



Summary

Report Number: [2016-180](#)

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

Report Period: **07/01/2014 – 06/30/2015**

Release Date: **03/31/2016**

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 or other matters 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 1: The District provided \$637,605 to its direct support organization without specific legal authority.

Finding 2: The District did not always ensure that salary payment documentation was complete and evidenced the timely review and approval by supervisory personnel. In addition, the District needs to continue efforts to remedy current and previous year salary overpayments.

Finding 3: District efforts to monitor employee overtime continue to need improvement.

Finding 4: The District could enhance controls to ensure that participation in the District's self-insurance program is limited to eligible participants.

Finding 5: The Board has not established a date for completion and submission of the school internal funds' audit reports to the Board. Reports for 96 of 233 school internal fund audits for the fiscal year ended June 30, 2014, were submitted to the Board from 13 to 19 months after fiscal year-end and 2 school internal fund audits had not been completed as of February 29, 2016.

Finding 6: The District did not always document appropriate monitoring of charter school closures. Such monitoring is important to ensure that property and unencumbered funds are appropriately returned to the District and that other statutory requirements related to school closures are met.

Finding 7: As similarly noted in our report Nos. 2010-183 and 2013-160, the District did not always timely correct deficiencies noted in annual facility inspections.

Finding 8: District tangible personal property controls need improvement. A similar finding was noted in our report Nos. 2010-183 and 2013-160.

Finding 9: District controls over virtual instruction program (VIP) operations and related activities could be enhanced by maintaining comprehensive, written VIP policies and procedures. A similar finding was noted in our report No. 2013-094.

Finding 10: As similarly noted in our report No. 2013-094, VIP provider contracts did not contain certain necessary provisions and District records did not evidence the basis upon which District personnel determined the reasonableness of student-teacher ratios established in the Florida Department of Education approved VIP provider contract.

Finding 11: The District could enhance procedures to ensure timely, written notifications are provided to parents about all VIP options offered. A similar finding was noted in our report No. 2013-094.

Finding 12: District Information Technology security controls related to user authentication continue to need improvement.

SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Student Financial Assistance Cluster, Title I, Magnet Schools Assistance, and Teacher Incentive Fund 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, except for the Title I Program. Noncompliance and control deficiency findings are summarized below.

Federal Awards Findings

Federal Awards Finding No. 2015-001: Title I Program resources were not properly allocated to schools, resulting in questioned costs totaling \$22,993,453.

Federal Awards Finding No. 2015-002: District policies and procedures related to financial aid disbursements for the Federal Pell Grant Program could be enhanced.

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 accompanying Schedule of Expenditures of Federal Awards as of and for the fiscal year ended June 30, 2015. 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, in both 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.