
- The head football coach and an assistant football coach took football players to out-of-state football camps and charged them \$200 each without completing the required paperwork. *Unsubstantiated.*
- The head football coach was seen inappropriately transporting two female students in his personal vehicle on two separate occasions. *Unsubstantiated.*

The head football coach has committed theft of football funds. *Unsubstantiated.*

The head football coach and his assistant football coaches chew tobacco while on campus. *Unsubstantiated.*

- A physical education teacher received a football stipend which she provided to the head football coach so that he could pay two volunteer assistant coaches. *Unsubstantiated.*
- The head football coach kept fundraising cash in a drawer located in the weight room or a locker in his office, and he was personally reimbursed for items purchased using money raised during fundraisers. *Unsubstantiated.*
- The head football coach had and a physical education teacher to change the grades for football players. *Unsubstantiated.*
- The head football coach allowed an assistant football coach to recruit, enroll and play students who did not reside within the school's boundaries. *Unsubstantiated.*
- The head football coach and an assistant football coach took football players to out-of-state football camps and charged them \$200 each without completing the required paperwork. *Unsubstantiated.*

- The head football coach was seen inappropriately transporting two female students in his personal vehicle on two separate occasions. *Unsubstantiated.*

The head football coach has committed theft of football funds. *Unsubstantiated.*

The head football coach and his assistant football coaches chew tobacco while on campus. *Unsubstantiated.*

Case No. 17-665 Hagen Road Elementary (Missing PTA Funds)

The OIG commenced an investigation of the PTA finances upon the request of the school principal. The investigation were based on the below three allegations, with one allegation being unsubstantiated and two allegations being substantiated as provided below.

- Hagen Road Elementary PTA President Maureen Forbes failed to deposit all monies raised during the 2016/2017 school year. *Unsubstantiated.*
- Hagen Road Elementary PTA President Ms. Forbes did not maintain receipts to show proof of purchases. *Substantiated.*
- Hagen Road Elementary PTA President Maureen Forbes prepared PTA checks payable for services without a second PTA member signature on the checks. *Substantiated.*

Case No. 17-674 Benoist Farms Elementary (After School Program Charges)

OIG commenced an investigation after receiving allegations that an after school counselor did not charge or collect summer camp fees from 36 parents, reduced charges to eliminate balances parents owed, and did not enter parental payments into the required system. Allegations against the after school counselor were *substantiated.*

Case No. 18-742 Transportation Department (Abuse of Authority)

An investigation was commenced upon OIG's receipt of a complaint from a school bus driver allegation the General Manager of Transportation forces bus drivers to falsify the State of Florida Student Survey, and the time required to complete the state survey causes school bus drivers to drive at unsafe speeds. The results of the investigation determined the allegations to be **unsubstantiated.**

Case No. 18-750 Forest Hill Community High School (Fundraising)

The OIG commenced an investigation upon the request of the school principal who alleged an athletic coach did not submit daily deposits for two fundraisers. The results of the investigation concluded the allegation was *Substantiated.*

Case No. 18-770 Pahokee Middle/Senior High School (Theft of time, Improper Use of P-Card, Improper Supplements)

This investigation was commenced after the OIG received an anonymous letter alleging seven complaints, four of the seven complaints were investigated by the District's School Police and will not be addressed in this investigation. The allegations investigated by OIG included misconduct by school staff in the purchase of items and supplement pay, theft of time, and misuse of the school's purchase card (P-Card). The OIG concluded that all allegations were *Unsubstantiated.*

Case No. 18-799 Boca Raton High School (Athletic Fees)

OIG investigated an anonymous complaint alleging that the Lacrosse Head Coach required the lacrosse players to register and play fall ball with a city lacrosse team from October through December, the students' parents had to pay \$475-\$500 for a student's league participation, and the head coach told the parents that the money paid to the city team would be transferred to Boca High School lacrosse team's internal account. OIG concluded the allegations were *Unsubstantiated.*

REPORTS PUBLISHED JANUARY 1—JUNE 30, 2019:

Case No. 18-729/18-734 Palm Beach County Athletic Conference (Potential Conflict of Interest)

An investigation commenced upon the OIG receiving allegations regarding the Palm Beach County Athletic Conference investigated the following allegations. The outcome of the investigation of each allegation is indicated.

1. Instructional Specialist is performing duties for private organizations during her working hours at the School District. *Unsubstantiated.*
2. Instructional Specialist is being compensated by private schools. *Unfounded.*
3. Instructional Specialist manages funds paid by District high schools to the Palm Beach County Athletic Conference that could create a potential conflict of interest. *Substantiated.* However, the OIG concluded Ms. Greene did this in conformance with the historical practices of the Palm Beach Athletic Conference, based upon the testimony of the School Principals.
4. Instructional Specialist loaned the Conference's funds to East Coast Volleyball Officials Association. *Substantiated.* However, the OIG concluded this act was done because the District did not pay the officials in a timely manner.

