



POLICY 1.092

4-B I recommend that the Board approve adoption of the revised Policy 1.092, entitled “Inspector General.”

[Contact: Elizabeth McBride/Sheryl Wood, Px48751]

Adoption

CONSENT ITEM

- The Board approved development of this revised Policy at the development reading on November 2, 2011.
- This proposed revision converts the roles and duties of the Office of District Auditor to the Office of Inspector General and incorporates a full-time program of investigation, audit, inspection, and performance review to provide increased accountability, promote fiscal responsibility, assist management in the establishment of effective systems of control and provide increased oversight in improving District operations, including but not limited to, deterring and identifying, fraud, financial mismanagement, waste, abuse and illegal acts.
- The proposed policy covers many of the broad principles advocated in the *Principles and Standards for Offices of Inspector General*, and reflects reviews and analyses of Inspector General provisions outlined in state law, in Palm Beach County ordinance, in Miami-Dade School Board policy and the Division of Inspector General of the Palm Beach County Clerk & Comptroller.
- Section 1 provides for the purpose of the Office of Inspector General (IG Office), including the independence of the IG and the IG Office.
- Section 2 of the proposed policy,
 - Establishes the IG Office as an independent office of the Board (*See subsec. 2a.*)
 - Provides for the IG to report to and be evaluated by the Board, with input from the Audit Committee. *See subsec.2b.*
 - Prohibits individual Board members, Superintendent and District staff from preventing, impairing or prohibiting the IG from conducting an investigation, audit, inspection or review. *See subsec. 2b.*
 - Requires the IG to establish an office organizational structure appropriate for accomplishing the responsibilities and functions of the office. *See subsec. 2c.*
 - Authorizes IG to recommend to the Board the appointment, employment or removal of, and to supervise and evaluate, employees and personnel for the office. *See subsec. 2d.*

- Prohibits IG and IG employees from engaging in, or making financial contribution to, political campaigns or activities, of the School Board. See subsec. 2g.
- Prohibits IG and IG employees from investigating, auditing, inspecting or reviewing any activity or program in which employed or over. See subsec. 2g.
- Provides for the Board to fund the IG Office, including the IG's preparation of yearly budget with input from Audit Committee for presentation to the Board and Superintendent. See subsec. 2h.
- Provides for IG Office to provide staff support to Audit Committee (subsec. 2i); requires IG and staff to abide by all policies, rules, etc. which govern other District employees (subsec. 2f); and permits IG to establish internal operating procedures for the office (subsec. 2e).
- Establishes procedures for the appointment, evaluation and removal of the IG in Section 3.
 - IG is to be appointed by a majority vote of entire membership of Board, with input from Audit Committee, and to be removed for cause by a supermajority of the Board. See subsec. 3a and 3c.
 - Requirements for the position of IG are established consistent with the provisions of the *Principles and Standards for Offices of Inspector General* and state statutory requirements state IGs. See subsec. 3e.
 - Requires IG to hold at appointment or acquire within a reasonable time certification as Certified IG.
- Authorizes the IG to conduct specific functions and grants the IG specific powers as to investigations, including being the designee of the District's chief executive officer for purposes of receiving and investigating Whistleblower complaints; of conducting financial, compliance, performance, management, operational, electronic data processing and other audits); and reviewing actions taken by District offices, monitoring of implementation of recommendations related to audit, investigation, or law enforcement referrals, and requesting periodic status reports regarding corrective actions, etc. See Section 4 a, b, and c.
- Grants the IG and IG Office accessibility to:
 - All papers, books, records, documents, information, personnel, processes (including meetings), data, computer hard drives, emails, instant messages, facilities or other assets owned, borrowed, or used by the District, which includes information regarding District vendors or any other partnership, corporation or organization that may be involved with the District, as deemed necessary in performing investigative and/or audit activities and other requested information, including automated or electronic data, pertaining to

the business of the School Board and District within their custody. See Sec. 4d.i.

- All District employees, including unrestricted interview and access to head of department, division or school. See Sec. 4d.ii.
- Buildings or facilities that are owned, operated or leased by School Board. See Sec. 4d.iii.
- Requires every Board contract and bid, proposal, solicitation for contracts with outside contractors and subcontractors, and every application for certification of eligibility for a School Board program to contain a statement that the IG shall have access to all financial and performance-related records, services, property and equipment purchased in whole or in part with Board funds. See Sec. 4d.v. If a refusal to cooperate with IG, the IG may seek the assistance of the Office of State Attorney or other appropriate law enforcement agency. See Subsec. 4d.vii.
- Authorizes the IG to create a Hotline for the receipt of complaints from employees and citizens. See Subsec. 4e.
- Provides for the reporting of allegations regarding Board members, the Superintendent or the Inspector General. See Subsec. 5.
- Requires each investigation, audit, inspection or review to result in a written report, and establishes procedures for the IG's reporting of work activities and annual audit work plan. See Secs. 6 and 8.

POLICY 1.092

INSPECTOR GENERAL
INTERNAL AUDIT FUNCTIONS

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4 1. **Purpose**

5 a. The School Board of Palm Beach County (Board) desires to incorporate a full-
6 time program of investigation, audit, inspection, and performance review to
7 provide increased accountability, promote fiscal responsibility, assist
8 management in the establishment and maintenance of effective systems of
9 control and provide increased oversight in improving District operations and to
10 assist in improving operations, including deterring, and identifying, fraud,
11 waste, abuse and illegal acts. To ensure the Board's requirement that all
12 District operations be carried out with honesty, integrity, efficiency and legal
13 compliance, the Board desires to transform the duties and responsibilities of
14 the Office of District Auditor to become the Office of Inspector General. The
15 Office of Inspector General shall be independent to assure that no interference
16 or influence external to the office adversely affects the independence and
17 objectivity of the Inspector General and Office of Inspector General.

