



POLICY 1.092

5-B I recommend that the Board approve development of the proposed **revised** Policy 1.092, entitled “Inspector General.”

[Contact: Elizabeth McBride/Sheryl Wood, Px48751]

Development

CONSENT ITEM

- 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.

70 h. The Board will provide the funding to operate the Office of Inspector General
71 and will establish its budget on an annual basis as part of the Board's annual
72 budgeting process. Each year, the Inspector General shall prepare with input
73 from the Audit Committee a proposed annual budget for provision to the Board
74 and the Superintendent detailing employee salary and benefit costs and
75 operating expenses. Upon recommendation by the Audit Committee and

76 approval by the Board, the budgeted amount will be allocated accordingly.

77 i. The Office of Inspector General shall provide staff support to the Audit
78 Committee.

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

81 a. Appointment. The Inspector General shall be appointed by a majority vote
82 of the entire membership of the School Board with input by the Audit
83 Committee. The Inspector General shall be selected without regards to
84 political affiliation and consistent with the provisions herein. ~~Upon the~~
85 ~~adoption of this policy, the District Auditor shall become the Inspector General.~~
86 ~~In the event of a vacancy in the position of Inspector General, the Audit~~
87 ~~Committee may review the qualifications as established in this policy, the job~~
88 ~~description, and provide its recommendations to the School Board regarding~~
89 ~~the selection of the Inspector General. The Inspector General shall be~~
90 ~~removed only for cause by a super majority of the School Board.~~

91 b. Term of Appointment. The Inspector General shall serve for a term of four
92 years, which may be renewed at the discretion of the Board. The term and
93 other terms and conditions of the appointment shall be provided for in a written
94 agreement, shall be consistent with the terms included in contracts of other
95 contractual employees of the Board, and shall be consistent with the
96 provisions of this policy. At least four (4) months prior to the end of each
97 contract term, the Board shall determine whether or not to renew the contract
98 for an additional four (4) years and shall promptly notify the Inspector General
99 of its decision.

100 c. Removal. Prior to the expiration of his or her term of office, the Inspector
101 General may be removed only for cause based upon the following: neglect of
102 duty, malfeasance, abuse of power or authority, discrimination, ethical
103 misconduct or other good cause. The Board shall give written notice to the
104 Inspector General of the cause of his or her intended removal. Within ten (10)
105 working days after receipt of the notice, the Inspector General may file with the
106 Board a request for a hearing on the cause for removal. If no such request is
107 made within the ten working days, the Inspector General shall be deemed to
108 have resigned his or her office as of the end of the tenth working day after
109 receipt of the notice of removal for cause. If the Inspector General files a
110 request for hearing, the Board shall convene a hearing on the cause for
111 removal of the Inspector General, at which the Inspector General may appear,
112 be represented by counsel and be heard. The hearing shall be convened
113 within thirty (30) days after receipt of the request therefore and conclude no
114 later than forty-five (45) days thereafter. The Board's notice of intended
115 removal shall constitute the charge against the Inspector General. Removal of

116 the Inspector General for cause after the hearing shall require the affirmative
117 vote of a super majority of the members of the Board.

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

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

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

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

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

153 The Inspector General shall hold at appointment, or obtain no later than
154 eighteen (18) months ~~within a reasonable time~~ after appointment, certification

- 155 as a Certified Inspector General.
- 156 f. Evaluation. To ensure accountability for the Inspector General's
157 effectiveness and productivity, the School Board shall annually evaluate the
158 Inspector General's performance in fulfilling the responsibilities outlined in this
159 policy and the Board approved job description, with input from the Audit
160 Committee.
- 161 4. Functions, Authority and Powers. The Office of Inspector General is
162 authorized to engage in the following specific functions:
- 163 a. Investigative Duties and Responsibilities. In carrying out investigative duties
164 and responsibilities, the Inspector General shall:
- 165 i. Initiate, conduct, supervise, and coordinate investigations designed to
166 detect, deter, prevent and eradicate fraud, waste, financial
167 mismanagement, fiscal misconduct, and other abuses in District
168 government. To avoid duplication of efforts, the Inspector General shall
169 ensure effective coordination and cooperation with, but shall be separate
170 and independent from School Police. The Inspector General may refer
171 investigations to School Police or as otherwise provided in this policy.
- 172 ii. Investigate, inspect, review and monitor the performance of School
173 District officers, employees, functions and programs either in response to
174 complaint or on the Inspector General's own initiative, in order to detect
175 and prevent misconduct, inefficiency and waste within the programs and
176 operations of the District. The Inspector General may also coordinate
177 with the General Counsel to the School Board, Human Resources, and
178 the School Police Chief, if necessary, in special investigations into
179 significant matters.
- 180 iii. Receive, review and investigate any complaints regarding District-funded
181 projects, programs, contracts or transactions.
- 182 iv. Receive and consider complaints, and conduct, supervise, or coordinate
183 such inquiries, investigations, or reviews as the Inspector General deems
184 appropriate.
- 185 v. Pursuant to Sec. 112. 3187, Fla. Stat., the Inspector General shall be the
186 designee of the District's chief executive officer for purposes of receiving
187 Whistleblower's Act disclosures under Sec. 112.3197, Fla. Stat.
- 188 vi. Receive complaints and coordinate all activities of the District as required
189 by the District's whistle-blower's policy (Policy [3.28](#)).
- 190 vii. Report expeditiously to the appropriate law enforcement agency.