Case No. 18-738 Transportation Services

An investigation commenced upon the OIG receiving an allegation that the Department of Transportation's Area Fleet Services Manager tampered with the AssetWorks software program, causing the program to be shut down and allegedly risking the safety and welfare of students. The results of the investigation concluded the allegation was *unsubstantiated.*

Case No. 18-771 West Boca Raton High School (Theft of Time)

An investigation commenced upon the OIG receiving an allegation of theft of time by a secretary at West Boca Raton High School. The results of the investigation concluded the allegation was *unsubstantiated.*

Case No. 18-781 Payroll Discrepancy

An investigation commenced upon the OIG receiving an allegation that a former employee continued to receive paychecks from the District after the employment was terminated. The results of the investigation concluded the allegation was *substantiated.*

Case No. 18-804 Forest Hill Community High School

An investigation commenced upon the OIG receiving the following allegations. The outcome of the investigation of each allegation is indicated.

1. A former teacher at Forest Hill Community High School, provided screen printing services to Forest Hill Community High School, possibly creating a conflict of interest. *Substantiated.*
2. A former teacher at Forest Hill Community High School, submitted an invoice to a District school using a different vendor name for work completed by his company. *Substantiated.*
3. A former teacher at Forest Hill Community High School, violated District internal procedures by instructing a parent to pay him/his business directly for soccer items. *Substantiated.*
4. A substitute teacher, submitted invoices to District schools using a different vendor name for work she completed. *Substantiated.*

Case No. 19-0002-I Jupiter Middle School (Fundraising/Crowdfunding)

An investigation commenced upon the OIG receiving an allegation regarding a teacher setting up donations through a non-district approved crowdfunding site to raise funds for purchase of books. The results of the investigation concluded the allegation was *substantiated.*

Case No. 19-0002-I Jupiter Middle School (Fundraising/Crowdfunding)

An investigation commenced upon the OIG receiving an allegation regarding a teacher setting up donations through a non-district approved crowdfunding site to raise funds for purchase of books. The results of the investigation concluded the allegation was *substantiated*.

Case No. 19-805 Inlet Grove Community High School (School Lease)

An investigation commenced upon the OIG receiving an allegation that staff allegedly did not input \$1,487.50 received for a lease into the District's leasing software or accounting system. The results of the investigation concluded the allegation was *unsubstantiated*.

Case No. 19-814 Alternative Education (Theft of Time)

An investigation commenced upon the OIG receiving an allegation of theft of time by several staff. The results of the investigation concluded the allegation was *unsubstantiated*.

Case No. 19-826 Palm Beach Central Community High School (P-card/Grade Changes)

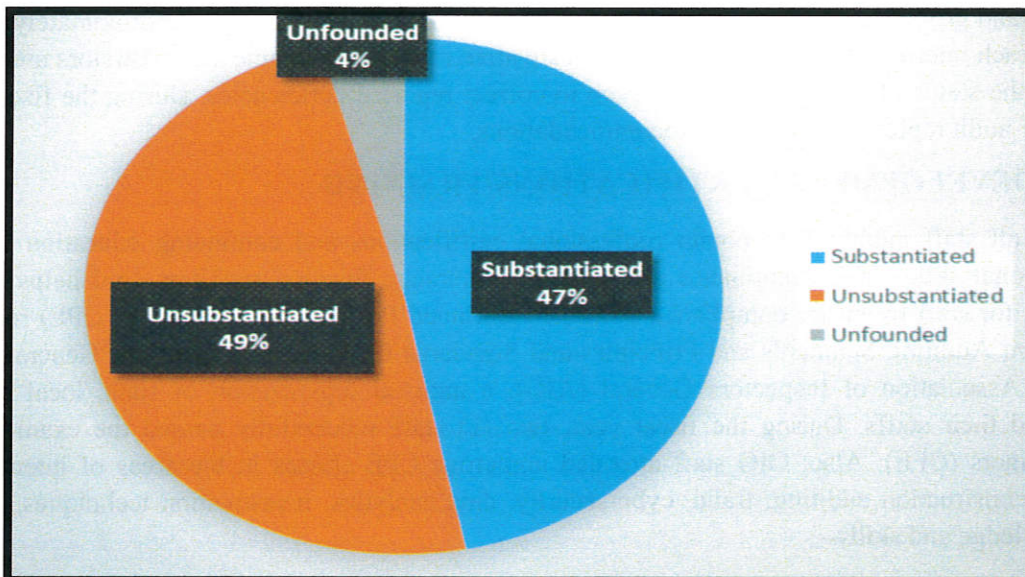
An investigation commenced upon the OIG receiving the following allegations. The outcome of the investigation of each allegation is indicated.