18 2. **Establishment of Office of Inspector General; Resources; Staff.**

19 a. There is hereby established an office to be known as the Office of Inspector
20 General as an independent office of the School Board. The head of the office
21 shall be the Inspector General. The Inspector General will conduct
22 investigations, audits, inspections or other reviews in accordance with those
23 professional standards that relate to fields of investigation and auditing in
24 government environments.

25 b. To promote the independence and objectivity of the investigative and audit
26 functions of the Office of Inspector General, the Inspector General shall report
27 to, and be evaluated by, the School Board pursuant to Fla. Stat. §
28 1001.42(12)(l), with input from the Audit Committee in accordance with School
29 Board Policy 1.091. The District administration, individual Board members,
30 the Superintendent, or District Staff shall not prevent, impair or prohibit the
31 Inspector General from initiating, carrying out, completing, or presenting timely
32 any investigation, audit, inspection or review consistent with this policy.

33 c. The Inspector General shall establish the organizational structure appropriate
34 for carrying out the responsibilities and functions of the Office of Inspector
35 General.

36 d. The Inspector General shall have, subject to appropriation by the School
37 Board, the power to recommend to the Board the appointment, employment or

38 removal of, and to supervise and evaluate, such assistants, employees and
39 personnel for the efficient and effective administration of the activities of the
40 office. However, the staff in the Office of Inspector General shall report
41 directly to the Inspector General, and report to the Board through the Inspector
42 General.

43 e. The Inspector General may establish internal operating procedures and
44 personnel procedures as deemed necessary for the efficient and effective
45 administration of the activities of the Office of Inspector General. Such internal
46 operating procedures shall be presented for review and comment to the Audit
47 Committee. The Inspector General is responsible for administering and
48 enforcing the staff's compliance with this policy, School Board policies, and
49 procedures and the office's internal operating procedures.

50 f. Although the Inspector General and staff function independently of the
51 Superintendent, the Inspector General and his/her staff shall comply with all
52 the rules, policies, procedures and guidelines which govern District employees
53 including without limitation the rules regarding payroll, personnel and travel,
54 unless said compliance shall, in the sole opinion of the Inspector General,
55 impede the ability of the Inspector General to carry out its functions, authority
56 and powers as set forth in this policy. Upon such a determination by the
57 Inspector General, the Inspector General shall present such matter to the
58 Board for a final determination ~~notify the Board Chair.~~

59 g. The Office of Inspector General shall be impartial and free of organizational
60 and political pressures that limit its objectivity in selecting areas to be
61 investigated, audited, inspected or reviewed in implementing its annual work
62 plan.

63 i. Neither the Inspector General nor any employee of the Office of Inspector
64 General shall engage in any political campaigns or activities of the School
65 Board, and shall not make financial contributions to any such campaigns.

66 ii. Neither the Inspector General nor any employee of the Office of Inspector
67 General shall conduct or supervise an investigation, audit, inspection or
68 review on any activity or program for which s/he was responsible or in
69 which s/he was employed for the preceding five (5) years.

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- 71 h. The Board will provide the funding to operate the Office of Inspector General
72 and will establish its budget on an annual basis as part of the Board's annual
73 budgeting process. Each year, the Inspector General shall prepare with input
74 from the Audit Committee a proposed annual budget for provision to the Board
75 and the Superintendent detailing employee salary and benefit costs and
76 operating expenses. Upon recommendation by the Audit Committee and
77 approval by the Board, the budgeted amount will be allocated accordingly.
- 78 i. The Office of Inspector General shall provide staff support to the Audit
79 Committee.

80 3. Appointment, Term, Removal, Vacancy, Qualifications, and Evaluation and
81 Removal of the Inspector General.

- 82 a. Appointment. The Inspector General shall be appointed by a majority vote
83 of the entire membership of the School Board with input by the Audit
84 Committee. The Inspector General shall be selected consistent with the
85 provisions herein and without regard to political affiliation and consistent with
86 the provisions herein. Upon the adoption of this policy, the District Auditor
87 shall become the Inspector General. In the event of a vacancy in the position
88 of Inspector General, the Audit Committee may review the qualifications as
89 established in this policy, the job description, and provide its recommendations
90 to the School Board regarding the selection of the Inspector General. The
91 Inspector General shall be removed only for cause by a super majority of the
92 School Board.
- 93 b. Term of Appointment. The Inspector General shall serve for a term of four
94 years, which may be renewed at the discretion of the Board. The term and
95 other terms and conditions of the appointment shall be provided for in a written
96 agreement, shall be consistent with the terms included in contracts of other
97 contractual employees of the Board, and shall be consistent with the
98 provisions of this policy. At least four (4) months prior to the end of each
99 contract term, the Board shall determine whether or not to renew the contract
100 for an additional four (4) years and shall promptly notify the Inspector General
101 of its decision.
- 102 c. Removal. Prior to the expiration of his or her term of office, the Inspector
103 General may be removed only for cause based upon the following: neglect of
104 duty, malfeasance, abuse of power or authority, discrimination, ethical
105 misconduct or other good cause. The Board shall give written notice to the
106 Inspector General of the cause of his or her intended removal. Within ten (10)
107 working days after receipt of the notice, the Inspector General may file with the
108 Board a request for a hearing on the cause for removal. If no such request is
109 made within the ten working days, the Inspector General shall be deemed to
110 have resigned his or her office as of the end of the tenth working day after

111 receipt of the notice of removal for cause. If the Inspector General files a
112 request for hearing, the Board shall convene a hearing on the cause for
113 removal of the Inspector General, at which the Inspector General may appear,
114 be represented by counsel and be heard. The hearing shall be convened
115 within thirty (30) days after receipt of the request therefore and conclude no
116 later than forty-five (45) days thereafter. The Board's notice of intended
117 removal shall constitute the charge against the Inspector General. Removal of
118 the Inspector General for cause after the hearing shall require the affirmative
119 vote of a super majority of the members of the Board.

