

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-014
September 2023

**MARTIN COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2022-23 fiscal year, Michael Maine served as Superintendent of the Martin County Schools from April 25, 2023, Dr. John D. Millay served as Superintendent before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Christia Li Roberts, Chair through 11-21-22	1
Marsha Powers, Chair from 11-22-22	2
Jennifer Russell, Vice Chair from 11-22-22	3
Victoria Defenthaler through 11-21-22	3
Amy Pritchett from 11-22-22	4
Tony Anderson, Vice Chair through 11-21-22	4
Michael DiTerlizzi	5

The team leader was Bevohn Dougall, CPA, and the audit was supervised by Clare Waters, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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MARTIN COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Martin County School District (District) focused on selected District processes and administrative activities and included a follow-up on the finding noted in our report No. 2021-018. Our operational audit disclosed the following:

Finding 1: District school safety procedures need improvement to ensure and demonstrate that all school resource officers complete the required mental health crisis intervention training.

Finding 2: Contrary to State Board of Education rules, the District did not complete the required affidavit, issue the final order, or report information to the Florida Department of Education regarding a former employee who resigned in lieu of termination and was convicted of an offense that disqualified the person from District employment.

Finding 3: The District did not comply with State law by prominently posting on its Web site the required budget information for the 2022-23 fiscal year.

Finding 4: Some unnecessary information technology user access privileges existed that increased the risk for unauthorized transactions to occur.

BACKGROUND

The Martin County School District (District) is part of the State system of public education under the general direction of the Florida Department of Education and is governed by State law and State Board of Education rules. Geographic boundaries of the District correspond with those of Martin County. The governing body of the District is the Martin County District School Board (Board), which is composed of five elected members. The appointed Superintendent of Schools is the Executive Officer of the Board. During the 2022-23 fiscal year, the District operated 22 elementary, middle, high, and specialized schools; sponsored 2 charter schools; and reported 18,673 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – School Resource Officer Services

State law¹ requires that the Board and Superintendent partner with law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. SROs must be certified law enforcement officers and, among other things, are required to complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.

For the 2022-2023 fiscal year, the Board and District charter schools contracted with the Martin County Sheriff's Office (Sheriff's Office) to provide at least one SRO at each of the applicable schools. Although

¹ Section 1006.12, Florida Statutes.

the agreements explicitly provided an assurance that the SROs would complete mental health crisis intervention training, our examination of District records and inquiry with District personnel as of May 2023 disclosed that 4 of the 22 SROs assigned to District schools had not completed the required training. According to District personnel, training opportunities were limited, and the 4 SROs were scheduled to attend training. District personnel also indicated that they relied on the Sheriff's Office to ensure that the SROs completed the required training; notwithstanding, such reliance provides District management with limited assurance that the required training was properly completed.

Subsequent to our inquiry, in June 2023 the 4 SROs received the training. Absent effective procedures to ensure and document that SROs complete the required training before services are provided, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with the State school safety laws. Such enhancements should include documented verifications that all SROs complete the required mental health crisis intervention training before services are provided.

Finding 2: Ethical Conduct Records and Reporting

State law² requires the Florida Department of Education (FDOE) to maintain a disqualification list that includes, among other things, the identity of each person who has been terminated, or has resigned in lieu of termination, from employment as a result of sexual misconduct with a student. According to State Board of Education (SBE) rules,³ the list serves as an employment screening resource for school districts, charter schools, and private scholarship schools. SBE rules also set forth the criteria for placement on and removal from the list and establish the responsibilities of school districts and other entities that report persons for inclusion on the list. For example, the District is to:

- Complete and maintain an Affidavit of Separation from School District Employment Due to Termination or Resignation in Lieu of Termination (Affidavit of Separation) when an employee is "separated due to termination" or when an employee "resigned in lieu of termination." The requirement to complete this affidavit applies regardless of whether or not the person is submitted for inclusion on the disqualification list.
- For a person to be included on the disqualification list, issue a final order pursuant to State law.⁴ The final order must include, for example, a determination that the person is ineligible for employment with the District based upon a finding, supported by clear and convincing evidence or material, that the person committed either sexual misconduct with a student, or has been convicted of one of the crimes listed in State law.⁵ The final order must also disclose that the sexual misconduct or crime occurred on or after June 1, 2022, while the person was employed by the District in a covered position.
- Designate a person responsible for providing information and responding to FDOE inquiries related to the disqualification list.