1. Palm Beach Central Community High School Assistant Principal purchased items from Amazon.com using the District's purchasing credit card (P-card) without approval. *Substantiated*.
2. Palm Beach Central Community High School Assistant Principal changed students' grades without following the District's grade change procedures. *Substantiated*
3. Palm Beach Central Community High School Principal changed students' grades without following the District's grade change procedures. *Substantiated*
4. Palm Beach Central Community High School Assistant Principal permitted students to take the standardized AICE exams after the scheduled dates determined by the AICE testing protocols. *Substantiated*

Case No. 19-848 Inappropriate Use of Funds

An investigation commenced upon the OIG receiving the following whistleblower complaint. The investigation addressed an allegation that the District inappropriately used \$2 million in instructional materials funds for the purchase of i-Ready. The results of the investigation concluded the allegation was *unsubstantiated*.

FINDINGS OF CLOSED INVESTIGATIONS





IN GENERAL

School Board Policy 1.092 requires OIG audits, investigations, and inspections to be completed in accordance with professional standards. For audits, the OIG follows Government Auditing Standards promulgated by the Comptroller General of the United States; and for investigations, the OIG follows Quality Standards for Investigations, Principles and Standards for Offices of Inspector General, promulgated by the Association of Inspectors General. Those professional standards require the OIG to establish procedures to ensure adequate quality control over its work and to maintain a quality assurance program. A quality assurance program is a formal and distinct evaluative process to ensure that the OIG's work adheres to established professional standards, OIG policies and procedures, and is carried out economically, efficiently, and effectively.

The Compliance and Quality Assurance function of the OIG oversees the processes for quality assurance, and helps ensure quality audit and investigative reports, and compliance with all professional standards. The Compliance and Quality Assurance function performs periodic assessments of procedures, and coordinates the review of work papers, to ensure processes and audit work are performed in compliance with Generally Accepted Government Auditing Standards, and that investigation work is performed in compliance with Principles and Standards for Offices of Inspector General. Specific quality assurance activities for this past year consisted of reviews of all OIG draft and final reports prior to issuance, and reviews of audit workpapers and investigative case files.

The Compliance and Quality Assurance function also (1) coordinated follow-up of all audit recommendations issued by the OIG, external auditors, and agencies, (2) monitored and helped acquire necessary professional development, certifications, and training for OIG staff, and (3) conducted contract oversight reviews, as further detailed below.

AUDIT RECOMMENDATION FOLLOW-UP

School Board Policies 2.62 and 1.092, as well as Government Auditing Standards, require monitoring and periodic follow-up on the status of the implementation of recommendations made by the OIG and other audit, investigative and law enforcement agencies. To accomplish these requirements, the OIG maintains a system to monitor corrective actions taken by District staff, and proper resolution and to address audit and investigation findings. Approximately six months after the issue date of each internal and external audit, or investigative report, responsible administrators are required to provide the OIG with the status of corrective actions taken to correct reported deficiencies. During the fiscal year, the OIG followed up on 11 audit reports containing 76 recommendations.

PROFESSIONAL DEVELOPMENT/CERTIFICATIONS/TRAINING

The OIG encourages all staff members to obtain professional certifications and continuing education in order to enhance their professional skills. The Compliance and Quality Assurance function monitors, and helps to acquire, training and education for staff to ensure compliance with the Continued Professional Education (CPE) requirements outlined by Government Auditing Standards and Principles and Standards for Offices of Inspector General. OIG staff are members of the Association of Inspectors General (AIG), a national organization of state, local and federal Inspectors General and their staffs. During the fiscal year, two (2) staff successfully passed the exam to become Certified Fraud Examiners (CFE). Also, OIG staff attended numerous CPE classes in the areas of internal control, government auditing, construction auditing, fraud, cybersecurity, data analytics, investigation techniques, ethics, and other specialized knowledge and skills.

PRE-AWARD CONTRACT OVERSIGHT

The OIG continues to engage in contract oversight with the objective to promote honesty, integrity, transparency, and compliance during the District's procurement and contracting process by observing contract selection committee and negotiation meetings. During the fiscal year, OIG staff attended fifteen (15) competitive solicitation evaluation meetings and two (2) contract negotiation meetings, as follows.

PRE-AWARD CONTRACT OVERSIGHT ACTIVITIES				
Meeting Date	Solicitation No.	Description	Phase of Solicitation	Contract Value (estimated)
07/31/2018	18C-032R	CONSTRUCTION	Evaluation	\$25,969,826
07/31/2018	18C-033S	CONSTRUCTION	Evaluation	\$19,905,109
08/02/2018	18C-034R	CONSTRUCTION	Evaluation	\$16,328,136
08/30/2018	19C-005S	CONSTRUCTION	Evaluation	\$13,100,000
10/03/2018	19C-009R	DESIGN	Evaluation	\$9,420,000
10/12/2018	19C-011S	DESIGN	Evaluation	\$10,410,000
11/02/2018	19C-008W	FOOD DISTRIBUTION	Negotiation	\$25,000,000
12/03/2018	19C-019B	EDUCATION SERVICES	Evaluation	\$3,775,000
12/05/2018	19C-015R	DESIGN	Evaluation	\$24,100,000
12/07/2018	19C-019B	EDUCATION SERVICES	Negotiation	\$3,775,000
12/12/2018	19C-023R	DESIGN	Evaluation	\$23,995,783
12/18/2018	19C-016R	CONSTRUCTION	Evaluation	\$25,100,000
01/09/2019	19C-016R	CONSTRUCTION	Evaluation	\$25,100,000
01/09/2019	19C-027S	CONSTRUCTION	Evaluation	\$24,393,000
01/09/2019	19C-006A	TEMPORARY STAFFING	Evaluation	\$3,000,000
01/16/2019	19C-028R	CONSTRUCTION	Evaluation	\$23,995,783
06/03/2019	19C-039V	DENTAL INSURANCE	Evaluation	\$8,759,098