120 d. Vacancy. In case of a vacancy in the position of Inspector General, the
121 Board may appoint another qualified employee in the Office of Inspector
122 General as Interim Inspector General, until such time as a successor Inspector
123 General is selected and assumes offices. The Audit Committee may, review
124 the qualifications as established in this policy, the job description, and provide
125 its recommendations to the Board regarding the selection of the Inspector
126 General.

127 e. Qualifications. In accordance with the *Principles and Standards of the*
128 Offices of Inspector General, promulgated by the Association of Inspectors
129 General, the Inspector General shall be selected on the basis of integrity,
130 capability for strong leadership, and demonstrated ability in accounting,
131 auditing, financial analysis, law, management analysis, public administration,
132 investigation, or criminal justice administration or other closely related fields.
133 More specifically, the Inspector General shall be selected consistent with the
134 minimum requirements established for state inspectors general as provided in
135 Sec. 20.055, Fla. Stat., and to ensure that District audits and investigations
136 are performed in accordance with applicable governmental auditing standards
137 and investigations are conducted in accordance with *Principles and Standards*
138 for Offices of Inspector General, promulgated by the Association of Inspectors
139 General. In accordance with Sec. 20.055, Fla. Stat., the Inspector General
140 shall possess the following qualifications:

141 i. A bachelor's degree from an accredited college or university with a major
142 in accounting, or with a major in business which includes five courses in
143 accounting, and ten (10) ~~5~~ years of experience as an internal auditor or
144 independent postauditor, electronic data processing auditor, accountant,
145 or any combination thereof. The experience shall at a minimum consist of
146 audits of units of government or private business enterprises, operating
147 for profit or not for profit; OR

148 ii. A master's degree in accounting, business administration, or public
149 administration from an accredited college or university and five (5) ~~4~~
150 years of experience as required in subparagraph (i) above; AND ~~or~~

151 iii. A certified public accountant license issued pursuant to chapter 473, Fla.
152 Stat., or a certified internal auditor certificate issued by the Institute of
153 Internal Auditors or earned by examination and five (5) 4 years of
154 experience as required in subparagraph (i) above.

155 The Inspector General shall hold at appointment, or obtain no later than
156 eighteen (18) months within a reasonable time after appointment, certification
157 as a Certified Inspector General.

158 f. Evaluation. To ensure accountability for the Inspector General's
159 effectiveness and productivity, the School Board shall annually evaluate the
160 Inspector General's performance in fulfilling the responsibilities outlined in this
161 policy and the Board approved job description, with input from the Audit
162 Committee.

163 4. Functions, Authority and Powers. The Office of Inspector General is
164 authorized to engage in the following specific functions:

165 a. Investigative Duties and Responsibilities. In carrying out investigative duties
166 and responsibilities, the Inspector General shall:

167 i. Initiate, conduct, supervise, and coordinate investigations designed to
168 detect, deter, prevent and eradicate fraud, waste, financial
169 mismanagement, fiscal misconduct, and other abuses in District
170 government. To avoid duplication of efforts, the Inspector General shall
171 ensure effective coordination and cooperation with, but shall be separate
172 and independent from School Police. Notwithstanding this provision, the
173 Inspector General may refer investigations to School Police or as
174 otherwise provided in this policy.

175 ii. Investigate, inspect, review and monitor the performance of School
176 District officers, employees, functions and programs either in response to
177 complaint or on the Inspector General's own initiative, in order to detect
178 and prevent misconduct, inefficiency and waste within the programs and
179 operations of the District. The Inspector General may also coordinate
180 with the General Counsel to the School Board, Human Resources, and
181 the School Police Chief, if necessary, on special investigations into
182 significant matters.

183 iii. Receive, review and investigate any complaints regarding District-funded
184 projects, programs, contracts or transactions.

185 iv. Receive and consider complaints, and conduct, supervise, or coordinate
186 such inquiries, investigations, or reviews as the Inspector General deems
187 appropriate.