² Section 1001.10(4)(b) and (d), Florida Statutes.

³ SBE Rule 6A-10.084, Florida Administrative Code, *Disqualification List*.

⁴ Chapter 120, Florida Statutes.

⁵ Section 1012.315, Florida Statutes.

- Report a person to the disqualification list within 48 hours of the final order date using the FDOE online reporting tool.

During our examination of District records for the 2022-23 fiscal year, we determined that a District employee resigned in lieu of termination and was convicted in January 2023 of an offense that required placement on the disqualification list. However, contrary to SBE rules, the District did not:

- Complete an Affidavit of Separation regarding the former employee.
- Issue a final order pursuant to State law for the former employee.
- Designate a person to provide information and respond to FDOE inquiries related to the disqualification list.
- Report the former employee to the disqualification list.

In response to our inquiry, District personnel indicated that they were unaware that the District was required to complete and maintain an Affidavit of Separation for the former employee and, because law enforcement performed the investigation, District personnel believed they were not required to issue the final order. District personnel also indicated that, because of significant turnover in District management, the District did not designate to anyone the responsibility for providing information and responding to FDOE inquiries related to the disqualification list or report the former employee to the FDOE.

Subsequent to our inquiry, in June 2023 District personnel designated a person for providing information and responding to FDOE inquiries related to the disqualification list and reported the former employee to the FDOE disqualification list. However, as of that date, the District had not completed the required Affidavit of Separation or issued a final order pursuant to State law. Absent compliance with the SBE-required procedures, educational entities may lack the necessary screening tools to properly evaluate applicants, employ individuals with unsuitable backgrounds, and cause student safety to be jeopardized.

Recommendation: The District should continue efforts to ensure that:

- **Affidavits of Separation are completed and maintained when an employee is “separated due to termination” or when an employee “resigned in lieu of termination.”**
- **Before inclusion of a person on the disqualification list, the District issues a final order that includes a determination that the person, while employed by the District in a covered position, committed either sexual misconduct with a student or had been convicted of one of the crimes listed in State law, and is no longer eligible for District employment.**
- **Someone is designated to provide information and respond to FDOE inquiries related to the disqualification list.**
- **Applicable former employees are timely reported to the disqualification list using the FDOE online reporting tool.**

In addition, the District should complete and maintain the Affidavit of Separation and issue the final order regarding the former employee.

Finding 3: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to the District budget and related information. Pursuant to State

law,⁶ the District must post graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years. The District is also required to post on its Web site a plain language version of each proposed, tentative, and official budget which describes each budget item in terms that are easily understandable to the public. The budget information must be prominently posted on the Web site in a manner that is readily available to the public.

At the time of our review in March 2023, we found that the District properly posted graphical representations for the previous 3 years. The District also attached the 2022-23 fiscal year proposed, tentative, and official budgets to the Board meeting agendas posted on the District Web site which, according to District personnel, allowed the public to review the information and ask questions at budget hearings and at any time subsequently. Notwithstanding, by including the budgets only as agenda attachments to Board meetings, the budgets were not easily located or prominently posted in a manner that was readily available to the public.

Subsequent to our inquiry, the District prominently posted the 2022-23 fiscal year budgets on its Web site in June 2023. Prominently posting the required budget information enhances citizen involvement and the ability to analyze, monitor, and evaluate budget outcomes.

Recommendation: The District should continue efforts to comply with statutory transparency requirements by prominently posting budgets on the District Web site.

Finding 4: Information Technology Access Privileges

Access controls are intended to protect data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls provide employees access to IT resources based on a demonstrated need to view, change, or delete data and restrict employees from performing incompatible functions or functions outside of their areas of responsibility. These controls include assigning a security administrator responsibility for granting employee IT access privileges and limiting such access privileges based on the employee's job responsibility. In addition, periodic evaluations of assigned IT access privileges are necessary to ensure that employees can only access those IT resources that are necessary to perform assigned job responsibilities. District personnel indicated that an evaluation of IT user access privileges is completed annually to detect and remove any unnecessary and inappropriate access privileges.

As part of our audit, we examined 43 selected user access privileges to the District enterprise resource planning system finance and human resources (HR) applications. Specifically, we requested and obtained a May 2023 list of the 18 District personnel with access to the finance application and 25 District personnel with access to the HR application. To determine whether the IT user access privileges were consistent with each employee's job responsibilities, we requested for examination District records supporting the access privileges for these 43 users and found that the Assistant Superintendent for Finance had inappropriate update access privileges to both the finance and HR applications.