Our observations were communicated to staff, as appropriate, in an effort to improve operations.

CONSTRUCTION OVERSIGHT AND REVIEW COMMITTEE (CORC)

OIG staff participated in all twelve (12) of the monthly CORC meetings that were held during the fiscal year. Topics discussed at those meetings included such things as the selection process for architects, engineers, and contractors, contract language, and cost monitoring procedures.



Authority

The Audit Committee was established in 1993 by the School Board, to promote the independence and objectivity of the audit function. Today, the Audit Committee serves on behalf of the School Board as its oversight of the Inspector General, internal audit and investigation functions. School Board Policy **1.091** provides for the composition and appointment of the Audit Committee; outlines the committee's authority and general responsibilities; and, sets out the committee's responsibilities in the areas of financial reporting, compliance and governance.

In addition, Section 218.391, Florida Statutes provides other duties for the Audit Committee in its role and responsibilities for recommending an external auditor for the School Board as:

- Establishing factors to use for the evaluation of audit services to be provided by an external audit firm.

Other Applicable Board Policies

Additional School Board Policies providing outlining roles and responsibilities for the Audit Committee are the following:

- School Board Policy 2.62 (Audit Recommendations and Follow-up) provides for the Audit Committee through the Inspector General to have input on the recommendations issued in audit reports or reviews issued by external auditors, external audit agencies, or the Office of Inspector General.
- School Board Policy 2.61 (Fraud) requires the Audit Committee to review all proposed revisions to the policy.