- 191 whenever there are reasonable grounds to believe there has been a
192 violation of state, federal or local law.
- 193 viii. Conduct investigations and other inquiries free of actual or perceived
194 impairment to the independence of the Inspector General or the
195 Inspector General's office. This shall include freedom from any
196 interference with investigations and timely access to records, personnel
197 and other sources of information.
- 198 ix. Refer to the appropriate office for investigation for collective bargaining
199 agreement matters or employee performance or misconduct allegations
200 not involving fraud, waste, financial mismanagement, or fiscal abuse.
- 201 x. Timely submit final reports on investigations conducted by the Office of
202 Inspector General to the Audit Committee, School Board and
203 Superintendent. The Inspector General may request workshops with the
204 School Board which will be scheduled in a timely manner.
- 205 b. Auditing Duties and Responsibilities. In carrying out auditing duties and
206 responsibilities, the Inspector General shall:
- 207 i. Conduct financial, compliance, performance, management, operational,
208 electronic data processing or other audits of all departments, offices,
209 activities; agencies, contracts, grants, procurements (for goods, services
210 or construction), agreements, and other programs under the operation,
211 control and supervision of the School District; and expenditures incurred
212 by the School District to independently determine whether:
- 213 A. Activities and programs being implemented have been authorized by
214 the appropriate party.
- 215 B. Activities and programs are operated in compliance with applicable
216 laws, policies, regulations and grants/contracts.
- 217 C. Revenues are being properly collected, deposited, recorded, and
218 accounted for.
- 219 D. Resources or assets, including funds, property and personnel, are
220 adequately safeguarded, controlled and used in an effective and
221 efficient manner.
- 222 E. Financial and other reports are being provided that disclose fairly
223 and fully as required by law, that is necessary to ascertain the nature
224 and scope of programs and activities to establish a proper basis for
225 evaluating programs and activities.

- 226 F. There are indicators of financial mismanagement, waste, fraud,
227 abuse or illegal acts.
- 228 G. There are adequate policies, operating and administrative
229 procedures and practices, systems or accounting controls and
230 internal management controls which have been established by
231 management.
- 232 H. There has been adequate fiscal evaluation of all large purchases of
233 real property by the District and sale of District property.
- 234 ii. Conduct all audits in accordance with current *Standards for the*
235 *Professional Practice of Internal Auditing* as issued by the Institute of
236 Internal Auditors, Inc., or, where appropriate, in accordance with generally
237 accepted *Government Auditing Standards* issued by the Comptroller
238 General of the United States.
- 239 iii. Except for audits intended to be unannounced, reasonable notice should
240 be given to appropriate personnel of an intent to audit in their area.
- 241 A. During the course of audit work, the Inspector General and staff shall
242 be alert to any indications of fraud, financial mismanagement, waste,
243 abuse, or illegal acts. If the Inspector General detects apparent
244 violations of law or apparent instances of misfeasance, malfeasance,
245 or nonfeasance by an employee or information that dereliction may
246 be reasonably anticipated, the Inspector General shall immediately
247 start an investigation. If the irregularity may be criminal in nature, the
248 investigation results shall be referred to the School Police
249 Department, in conjunction with the Office of General Counsel, or
250 may also be referred to other law enforcement agencies as
251 applicable.
- 252 c. *Miscellaneous Duties.* In carrying out Miscellaneous Duties, the Inspector
253 General shall:
- 254 i. Review the actions taken by District offices to improve program
255 performance and meet program standards and make recommendations
256 for improvement, if necessary.
- 257 ii. Provide direction for, supervise, and coordinate management reviews
258 relating to the programs and operations of the District.
- 259 iii. Monitor implementation of recommendations made by the office and other
260 audit, investigative and law enforcement agencies.
- 261 iv. Request periodic status reports from audited or investigated departments.

