



Summary

Report Number: [2013-160](#)

Report Title: **Broward County District School Board – Financial, Operational, and Federal Single Audit**

Report Period: **FYE 06/30/2012**

Release Date: **03/26/2013**

Summary of Report on Financial Statements

Our audit disclosed that the District's basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

Summary of Report on Internal Control and Compliance

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, issued by the Comptroller General of the United States; however, we noted certain additional matters as summarized below.

ADDITIONAL MATTERS

Finding No. 1: The Board had not adopted adequate policies for communicating and reporting known or suspected fraud.

Finding No. 2: Controls over electronic funds transfers could be enhanced.

Finding No. 3: Improvements could be made in collection procedures at certain decentralized locations.

Finding No. 4: Payroll processing procedures could be improved.

Finding No. 5: The District could enhance its monitoring of employee overtime.

Finding No. 6: The Superintendent's employment agreement included a severance pay provision that was contrary to Section 215.425(4)(a), Florida Statutes.

Finding No. 7: Enhancements could be made in controls over purchasing cards.

Finding No. 8: Improvements could be made in controls over tangible personal property.

Finding No. 9: The District did not always timely correct deficiencies noted in annual facility inspections.

Finding No. 10: The District did not timely obtain required background rescreenings for certain District employees.

Finding No. 11: Controls over expenditure processes could be enhanced.

Finding No. 12: Controls over journal entries needed enhancement.

Finding No. 13: Some inappropriate information technology (IT) access privileges existed.

Finding No. 14: District IT security controls related to software management, user authentication, and monitoring of application data changes needed improvement.

Summary of Report on Federal Awards

We audited the District's Federal awards for compliance with applicable Federal requirements. The Child Nutrition Cluster, Student Financial Assistance Cluster, Magnet Schools Assistance, School Improvement Cluster, and Race-to-the-Top programs were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs. However, we did note noncompliance and control deficiency findings as summarized below.

Federal Awards Finding No. 1: The District transferred \$625,202 of Special Revenue – Food Service moneys to the General Fund to reimburse the General Fund for time clocks purchased during the 2004-05 fiscal year, without preauthorization for the transfer, resulting in questioned costs.

Federal Awards Finding No. 2: District records did not always evidence that the food service program director preapproved charges to the Child Nutrition Cluster programs.

Audit Objectives and Scope

Our audit objectives were to determine whether the Broward County District School Board and its officers with administrative and stewardship responsibilities for District operations had:

- Presented the District's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on a major Federal program;
- Established internal controls that promote and encourage: 1) compliance with applicable laws, rules, regulations, contracts, and grant agreements; 2) the economic and efficient operation of the District; 3) the reliability of records and reports; and 4) the safeguarding of District assets;
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal programs; and
- Taken corrective actions for findings included in previous audit reports.

The scope of this audit included an examination of the District's basic financial statements and the Schedule of Expenditures of Federal Awards as of and for the fiscal year ended June 30, 2012. We obtained an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, both in manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

Audit Methodology

The methodology used to develop the findings in this report included the examination of pertinent District records in connection with the application of procedures required by auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133.

Management's response is included in the audit report as Exhibit A.