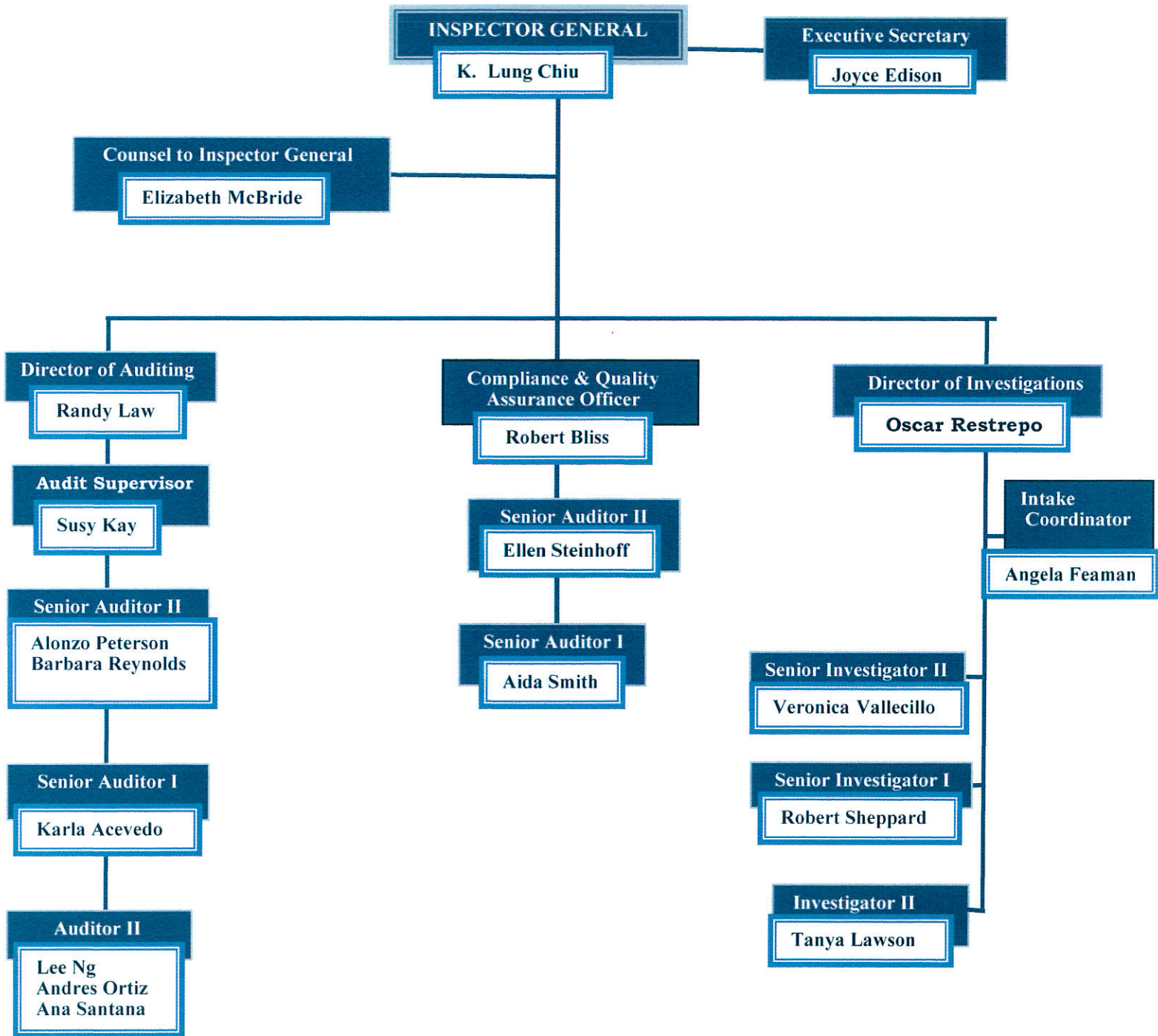
Meetings

During Fiscal Year 2018-19 the Audit Committee held 9 meetings. During such meetings, the Audit Committee

- Reviewed District's 2019-20 Audit Plan and Professional Standards Communication submitted by the District's external auditor, RSM US LLP.
- Reviewed District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2018, submitted by Superintendent and Chief Financial Officer.
- Reviewed and approved the investigation procedures of OIG.
- Received a report on the statutorily mandated audits of District charter schools.
- Reviewed OIG's Annual Work Plans for FY 2018/19.
- Reviewed and approved 9 performance audits and reviewed reports completed by OIG.
- Received 23 investigative reports completed by OIG.

APPENDIX

A – OIG ORGANIZATIONAL CHART





Association of Inspectors General
524 West 59th Street, 3532N
New York, New York 10018

April 19, 2019

Mr. Lung Chiu
Inspector General
The School District of Palm Beach County
3318 Forrest Hill Blvd., C-306
West Palm Beach, Florida 33406

Dear Inspector General Chiu:

The Association of Inspectors General (AIG) performed a peer review of the Palm Beach County School Board, Office of Inspector General (PBCSB-OIG) located in West Palm Beach, Florida. The PBCSB-OIG consists of Audit Services and Investigative Services complemented by a Compliance and Quality Assurance Unit. At your request, the divisions were separately evaluated based upon AIG Principles and Standards for Offices of Inspector General¹ (Green Book) and the United States General Accountability Office (GAO) *Government Auditing Standards (Yellow Book)*.² These standards are consistent with the qualitative standards under which your office has operated throughout the review period of July 1, 2015, to June 30, 2018.

The Peer Review Team (PRT) performed the on-site review April 1, 2019 through April 5, 2019, at your offices located at 3318 Forest Hill Boulevard, Suite C316, West Palm Beach, Florida 33406.

The four person AIG PRT consisted of the following individuals:

Levin White, Team Leader
Special Agent, Office of the State Inspector General
Commonwealth of Virginia

¹ Association of Inspectors General, Principles and Standards; <http://inspectorsgeneral.org/files/2014/11/AIG-Principles-and-Standards-May-2014-Revision-2.pdf>

² Yellow Book Government Auditing Standards 2011 version; <https://www.gao.gov/assets/590/587281.pdf>

Jacqueline Hendricks-Moore, Team Member
Investigator, Office of Inspector General
City of Detroit, Michigan

F. Michael Taylor, Team Member (Audit)
Deputy Inspector General – Audit, Office of the State Inspector General
Commonwealth of Virginia

Daniel Fanger, Team Member (Audit)
Inspector General
St. Johns River Water Management District
Palatka, Florida

On behalf of the Team, I am pleased to advise that **we found no reportable instances of failure to meet standards.** There are no limitations or qualifications on our opinion. It is the unanimous conclusion of the PRT members that the reviewed areas of the Palm Beach County School Board (PBCSB), Office of the Inspector General (OIG) met all relevant AIG and GAO standards for the period under review.

The remainder of this letter sets forth the purpose, scope, and methodology of the Peer Review.

Purpose:

The PRT conducted an independent, qualitative review of The School District of Palm Beach County, Office of the Inspector General, West Palm Beach, Florida, Audit Services, Compliance and Quality Assurance and Investigative Services focusing on their compliance with agreed-upon AIG and GAO standards.

Scope:

The Peer Review covered the department's operations, resulting work products, and related file materials chosen from selected reports (issued and not issued), closed investigations and completed audits from July 1, 2015 to June 30, 2018. The Peer Review's scope also covered compliance with their relevant policy and process manuals; procedural requirements; staff qualifications; and professional training requirements. Finally, the Peer

Review assessed supervisory review and quality control over the work product, reporting of results, and the Audit and Investigative components' relationship and communications with outside agencies. For this last step, the PRT met with stakeholders with whom the OIG units frequently work, or who are the recipients of the work product.