262 offices, divisions regarding corrective actions taken to address reported
263 findings, deficiencies and/or audit recommendations.

264 v. Upon discovering credible information of corruption, fraud, waste, abuse
265 or illegal acts in carrying out duties and responsibilities of the office, the
266 Inspector General shall report to School Police, the State Attorney, the
267 United States Attorney, or other appropriate law enforcement agency.

268 d. Accessibility to and Cooperation with Inspector General and Staff.

269 i. The Office of Inspector General shall have immediate, complete and
270 unrestricted access to all papers, books, records, documents, information,
271 personnel, processes (including meetings), data, computer hard drives,
272 emails, instant messages, facilities or other assets owned, borrowed, or
273 used by the District, which includes information regarding District vendors
274 or any other partnership, corporation or organization that may be
275 involved with the District, as deemed necessary in performing
276 investigative and/or audit activities and other requested information,
277 including automated or electronic data, pertaining to the business of the
278 School Board and District within their custody.

279 ii. The Office of Inspector General shall have access to all District
280 employees, including unrestricted interview (written and oral) privileges.
281 The Inspector General shall have direct and prompt access to the head of
282 any District department, division or school when necessary for any
283 purpose pertaining to the performance of his/her duties and
284 responsibilities.

285 iii. At all times the Office of Inspector General shall have access to any
286 building or facility that is owned, operated or leased by the School Board.

287 iv. All District employees or vendors shall furnish the Inspector General with
288 requested information and records within their custody for the purposes of
289 conducting an investigation or audit, as well as provide reasonable
290 assistance to the Inspector General in locating assets and obtaining
291 records and documents as needed for an investigation or audit.

292 v. The Inspector General may also obtain information from District vendors
293 when such information is needed while conducting an audit.
294 Furthermore, every Board contract and every bid, proposal, and
295 solicitation for contracts with outside contractors and subcontractors, and
296 every application for certification of eligibility for a School Board contract
297 or program, shall contain a statement that the Inspector General's
298 access to all financial and performance-related records, services,
299 property and equipment purchased in whole or in part with School Board
300 funds, and that the individual, corporation, partnership or organization

- 301 understands and will abide by this policy.
- 302 vi. The Office of Inspector General shall have the authority to monitor
303 implementation of recommendations made and corrective actions taken
304 by the School District; and
- 305 vii. In the case of a refusal to cooperate with a request by the Inspector
306 General for documents or for an interview, the Inspector General may
307 seek the assistance of the Office of the State Attorney or other
308 appropriate law enforcement agency in obtaining a subpoena for such
309 document or testimony.
- 310 e. Establishment of Hotline. To facilitate the receipt of information from
311 citizens and employees associated with allegations of corruption, fraud, waste,
312 mismanagement, etc., the Inspector General shall maintain a system of
313 hotline and shall circulate and communicate to the various departments,
314 divisions and schools the existence of the toll-free number and its purposes.
- 315 5. **Allegations Regarding Board Members, Superintendent or Inspector General.**
316 Any allegations of ethical misconduct, criminal misconduct or other wrongdoing
317 regarding a Board member, the Superintendent or the Inspector General shall be
318 managed as following.
- 319 a. Ethical Misconduct. If allegations relate to ethical misconduct as provided for
320 in the Florida Code of Ethics, Part III, Chapter 112, F.S., as amended, such
321 allegations shall be filed immediately with Florida Commission on Ethics. If
322 the allegations relate to other ethical misconduct as provided for in Board
323 Policy 3.02, the allegations shall also be immediately forwarded to an external
324 agency the Board has entered an agreement for the purposes of investigating
325 such allegations.
- 326 i. Any allegations to be filed with the Florida Commission on Ethics
327 regarding a Board member or Superintendent shall be filed and signed by
328 the Inspector General.
- 329 ii. Any allegations to be filed with the Florida Commission on Ethics
330 regarding the Inspector General shall be filed and signed by the Board
331 Chair.
- 332 b. Criminal Misconduct. If allegations relate to criminal misconduct, such
333 allegations shall be filed immediately with the Florida Department of Law
334 Enforcement (FDLE).
- 335 c. Other Wrongdoing. If allegations relate to wrongdoings, other than ethical
336 or criminal as provided herein, the allegations shall be referred to the
337 appropriate external administrative or civil agency, or an agency the Board has

338 entered into an agreement for the purposes of investigating such allegations.