- 188 v. Pursuant to Sec. 112. 3187, Fla. Stat., the Inspector General shall be the
189 designee of the District's chief executive officer for purposes of receiving
190 Whistleblower's Act disclosures under Sec. 112.3197, Fla. Stat.
- 191 vi. Receive complaints and coordinate all activities of the District as required
192 by the District's Whistleblower Protection Policy (Policy 3.28).
- 193 vii. Report expeditiously to the appropriate law enforcement agency,
194 whenever there are reasonable grounds to believe there has been a
195 violation of state, federal or local law.
- 196 viii. Conduct investigations and other inquiries free of actual or perceived
197 impairment to the independence of the Inspector General or the
198 Inspector General's office. This shall include freedom from any
199 interference with investigations and timely access to records, personnel
200 and other sources of information.
- 201 ix. Refer to the appropriate offices matters related to collective bargaining
202 agreements, employee performance and misconduct allegations not
203 involving fraud, waste, financial mismanagement, or fiscal abuse.
- 204 x. Timely submit final reports on investigations conducted by the Office of
205 Inspector General to the Audit Committee, School Board and
206 Superintendent. The Inspector General may request workshops with the
207 School Board which will be scheduled in a timely manner.
- 208 b. Auditing Duties and Responsibilities. In carrying out auditing duties and
209 responsibilities, the Inspector General shall:
- 210 i. Conduct financial, compliance, performance, management, operational,
211 electronic data processing or other audits of all departments, offices,
212 activities; agencies, contracts, grants, procurements (for goods, services
213 or construction), agreements, and other programs under the operation,
214 control and supervision of the School District; and expenditures incurred
215 by the School District to independently determine whether:
- 216 A. Activities and programs being implemented have been authorized by
217 the appropriate party.
- 218 B. Activities and programs are operated in compliance with applicable
219 laws, policies, regulations and grants/contracts.
- 220 C. Revenues are being properly collected, deposited, recorded, and
221 accounted for.
- 222 D. Resources or assets, including funds, property and personnel, are

- 223 adequately safeguarded, controlled and used in an effective and
224 efficient manner.
- 225 E. Financial and other reports are being provided that disclose fairly
226 and fully information that as required by law, that is necessary to
227 ascertain the nature and scope of programs and activities to
228 establish a proper basis for evaluating programs and activities.
- 229 F. There are indicators of financial mismanagement, waste, fraud,
230 abuse or illegal acts.
- 231 G. There are adequate policies, operating and administrative
232 procedures and practices, systems or accounting controls and
233 internal management controls which have been established by
234 management.
- 235 H. There has been adequate fiscal evaluation of all large purchases of
236 real property by the District and sale of District property.
- 237 ii. Conduct all audits in accordance with current *Standards for the*
238 *Professional Practice of Internal Auditing* as issued by the Institute of
239 Internal Auditors, Inc., or, where appropriate, in accordance with generally
240 accepted *Government Auditing Standards* issued by the Comptroller
241 General of the United States.
- 242 iii. Except for audits intended to be unannounced, reasonable notice should
243 be given to appropriate personnel of an intent to audit in their area.
- 244 A. During the course of audit work, the Inspector General and staff shall
245 be alert to any indications of fraud, financial mismanagement, waste,
246 abuse, or illegal acts. If the Inspector General detects apparent
247 violations of law or apparent instances of misfeasance, malfeasance,
248 or nonfeasance by an employee or information that dereliction may
249 be reasonably anticipated, the Inspector General shall immediately
250 start an investigation. If the irregularity may be criminal in nature, the
251 investigation results shall be referred to the School Police
252 Department, in conjunction with the Office of General Counsel, or
253 may also be referred to other law enforcement agencies as
254 applicable.
- 255 c. *Miscellaneous Duties.* In carrying out Miscellaneous Duties, the Inspector
256 General shall:
- 257 i. May review the actions taken by District offices to improve program
258 performance and meet program standards and make recommendations
259 for improvement, if necessary.

- 260 ii. May provide direction for, supervise, and coordinate management reviews
261 relating to the programs and operations of the District.
- 262 iii. Shall monitor implementation of recommendations made by the office and
263 other audit, investigative and law enforcement agencies.
- 264 iv. May request periodic status reports from audited or investigated
265 departments, offices, divisions regarding corrective actions taken to
266 address reported findings, deficiencies and/or audit recommendations.
- 267 v. Shall, upon discovering credible information of corruption, fraud, waste,
268 abuse or illegal acts in carrying out duties and responsibilities of the
269 office, the Inspector General report such information to School Police,
270 the State Attorney, the United States Attorney, or other appropriate law
271 enforcement agency.
- 272 d. Accessibility to and Cooperation with Inspector General and Staff.
- 273 i. The Office of Inspector General shall have immediate, complete and
274 unrestricted access to all papers, books, records, documents, information,
275 personnel, processes (including meetings), data, computer hard drives,
276 emails, instant messages, facilities or other assets owned, borrowed, or
277 used by the District, which includes information regarding District vendors
278 or any other partnership, corporation or organization that may be
279 involved with the District, as deemed necessary in performing
280 investigative and/or audit activities and other requested information,
281 including automated or electronic data, pertaining to the business of the
282 School Board and District within their custody.
- 283 ii. The Office of Inspector General shall have access to all District
284 employees, including unrestricted interview (written and oral) privileges.
285 The Inspector General shall have direct and prompt access to the head of
286 any District department, division or school when necessary for any
287 purpose pertaining to the performance of his/her duties and
288 responsibilities.
- 289 iii. At all times the Office of Inspector General shall have access to any
290 building or facility that is owned, operated or leased by the School Board.
- 291 iv. All District employees or vendors shall furnish the Inspector General with
292 requested information and records within their custody for the purposes of
293 conducting an investigation or audit, as well as provide reasonable
294 assistance to the Inspector General in locating assets and obtaining
295 records and documents as needed for an investigation or audit.
- 296 v. The Inspector General may also obtain information from District vendors

297 when such information is needed while conducting an audit.
298 Furthermore, every Board contract and every bid, proposal, and
299 solicitation for contracts with outside contractors and subcontractors, and
300 every application for certification of eligibility for a School Board contract
301 or program, shall contain a statement that the Inspector General's
302 access to all financial and performance-related records, services,
303 property and equipment purchased in whole or in part with School Board
304 funds, and that the individual, corporation, partnership or organization
305 understands and will abide by this policy.