The PRT notes and underscores that the overall consensus of these stakeholders was that the Department of Inspector General is a valued member of the Inspector General Community and asset to the Palm Beach County School District.

Method:

The PRT generally followed the Peer Review/Qualitative Assessment Review Checklists for the PBCSB-OIG, Audit and Investigative Services, based on AIG and GAO standards. The PRT also called upon their own professional experience as senior investigators and auditors of various Offices of Inspectors General and through their knowledge of and familiarity with best practices within the Inspector General community. Prior to the actual on-site review, the PRT requested information from the PBCSB-OIG, including but not limited to, policy and procedures manuals; closed case log; a list of annual reports; website based links; staff training records; a list of issued reports; and a list of internal and external stakeholders. The PRT used this information to select the work products and related case materials for the peer review.

On April 1, 2019 the PRT held an entrance conference with you and your leadership team in order to explain the peer review scope, methodology, limitations, and proposed schedule. Prior to April 1, 2019, we delivered our request for additional review materials and multiple document productions were provided to the PRT by your staff prior to arrival. During the on-site review, the PRT conducted fieldwork through the examination of selected case files, work papers, electronic procedures and forms, complaint registers and other documents as necessary. The PRT also interviewed senior staff personnel that perform tasks from both the Audit and Investigative Services components of the Office of Inspector General.

The PRT reviewed the current employees Training and Continuing Education files, and relevant policy and process manuals and procedural guides. All file requests were met fully and timely.

The PRT interviewed all of the staff with exception to those who were performing duties on time sensitive projects. The interviews were conducted in confidence and without any limitation on scope or time. Additionally, the PRT interviewed numerous stakeholders. These interviews were arranged in advance by your staff between the PRT and the stakeholders for the purpose of evaluating agency cooperation, effectiveness, and responsiveness. Stakeholders included the following:

- Palm Beach County School Board, Chairperson
- Palm Beach County Audit Committee, Chairperson
- Palm Beach County School Superintendent
- Florida Department of Education, Inspector General
- Palm Beach County School Police Department Investigator
- Office of the Florida State Attorney – Head of Public Corruption Unit
- Palm Beach County School Board, Director of Labor Relations & Professional Standards
- Florida State Attorney's Office – Investigations Department

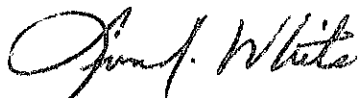
Finally, the PRT held an exit conference with you and your executive leadership on April 5, 2019, during which time the PRT shared its conclusion that the PBCSB-OIG met the AIG and GAO standards. PRT members provided our observations and opinions gathered during the review. PRT members elaborated on the observations made during the week of review. The PRT members provided several observations that did not limit or qualify the opinion of the PRT, but were shared with you and your leadership team as possible areas of consideration going forward.

Throughout the on-site review, we had productive discussions with OIG, Audit and Investigations members (from the leadership to the professional staff) regarding their positive experiences about the peer review process and their thoughts regarding possible improvements to the process. These observations, including areas for both distinction and consideration, will be detailed later in a separate management letter. As noted above, it is the unanimous conclusion of the Peer Review Team that the Palm Beach County School Board, Office of Inspector General, Investigative and Audit components met all current and relevant AIG and GAO standards for the review period.

On behalf of the AIG, please accept our thank you for the confidence placed in the Association by requesting that we conduct this review. For all of the Peer Review Team, we would like thank you for all of your efforts in the coordination and planning of this event and for providing the necessary records and tools for a thorough and smooth review. Your hospitality and professionalism was outstanding and commendable.

Finally, on behalf of the Team, please know that in all of our interactions with you, Ms. Elizabeth McBride and your entire staff, we were shown the respect and cooperation that is the hallmark of a professional staff truly interested in a full and open review of their work. At the same time, this has been a learning experience for each member of the PRT, for which we wish to convey our sincerest gratitude.

Please feel free to contact me or any member of the Peer Review Team should you have any questions.



Levin J. White
Team Leader, AIG Peer Review for PBCSB-OIG, April 2019

cc: Jacqueline Jackson, Team Member, AIG Peer Review for PBCSB-OIG, April 2019
F. Michael Taylor, Team Member, AIG Peer Review for PBCSB-OIG, April 2019
Daniel Fanger, Team Member, AIG Peer Review for PBCSB-OIG, April 2019
Hector Collazo, Chair, Peer Review Committee and Executive Board Member, AIG





Association of Inspectors General
524 West 59th Street, 3532N
New York, New York 10018

May 13, 2019

Mr. Lung Chiu
Inspector General
The School District of Palm Beach County
3318 Forrest Hill Blvd., C-306
West Palm Beach, Florida 33406

Dear Inspector General Chiu:

The Association of Inspectors General (AIG) performed a peer review of the Palm Beach County School Board, Office of Inspector General (PBCSB-OIG) located in West Palm Beach, Florida. The PBCSB-OIG consists of Audit Services and Investigative Services complemented by a Compliance and Quality Assurance Unit. At your request, the divisions were separately evaluated based upon *AIG Principles and Standards for Offices of Inspector General*¹ (Green Book) and the United States General Accountability Office (GAO) *Government Auditing Standards (Yellow Book)*.²

These standards are consistent with the qualitative standards under which your office has operated throughout the review period. On behalf of the Team, I am pleased to advise that **we found no reportable instances of failure to meet standards**. It is the unanimous conclusion of the PRT members that the reviewed areas of the PBCSB-OIG met all relevant AIG and GAO standards for the period under review.