339 a. ~~Board members. If the Inspector General receives allegations, ethical or of~~
340 ~~wrongdoing, about a Board member, the Inspector General shall, within five~~
341 ~~(5) working days of receipt of such allegations, conduct a preliminary~~
342 ~~investigative review to determine if the allegations warrant a formal~~
343 ~~investigation, or immediately refer such allegations to the Florida Department~~
344 ~~of Law Enforcement, or the Florida Commission on Ethics, or other an~~
345 ~~appropriate agency, such as the Florida Department of Law Enforcement,~~
346 ~~Florida Commission on Ethics, etc., for investigation or other appropriate~~
347 ~~action.~~

348 b. ~~Superintendent. The Inspector General shall inform the Board Chair of any~~
349 ~~allegations of wrongdoing, including any wrongdoing for personal financial~~
350 ~~gain, by or about the Superintendent, or any other allegations that if true could~~
351 ~~cause significant harm or damage to the reputation of the District. Within five~~
352 ~~(5) working days of the receipt of such allegations, At the time of reporting to~~
353 ~~the Chair of the Board, the Inspector General shall conduct a preliminary~~
354 ~~investigative review to determine if the allegations warrant a formal~~
355 ~~investigation. If the Inspector General determines a formal investigation is~~
356 ~~warranted, The Inspector General shall notify the Board Chair of the~~
357 ~~allegations of wrongdoing and immediately refer the allegations regarding the~~
358 ~~Superintendent to the appropriate, external administrative, civil or criminal~~
359 ~~agency. Upon the completion of the investigation, the investigation and~~
360 ~~findings shall be reported to the Board.~~

361 c. ~~Inspector General. If allegations of misconduct or wrongdoing are alleged~~
362 ~~against the Inspector General, such allegations shall be forwarded to the~~
363 ~~Board Chair. Within five (5) working days of receipt of such allegations, the~~
364 ~~Board Chair shall determine if a formal investigation is warranted. If the Board~~
365 ~~Chair determines that an investigation is warranted, the Board Chair shall~~
366 ~~forward the allegations by the School Board Chair to another Inspector~~
367 ~~General with whom the Board has an agreement, the Florida Department of~~
368 ~~Law Enforcement, or Florida Commission on Ethics or other appropriate~~
369 ~~agency for investigation. The and the results of the investigation shall be~~
370 ~~reported to the Chair and Board members.~~

371 6. Reporting of Work Activities.

372 a. The Office of Inspector General will conduct its affairs in accordance with this
373 Policy; the Audit Committee charter as set forth in School Board Policy 1.091;
374 the *Government Auditing Standards* issued by the Comptroller General of the
375 United States; *Standards for the Professional Practice of Internal Auditing*
376 issued by the Institute of Internal Auditors; *Principles and Standards for*
377 *Offices of Inspector General* as published by the Association of Inspectors

378 General; and the internal operating procedures of the Office of Inspector
379 General (internal operating procedures), provided that nothing in the internal
380 operating procedures shall be interpreted as contrary to state or federal law. If
381 any part of the internal operating procedures may be deemed in conflict with
382 this body of the Policy, the provisions within this body Policy shall control.

383 b. Each investigation, audit, inspection, or review will result in a written report.
384 Such reports shall be objective, clear, concise, constructive, and timely and
385 shall contain the professional conclusions of the Inspector General regarding
386 the activities investigated, audited, inspected or reviewed.

387 i. Before issuing a final written report, the Inspector General will
388 communicate with and schedule a meeting to review the preliminary
389 report and response with, the respective investigated, audited or reviewed
390 department, office, division, or person. However, the Inspector General
391 shall not provide any preliminary reports to the Superintendent, School
392 Board or individual Board members until the final draft of the report is
393 distributed (absent a Board vote requesting receipt of a preliminary/draft
394 report before the final draft of the report).

395 ii. In response to the Inspector General request, the entity that is the subject
396 of the investigation, audit, inspection or review shall provide the
397 requested information and submit it to the Inspector General within the
398 time period requested by the Inspector General, but no more than ten
399 (10) working days.