306 vi. The Office of Inspector General shall have the authority to monitor
307 implementation of recommendations made and corrective actions taken
308 by the School District; and

309 vii. In the case of a refusal to cooperate with a request by the Inspector
310 General for documents or for an interview, the Inspector General may
311 seek the assistance of the Office of the State Attorney or other
312 appropriate law enforcement agency in obtaining a subpoena for such
313 document or testimony.

314 e. Establishment of Hotline. To facilitate the receipt of information from
315 citizens and employees associated with allegations of corruption, fraud, waste,
316 mismanagement, etc., the Inspector General shall maintain a system of
317 hotline and shall circulate and communicate to the various departments,
318 divisions and schools the existence of the toll-free number and its purposes.

319 5. Allegations Regarding Board Members, Superintendent or Inspector General.
320 Any allegations of ethical misconduct, criminal misconduct or other wrongdoing
321 regarding a Board member, the Superintendent or any employee in the Office of
322 Inspector General shall be managed as follows.

323 a. Ethical Misconduct. If allegations relate to ethical misconduct as provided for
324 in the Florida Code of Ethics, Part III, Chapter 112, F.S., as amended, such
325 allegations shall be filed immediately with Florida Commission on Ethics. If
326 the allegations relate to ethical misconduct as provided for in Board Policy
327 3.02, the allegations shall also be immediately forwarded to an external
328 agency the Board has entered into an agreement with, if any, for the purposes
329 of investigating such allegations.

330 i. Any allegations to be filed with the Florida Commission on Ethics
331 regarding a Board member or Superintendent shall be filed and signed by
332 the Inspector General.

333 ii. Any allegations to be filed with the Florida Commission on Ethics
334 regarding the Inspector General shall be filed and signed by the Board
335 Chair.

- 336 b. *Criminal Misconduct.* If allegations relate to criminal misconduct, such
337 allegations shall be filed immediately with the appropriate local, state or
338 federal law enforcement agency ~~Florida Department of Law Enforcement~~
339 (~~FDLE~~).
- 340 c. *Other Complaints of Wrongdoing.* If allegations relate to wrongdoings,
341 other than ethical or criminal as provided herein, the allegations shall be
342 referred to the appropriate external administrative or civil agency, or an agency
343 the Board has entered into an agreement for the purposes of investigating
344 such allegations.
- 345 a. ~~*Board members.* If the Inspector General receives allegations, ethical or of~~
346 ~~wrongdoing, about a Board member, the Inspector General shall, within five~~
347 ~~(5) working days of receipt of such allegations, conduct a preliminary~~
348 ~~investigative review to determine if the allegations warrant a formal~~
349 ~~investigation, or immediately refer such allegations to the Florida Department~~
350 ~~of Law Enforcement, or the Florida Commission on Ethics, or other an~~
351 ~~appropriate agency, such as the Florida Department of Law Enforcement,~~
352 ~~Florida Commission on Ethics, etc., for investigation or other appropriate~~
353 ~~action.~~
- 354 b. ~~*Superintendent.* The Inspector General shall inform the Board Chair of any~~
355 ~~allegations of wrongdoing, including any wrongdoing for personal financial~~
356 ~~gain, by or about the Superintendent, or any other allegations that if true could~~
357 ~~cause significant harm or damage to the reputation of the District. Within five~~
358 ~~(5) working days of the receipt of such allegations, At the time of reporting to~~
359 ~~the Chair of the Board, the Inspector General shall conduct a preliminary~~
360 ~~investigative review to determine if the allegations warrant a formal~~
361 ~~investigation. If the Inspector General determines a formal investigation is~~
362 ~~warranted, The Inspector General shall notify the Board Chair of the~~
363 ~~allegations of wrongdoing and immediately refer the allegations regarding the~~
364 ~~Superintendent to the appropriate, external administrative, civil or criminal~~
365 ~~agency. Upon the completion of the investigation, the investigation and~~
366 ~~findings shall be reported to the Board.~~
- 367 c. ~~*Inspector General.* If allegations of misconduct or wrongdoing are alleged~~
368 ~~against the Inspector General, such allegations shall be forwarded to the~~
369 ~~Board Chair. Within five (5) working days of receipt of such allegations, the~~
370 ~~Board Chair shall determine if a formal investigation is warranted. If the Board~~
371 ~~Chair determines that an investigation is warranted, the Board Chair shall~~
372 ~~forward the allegations by the School Board Chair to another Inspector~~
373 ~~General with whom the Board has an agreement, the Florida Department of~~
374 ~~Law Enforcement, or Florida Commission on Ethics or other appropriate~~
375 ~~agency for investigation. The and the results of the investigation shall be~~
376 ~~reported to the Chair and Board members.~~

377 6. Reporting of Work Activities.