There are no limitations or qualifications on our opinion. An earlier letter dated April 19, 2019 provided this unqualified opinion. The purpose of this letter is to provide the comments shared with your staff during the exit conference on April 5, 2019.

¹ Association of Inspectors General, Principles and Standards; <http://inspectorsgeneral.org/files/2014/11/AIG-Principles-and-Standards-May-2014-Revision-2.pdf>

² Yellow Book Government Auditing Standards 2011 version; <https://www.gao.gov/assets/590/587281.pdf>

The remainder of this letter will address areas of distinction and consideration. These comments are based on the direct observations of the Peer Review Team members derived from: interviews with stakeholders; interviews with PBCSB-OIG staff; case file reviews; reviews of PBCSB-OIG administrative and operating materials; and the professional judgement and experience of the Peer Reviewers.

Palm Beach County School Board, Office of Inspector General (PBCSB-OIG) – Overall Area of Distinction

- As previously stated in the 2016 Peer Review, “Having in-house legal counsel with relevant experience in oversight and litigation is a significant added value to the OIG.” Elizabeth McBride has been a voice and face of professionalism during the entire time of the review process.
- The PRT commends the OIG for successfully gaining certification through the Commission for Florida Law Enforcement Accreditation (CFA) which, presumably will be formally awarded in June 2019. The certification required intense scrutiny and attention to detail to records and compliance measures prior to review by CFA.
- The PRT recognizes the importance of stakeholder relationships. All internal and external stakeholders interviewed commended the OIG staff for their professionalism and work product.
- AIG Peer Review Team members reviewed the policies, training certifications, relative press releases, and interviewed external stakeholders and found that the PBCSB-OIG has the professional decorum required for any agency that has transitioned from primarily an audit operation to an inspector general’s office. The scope of your office’s jurisdiction over one of the largest school districts in the nation and limited size makes it apparent that your agency can perform nationally.

Compliance and Quality Assurance – Area of Distinction and Consideration

- The PRT reviewed the OIG’s annual work plan and found it to be descriptive and informative addressing the OIG’s objectives and goals for the specified year. While the OIG’s annual work plan was descriptive of the OIG’s objectives and goals for that year, the annual work plan did not disclose follow up information concerning completed work plan objectives and goals for the prior year.
- The PRT recommends PBCSB-OIG consider additional language added to the annual work plan identifying areas still under review from the prior year.

- The PRT recognizes the extensive work in preparing the Annual Work Plans. The PRT recommends that the Annual Plan, introduction page includes language that informs the reader that the OIG follows the Government Auditing Standards (Yellow Book) and the Association of Inspectors General (AIG) Principles and Standards (Green Book) with footnote links attached. The current annual plan mentions both standards in the report however, they do not reflect both standards/methods inclusively at the beginning of the report.

Audit Services Division – Areas of Distinction(s):

- The PRT reviewed internal controls and procedures along with sampling workpapers to confirm the application of supervisory controls and management approvals. The OIG did an exemplary job of maintaining quality control and consistency of performance and financial audits.
- The PBCSB-OIG has audit staff conducting performance audits to present findings to the Audit Committee alongside management. The Team believes this unique protocol allows for more detailed information to be conveyed to the Audit Committee while building greater confidence of the Audit Committee in the OIG. The process also provides staff an opportunity to build presentation skills.
- The OIG has revised its Audit Procedures Manual as recommended in the previous AIG Peer Review conducted in 2016. The PRT has noted that the manual is comprehensive and is required to be distributed and reviewed by all new OIG staff.
- The PRT recognizes the OIG intermittently issues IG Advisory Publications District-wide. These publications clarify the role of OIG while providing valuable information to stakeholders via education and pragmatic results.
- The OIG regularly recommends corrective actions to District management. During the formulation of these recommendations, the PRT noted that the OIG solicits greater input from District management to formulate more effective and feasible recommendations.
- Throughout the audit process, the OIG may identify a critical situation that management should react to swiftly rather than await the completion of the audit for corrective action recommendations. The PRT observed several situations where the OIG took initiative by issuing Management Advisory Letters which led to immediate improvements while an audit was ongoing. This proactive effort resulted in a safer environment for students and financial benefits to the District.