400 iii. When investigating or auditing a vendor, and/or in the event information
401 and response is needed from a vendor, this step may include meeting
402 with the vendor when the investigation or audit is near completion, and
403 the vendor or affected person must agree to maintain the confidentiality of
404 preliminary/draft report and the information contained therein pursuant to
405 Fla. Stat. § 119.0713(2) and shall enter into a written confidentiality
406 agreement for the period until the investigation or audit is completed. A
407 vendor's failure to enter such written confidentiality agreement shall be
408 deemed to constitute that vendor's waiver of the opportunity to respond to
409 the investigation or audit preliminary report, and the investigation or audit
410 shall be completed without the vendor's response.

411 iv. The department, office, division, or person shall have twenty (20) working
412 days to submit a written corrective action plan, explanation or rebuttal to
413 any audit findings before the report or recommendation is finalized, and
414 such timely submitted written corrective action plan, explanation or
415 rebuttal shall be attached to the final report or recommendation. The
416 Inspector General shall submit and present the audit and investigative
417 reports to the Audit Committee for the next available Audit Committee

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

456 Inspector General shall first submit the proposed plan (reflecting budget,
457 staffing, scheduled audits, and other projects) for review and discussion by the
458 Audit Committee, whose advice on the proposed plan will be reported to the
459 School Board before a vote by the Board. The annual work plan may be
460 amended by the Board, as deemed necessary.

461 **9. Confidential Information**

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

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

468 ii. Pursuant to §112.3188, Fla. Stat., whistle-blower information is
469 confidential and exempt “if the information” is being received or derived
470 from allegations as set forth in § 112.3187, Fla. Stat. and the investigation
471 is active”, and such information can be disclosed only as allowed by
472 §112.3188, Fla. Stat.

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

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

481 **1. Purpose**

482 a. ~~It is the express interest of the School Board and the Superintendent of the School District of~~
483 ~~Palm Beach County to promote fiscal responsibility and accountability for the operations of the~~
484 ~~District. The internal audit function shall be considered an essential element in achieving these~~
485 ~~goals, with a view to assisting the School Board and District management in carrying out their~~
486 ~~responsibilities relating to fiscal policies, internal controls, and management reporting~~
487 ~~practices.~~

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

495 2. Organization of the Internal Audit Function

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

499 b. ~~The Audit Committee is governed by Policies 1.09, "Advisory Committees to the Board" and~~
500 ~~1.091, "Audit Committee," and it shall promote independence in the internal audit function and~~
501 ~~advise on ensuring broad audit coverage, adequate consideration of audit reports, and~~
502 ~~appropriate action on audit reports.~~

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

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

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

514 3. Authority

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

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

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

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

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

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

531 4. Responsibility and Scope of Activities

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

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

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

549 5. Auditing and Reporting Procedures

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

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

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

565 d. ~~During the course of audit work, the District Auditor and Audit staff shall be alert to any~~
566 ~~indications of fraud, abuse, or illegal acts. If the District Auditor detects apparent violations of~~
567 ~~law or apparent instances of misfeasance, malfeasance, or nonfeasance by an employee or~~
568 ~~information that dereliction may be reasonably anticipated, the District Auditor shall consult~~
569 ~~with the Superintendent, Chief Counsel to the School Board, and the School Police Chief. If~~
570 ~~the irregularity may be criminal in nature, the investigation shall be handled by the School~~
571 ~~Police Department, in conjunction with the Office of Chief Counsel to the School Board.~~

572 e. ~~Each internal audit will result in a written report. Audit reports shall be objective, clear,~~
573 ~~concise, constructive, and timely and shall contain the professional conclusions of the auditor~~
574 ~~regarding the activities audited.~~

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

603 STATUTORY AUTHORITY: Fla. Stat. §§ 1001.32(2); 1001.41 (1) & (2); 1001.42 (26)
604 LAWS IMPLEMENTED: Fla. Stat. §§ 119.07(3)(y); 119.0713(2); 1001.32 (2); 1001.41;
605 1001.42 (12), (13), & (15); 1001.43 (2), (6), & (10); 286.011
606 OTHER REQUIREMENTS: *Government Auditing Standards*, Government
607 Accountability Office, U.S. Comptroller of the Treasury; *General Principles and*
608 *Standards for Offices of Inspector General* as published by the Association of
609 Inspectors General; *International Standards for the Professional Practice of Internal*
610 *Auditing* as published by the Institute of Internal Auditors, Inc.
611 HISTORY: 1/13/2006; ___/___2008

Legal Signoff:

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

Attorney

Date