- 378 a. The Office of Inspector General will conduct its affairs in accordance with this
379 Policy; the Audit Committee charter as set forth in School Board Policy 1.091;
380 the *Government Auditing Standards* issued by the Comptroller General of the
381 United States; *Standards for the Professional Practice of Internal Auditing*
382 issued by the Institute of Internal Auditors; *Principles and Standards for*
383 *Offices of Inspector General* as published by the Association of Inspectors
384 General; and the internal operating procedures of the Office of Inspector
385 General (internal operating procedures), provided that nothing in the internal
386 operating procedures shall be interpreted as contrary to state or federal law. If
387 any part of the internal operating procedures may be deemed in conflict with
388 this body of the Policy, the provisions within this body Policy shall control.
- 389 b. Each investigation, audit, inspection, or review will result in a written report.
390 Such reports shall be objective, clear, concise, constructive, and timely and
391 shall contain the professional conclusions of the Inspector General regarding
392 the activities investigated, audited, inspected or reviewed.
- 393 i. Before issuing a final written report, the Inspector General will
394 communicate with and schedule a meeting to review the preliminary
395 report and response with, the respective investigated, audited or reviewed
396 department, office, division, or person. However, the Inspector General
397 shall not provide any preliminary reports to the Superintendent, School
398 Board or individual Board members until the final draft of the report is
399 distributed (absent a Board vote requesting receipt of a preliminary/draft
400 report before the final draft of the report).
- 401 ii. In response to the Inspector General request, the entity that is the subject
402 of the investigation, audit, inspection or review shall provide the
403 requested information and submit it to the Inspector General within the
404 time period requested by the Inspector General, but no more than ten
405 (10) working days.
- 406 iii. When investigating or auditing a vendor, and/or in the event information
407 and response is needed from a vendor, this step may include meeting
408 with the vendor when the investigation or audit is near completion, and
409 the vendor or affected person must agree to maintain the confidentiality of
410 preliminary/draft report and the information contained therein pursuant to
411 Fla. Stat. § 119.0713(2) and shall enter into a written confidentiality
412 agreement for the period until the investigation or audit is completed. A
413 vendor's failure to enter such written confidentiality agreement shall be
414 deemed to constitute that vendor's waiver of the opportunity to respond to
415 the investigation or audit preliminary report, and the investigation or audit
416 shall be completed without the vendor's response.

- 417 iv. The department, office, division, or person shall have twenty (20) working
418 days to submit a written corrective action plan, explanation or rebuttal to
419 any audit findings before the report or recommendation is finalized, and
420 such timely submitted written corrective action plan, explanation or
421 rebuttal shall be attached to the final report or recommendation. The
422 Inspector General shall submit and present the audit and investigative
423 reports to the Audit Committee for the next available Audit Committee
424 meeting.
- 425 v. This section shall not apply when the investigative reports are referred to
426 a law enforcement agency, State Attorney, Attorney General or United
427 States Attorney, and it is determined that supplying the affected person
428 or entity with such report will jeopardize a pending criminal investigation.
- 429 c. Whistleblower investigations conducted as provided herein and by state law
430 are not subject to this policy and shall be reported consistent with state law.
431 Additionally, matters referred by the Inspector General to other District
432 investigative offices, Florida Department of Education, or a law enforcement
433 agency shall not be reported in personally-identifiable form if a preliminary
434 report could harm the integrity of the pending investigation.
- 435 d. To enhance the independence, objectivity, and effectiveness of the
436 investigative and auditing processes, a final ~~draft~~ report shall be submitted at
437 the same time to all members of the School Board, the Superintendent and the
438 affected department heads, members of the press and upon request, the
439 general public ~~upon request~~. Final reports shall be posted on the Inspector
440 General's website.
- 441 e. The Inspector General shall prepare an annual report summarizing the
442 activities of the office during the immediately preceding fiscal year. The
443 annual report shall be furnished to the Audit Committee, the School Board,
444 and published on the Inspector General's website.
- 445 7. **Quality Review.** The work activities of the Office of Inspector General shall be
446 subject to periodic quality assurance or peer review by a group of its peers, utilizing
447 guidelines endorsed by the United States Government Accountability Office. When
448 completed by the peer review group, the group shall submit its recommendations
449 and findings of such review to the Board, Audit Committee and the Inspector
450 General. The Audit Committee shall provide a report to the Board of the
451 recommendations and findings which the committee accepts and recommends for
452 implementation by the Inspector General.
- 453 8. **Annual Work Plan.**
- 454 a. For each fiscal year, the Inspector General shall develop, for approval by the
455 Board, a proposed work plan after consultation with the Board and Audit

456 Committee at a joint meeting, and with input from the Superintendent and
457 other high-level administrators. The annual work plan shall be consistent with
458 applicable standards, including the *Government Auditing Standards*, standards
459 issued by the Institute of Internal Auditors and standards issued by the
460 Association of Inspectors General.

461 b. Before presenting the proposed work plan for approval by the Board, the
462 Inspector General shall first submit the proposed plan (reflecting budget,
463 staffing, scheduled audits, and other projects) for review and discussion by the
464 Audit Committee, whose advice on the proposed plan will be reported to the
465 School Board before a vote by the Board. The annual work plan may be
466 amended by the Board, as deemed necessary.

467 9. Confidential Information

468 a. The Inspector General will properly protect confidential information in
469 accordance with law. Specifically,

470 i. Pursuant to § 119.0713(2), Fla. Stat., work papers, notes, and preliminary
471 or draft audit reports shall be held confidential and exempt from public-
472 records disclosure until the audit is completed by submission of the final
473 draft of the report to the Audit Committee and the School Board.

474 ii. Pursuant to §112.3188, Fla. Stat., whistle-blower information is
475 confidential and exempt “if the information” is being received or derived
476 from allegations as set forth in § 112.3187, Fla. Stat. and the investigation
477 is active”, and such information can be disclosed only as allowed by
478 §112.3188, Fla. Stat.

479 iii. Under §1012.31, Fla. Stat., “[a] complaint and any material relating to the
480 investigation of a complaint against an employee shall be confidential and
481 exempt from the provisions of the Public Records Law, § 119.07(1), Fla.
482 Stat., until the conclusion of the preliminary investigation or until such
483 time as the preliminary investigation ceases to be active”.