Audit Services Division – Areas of Recommendation(s):

- While the OIG has a comprehensive process related to audit and workpaper management, including several levels of supervisory approval, a singular original physical binder is the only comprehensive record of management notes and input. If such a binder were to be misplaced or destroyed, the documentation would be lost. The OIG should consider work toward establishing a method of documentation that reduces risk of having a singular physical source of management and supervisory input. Electronic work paper (EWP) systems have two major advantages. The first is managerial; they are labor saving applications that could allow OIG to reallocate staff resources more efficiently and effectively. The second is that, because everything is stored immediately and in a consistent format, there are fewer opportunities for errors or omissions in the documentation chain. The OIG should invest in a EWP system for the purpose of managing (including sign-offs) and archiving all project-related documents.
- The PRT has learned that the current Inspector General and some senior staff have identified a timeframe of leaving office through retirement. The replacement of the IG requires a unique process and Board approval that may take a substantial length of time for the process of appointing a new IG. Due to these requirements, it is recommended that the OIG develop a succession plan to be in place with consideration of the appointment process and transfer of institutional knowledge from the current IG and senior staff.
- The PRT found that a few references to GAS on Schedule M were not updated from the 2007 revision and found that it will be necessary to update the manual for the 2018 revision of GAS, which are effective for performance audits beginning on or after July 1, 2019 and financial audits for periods ending on or after June 30, 2020. As part of the revision, it is recommended that the GAS references be updated and more detailed guidance be included on how the reporting standards are applied by the OIG. Also, there are new GAS requirements regarding internal controls that will need to be incorporated into the audit process.
- The PRT recommends that the OIG consider implementing additional monitoring of Continuing Professional Education (CPE) compliance, including a review of government versus non-government hours required by staff.

Investigation Services Division – Areas of Distinction(s)

- The PRT found that the staff are professional, qualified and experienced investigators and meet standards required to conduct comprehensive investigations. The investigative supervisory leadership has extensive experience and collaborates very well with legal counsel and the Inspector General. It is noted that there are no outsourcing of any investigations and the PRT recommends this continued policy and best practice.
- The PRT reviewed a sample of closed investigations and closed preliminary investigations. The review revealed that the investigations were thorough and complete.

- The PRT conducted a review of the final report of investigations and found that they are well written with clarity and understanding. The work papers in the case files were found to be in compliance with the (Green Book) Qualitative Standards. Additionally, the investigation case files and work papers were found to be complete and well organized.
- The PRT applauds the OIG implementing a new case management software system in December 2018. The "CMTS" system is being used by other larger OIG's in the state and around the nation and it is apparent that the OIG is serious about performing at a maximum level for the educational recipients throughout Palm Beach County. The "CMTS" system will aid the OIG with progressing to a more computerized investigation tracking system eventually eliminating the paper-based systems of record keeping.

Investigation Services Division – Areas of Recommendation(s)

- The PRT is aware of the desire of OIG to promote awareness within the school community. In order to promote and maintain a robust awareness of purpose and function of the OIG, the PRT recommended that the OIG consider capitalizing on training events, Parent Teacher Association (PTA) meetings, new school district hiring orientation trainings and other forms of community outreach.
- While the staff is encouraged to secure additional training and education to continue to develop their skill set, The PRT recommends training advanced personnel in areas of supervision, along with assigning some supervisory responsibilities in order to offer upward mobility within the OIG organization. This could help maintain an increased level of employee retention.
- The PRT commends the OIG in their efforts to mitigate conflict of interest in the event of a complaint against any member of the PBCSB, Superintendent or OIG staff. While this is preferred by the AIG, the PRT recommends all stakeholders to determine a method or threshold that would prevent frivolous complaints in an attempt to undermine the PBCSB and or OIG for personal or political gain.
- The PRT recognizes the intended path of progression for investigators to achieve advancement within the investigative division of OIG. It is recommended the OIG investigative division create a career development program with clear educational and training objectives in order to achieve career progression within the organization.

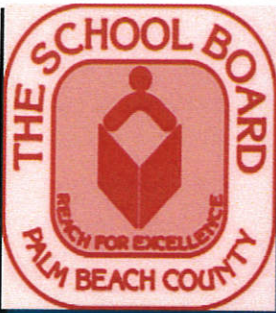
In conclusion, we would like to commend the Palm Beach County School Board and the Inspector General for establishing a strong effective Inspector General Office. It is apparent by the PRT that the entire staff are committed to the families and personnel of the Palm Beach County School District. We hope that you and your staff find our comments to be helpful and we will always be available to assist you and your staff at any time in the future.

Very truly yours,



Levin White
Team Leader, AIG Peer Review for
Palm Beach County School Board, OIG
April 2019

cc: Jacqueline Hendricks-Moore, Team Member, AIG Peer Review
F. Michael Taylor, Team Member, AIG Peer Review
Daniel Fanger, Team Member, AIG Peer Review
Hector Collazo, AIG, Chair, Peer Review Committee



Report

Fraud Waste
or Abuse



1-855-561-1010

Via Online:
pbcsd.ethicaladvocate.com

Visit the OIG:
Suite C-306, FHESC