484 iv. Under §1002.22 Fla. Stat., student records are confidential and may be
485 disclosed only as allowed by §1002.22 (3)(d), Fla. Stat; State Board of
486 Education Rule 6A-1.0955, F.A. C.; and, Board Policy 5.1816.

487 1. Purpose

488 a. ~~It is the express interest of the School Board and the Superintendent of the School District of~~
489 ~~Palm Beach County to promote fiscal responsibility and accountability for the operations of the~~
490 ~~District. The internal audit function shall be considered an essential element in achieving those~~
491 ~~goals, with a view to assisting the School Board and District management in carrying out their~~
492 ~~responsibilities relating to fiscal policies, internal controls, and management reporting~~
493 ~~practices.~~

494 b. ~~Internal audit will serve an independent appraisal function within the District to examine and~~
495 ~~evaluate its activities, including the adequacy and effectiveness of the District's system of~~
496 ~~internal controls and the quality of performance. Internal audit will provide analyses,~~
497 ~~appraisals, recommendations, counsel, and information concerning the activities reviewed.~~
498 ~~The School Board and management of the District will be notified of any potential problem~~
499 ~~areas. The District Auditor will advise individual Board members periodically of significant~~
500 ~~findings identified during audits, before the final report is released.~~

501 2. Organization of the Internal Audit Function

502 a. ~~To promote the independence and objectivity of the audit function, the District Auditor shall~~
503 ~~report to, and be evaluated by, the School Board pursuant to Fla. Stat. § 1001.42(10)(l), with~~
504 ~~input from the Audit Committee in accordance with Policy 1.091(2)(c)ii.~~

505 b. ~~The Audit Committee is governed by Policies 1.09, "Advisory Committees to the Board" and~~
506 ~~1.091, "Audit Committee," and it shall promote independence in the internal audit function and~~
507 ~~advise on ensuring broad audit coverage, adequate consideration of audit reports, and~~
508 ~~appropriate action on audit reports.~~

509 c. ~~The District Auditor's office shall be free of organizational and political pressures that limit its~~
510 ~~objectivity in selecting areas to be examined in implementing the audit plan. The District~~
511 ~~Auditor should not be involved in any political campaign for a School Board elective office nor~~
512 ~~make financial contributions to any such campaign.~~

513 d. ~~The District Auditor's office should be adequately staffed, within financial constraints, to~~
514 ~~perform its auditing activities; and auditors should maintain their technical competence~~
515 ~~through continuing education.~~

516 e. ~~The District Auditor and personnel on the internal audit staff are required to follow the Audit~~
517 ~~Manual and all the Policies, procedures, and guidelines which govern other District~~
518 ~~employees. The District Auditor is responsible for administering and enforcing the audit staff's~~
519 ~~compliance with such Policies, procedures, and guidelines and the Audit Manual.~~

520 3. Authority

521 a. ~~To properly carry out its responsibilities, internal audit shall reasonably be granted:~~

522 i. ~~The authority to conduct performance and financial audits of all departments, offices,~~
523 ~~activities, programs under the control of the School Board, and expenditures incurred by~~
524 ~~the School District;~~

525 ii. ~~Complete and unrestricted access to all District records, documents, and facilities or~~
526 ~~other assets owned, borrowed, or used by the District, which includes information~~
527 ~~regarding District vendors, as deemed necessary in performing audit activities;~~

528 iii. ~~The authority to request reasonable assistance from appropriate personnel in locating~~
529 ~~assets and obtaining records and documents; and~~

530 iv. ~~Unrestricted interview privileges, both written or oral, with all District management and~~
531 ~~employees. The District Auditor may also obtain information from District vendors when~~
532 ~~such information is needed while conducting an audit.~~

533 b. ~~Auditors are to have no authority over, or responsibility for, the activities they audit. The~~
534 ~~District Auditor or any of the employees of the Office of District Auditor shall not conduct or~~
535 ~~supervise an audit of an activity for which he/she was responsible or within which he/she was~~
536 ~~employed during the preceding two (2) years.~~

537 4. Responsibility and Scope of Activities

538 a. ~~Before the beginning of each fiscal year, the District Auditor shall develop, for approval by the~~
539 ~~Board, a proposed audit plan after consultation with the Board and Audit Committee at a joint~~
540 ~~meeting, and with input from the Superintendent and other high-level administrators. Before~~
541 ~~presenting the proposed audit plan for approval by the Board, the District Auditor shall first~~
542 ~~submit the proposed plan (reflecting budget, staffing, scheduled audits, and non-audit~~
543 ~~activities) for review and discussion by the Audit Committee, whose advice on the proposed~~
544 ~~plan will be reported to the School Board before a vote by the Board. The District Auditor may~~
545 ~~amend the approved plan during the fiscal year only by approval of the School Board with~~
546 ~~input from the Audit Committee.~~

547 b. ~~The School Board shall have the authority to make changes in the approved audit plan during~~
548 ~~the year, and those changes shall be submitted to the Audit Committee for advisory input. All~~
549 ~~staff requests for amendments to the audit plan shall be reviewed by the Audit Committee and~~
550 ~~submitted to the School Board for approval, along with a report stating the Audit Committee's~~
551 ~~advice on the requested amendments.~~

552 c. ~~Types of audits to be performed by internal audit shall include, but not be limited to:~~
553 ~~performance audits, economy and efficiency audits, program audits, financial statement~~
554 ~~audits, and financial related audits, as defined by the *Government Auditing Standards*.~~

555 5. Auditing and Reporting Procedures

556 a. ~~Internal audit will conduct its affairs in accordance with this Policy; the Audit Committee~~
557 ~~charter as set forth in Policy 1.001; the *Government Auditing Standards*; and the *Audit*~~
558 ~~*Manual*, which is hereby incorporated by reference herein and made a part of this Policy,~~
559 ~~provided that nothing in the *Manual* shall be interpreted as contrary to state or federal law. The~~
560 ~~*Audit Manual* shall be filed with the Clerk of the School Board as a part of this Policy and shall~~
561 ~~be available for inspection in the Public Information office. If any part of the *Audit Manual* may~~
562 ~~be deemed to conflict with this body of the Policy, the provisions within this body of the Policy~~
563 ~~shall control.~~

564 b. ~~The District Auditor, in collaboration with the Superintendent, may initiate and conduct any~~
565 ~~emergency audits or reviews not listed in the audit plan, if deemed necessary, in view of~~
566 ~~potential illegal acts, fraud, abuse, or misuse of District funds. Evidence of such irregularities~~
567 ~~shall be referred to the School Police and the School Board's Office of Chief Counsel for~~
568 ~~further investigation.~~

569 c. ~~Except for audits intended to be unannounced, reasonable notice should be given to~~
570 ~~appropriate personnel of an intent to audit in their area.~~

571 d. ~~During the course of audit work, the District Auditor and Audit staff shall be alert to any~~
572 ~~indications of fraud, abuse, or illegal acts. If the District Auditor detects apparent violations of~~
573 ~~law or apparent instances of misfeasance, malfeasance, or nonfeasance by an employee or~~
574 ~~information that dereliction may be reasonably anticipated, the District Auditor shall consult~~
575 ~~with the Superintendent, Chief Counsel to the School Board, and the School Police Chief. If~~

- 576 ~~the irregularity may be criminal in nature, the investigation shall be handled by the School~~
577 ~~Police Department, in conjunction with the Office of Chief Counsel to the School Board.~~
- 578 e. ~~Each internal audit will result in a written report. Audit reports shall be objective, clear,~~
579 ~~concise, constructive, and timely and shall contain the professional conclusions of the auditor~~
580 ~~regarding the activities audited.~~
- 581 f. ~~Before issuing a final written report, the District Auditor will communicate with, and schedule a~~
582 ~~meeting to review the preliminary report and response with, the respective audited~~
583 ~~department, office, or division. When auditing a vendor, and/or in the event information and~~
584 ~~response is needed from a vendor, this step may include meeting with the vendor when the~~
585 ~~audit is near completion, and the vendor or affected person must agree to maintain the~~
586 ~~confidentiality of preliminary/draft report and the information contained therein pursuant to Fla.~~
587 ~~Stat. § 119.07(3)(y) and shall enter into a written confidentiality agreement for the period until~~
588 ~~the audit is completed. A vendor's failure to enter such written confidentiality agreement shall~~
589 ~~be deemed to constitute that vendor's waiver of the opportunity to respond to the preliminary~~
590 ~~report, and the audit shall be completed without the vendor's response.~~
- 591 g. ~~The District Auditor shall advise the Superintendent of the findings. However, the Auditor shall~~
592 ~~not provide any preliminary reports to the School Board or individual Board members until the~~
593 ~~final draft of the report is distributed (absent a Board vote requesting receipt of a~~
594 ~~preliminary/draft report before the final draft of the report).~~
- 595 h. ~~The District Auditor will place on the agenda the finalized audit report for the next available~~
596 ~~Audit Committee meeting prior to submitting the final report to the School Board.~~
- 597 i. ~~Pursuant to § 119.07(3)(y), Fla. Stat., and Ch. 95-399 § 2, Laws of Fla., work papers, notes,~~
598 ~~and preliminary or draft audit reports shall be held confidential and exempt from public records~~
599 ~~disclosure until the audit is completed by submission of the final draft of the report to the~~
600 ~~School Board.~~
- 601 j. ~~To enhance the independence, objectivity, and effectiveness of the auditing process, the final~~
602 ~~report shall be submitted at the same time to all members of the School Board, the~~
603 ~~Superintendent, and affected department heads. After submission of the final draft or final~~
604 ~~report to the School Board, audit reports will be available to members of the press and the~~
605 ~~general public upon request.~~
- 606 10. ~~The District Auditor may request periodic status reports from audited departments, offices, or~~
607 ~~divisions regarding corrective actions taken to address reported deficiencies and audit~~
608 ~~recommendations.~~

609 STATUTORY AUTHORITY: Fla. Stat. §§ 1001.32(2); 1001.41 (1) & (2); 1001.42 (26)
610 LAWS IMPLEMENTED: Fla. Stat. §§ 119.07(3)(y); 119.0713(2); 1001.32 (2); 1001.41;
611 1001.42 (12), (13), & (15); 1001.43 (2), (6), & (10); 286.011
612 OTHER REQUIREMENTS: *Government Auditing Standards*, Government
613 Accountability Office, U.S. Comptroller of the Treasury; *General Principles and*
614 *Standards for Offices of Inspector General* as published by the Association of
615 Inspectors General; *International Standards for the Professional Practice of Internal*
616 *Auditing* as published by the Institute of Internal Auditors, Inc.
617 HISTORY: 1/13/2003; ___/___2011

Legal Signoff:

The Legal Department has reviewed proposed Policy 1.092 and finds it legally sufficient for adoption by the Board.

Attorney

Date