⁶ Section 1011.035(2), Florida Statutes.

For example, with these privileges, the Assistant Superintendent could add vendors, create and approve requisitions and purchase orders, and process vendor payments. In addition, he could add employees, update employee addresses, add and modify employee rates of pay and job codes, adjust employee time, enter direct deposit information, and process payroll.

In response to our inquiry, District personnel indicated that they assigned these access privileges to the management position without understanding how the access privileges could be misused and that appropriate adjustments will be made. While other District controls (e.g., budget monitoring and payroll and expenditure processing controls to independently review error reports and prevent duplicate payments) mitigate some risks associated with these access control deficiencies, inappropriate IT access privileges increase the risk that unauthorized disclosure, modification, or destruction of District data and IT resources may occur and not be timely detected.

Recommendation: District management should enhance the annual evaluation of IT user access privileges to better ensure that assigned IT access privileges restrict employees from performing functions incompatible with their assigned job responsibilities or functions outside their areas of responsibilities.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for the finding included in our report No. 2021-018.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from March 2023 through June 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected District processes and administrative activities. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.

- Determine whether management had taken corrective actions for the finding included in our report No. 2021-018.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records, as well as events and conditions, occurring during the 2022-23 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Board policies, District procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Reviewed Board information technology (IT) policies and District procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, network configuration management, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined 43 selected user access privileges to District enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user

account functions and whether the access privileges prevented the performance of incompatible duties.

- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, from the population of 395 employees who had access to sensitive personal student information, we examined the access privileges of 18 selected employees to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job duties.
- Evaluated District procedures to prohibit former employee access to electronic data files. We also reviewed selected user access privileges for 17 of the 450 employees who separated from District employment during the period July 2022 through March 2023 to determine whether access privileges were timely deactivated.
- Determined whether the District had a comprehensive IT disaster recovery plan in place that was designed properly, operating effectively, and had been recently tested.
- Inquired whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the audit period.
- Examined District records to determine whether the District established an audit committee and followed prescribed procedures to contract for audit services pursuant to Section 218.391, Florida Statutes.
- Examined financial reports and analysis presented to the Board to determine whether the Board had the necessary information to properly monitor financial results and related budget estimates.
- Determined whether the District had developed and maintained a comprehensive procedures manual pertaining to the District's financial operations.
- Examined District Web site to determine whether the 2022-23 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the District Web site contained, for each public school within the District and for the District, the required graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- From the population of expenditures totaling \$46.9 million and transfers totaling \$15.4 million during the period July 2022 through March 2023 from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$12.9 million and \$4.4 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- From the five significant construction projects with expenditures totaling \$38.1 million during the period July 2022 through March 2023, selected one construction management project with guaranteed maximum price contract totaling \$18.4 million and examined documentation for selected project expenditures totaling \$1.3 million to determine compliance with Board policies and District procedures and applicable provisions of State law and rules. Specifically, we examined District records to determine whether:
 - The construction manager was properly selected pursuant to Section 255.103, Florida Statutes.
 - District personnel properly monitored subcontractor selection and licensures.
 - Documentation supporting the selected payments was sufficient and complied with the contract provisions.

- Appropriate Board policies and District procedures addressing the negotiation and monitoring of general conditions costs had been established.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07 and 1006.12, Florida Statutes; and Section 1011.62(12), Florida Statutes (2022).
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Section 1012.584, Florida Statutes; Section 1011.62(13), Florida Statutes (2022); and State Board of Education (SBE) Rule 6A-1.094124, Florida Administrative Code.
- Analyzed workforce education program funds expenditures for the period July 1, 2022, through April 14, 2023, to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- Examined District records supporting 6,265 reported contact hours for 30 selected students from the population of 61,567 contact hours reported for 302 adult general education instructional students during the Fall 2022 Semester to determine whether the District reported the instructional contact hours in accordance with SBE Rule 6A-10.0381, Florida Administrative Code.
- Evaluated severance pay provisions in the Superintendents' contracts to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- Examined District records for the audit period supporting the teacher salary increase allocation received pursuant to Chapter 2022-156, Laws of Florida, Specific Appropriation 86, totaling \$4.8 million and records supporting related payments totaling the same amount to 1,204 instructional personnel to determine whether the District submitted required reports (salary distribution plan and expenditure report) to the FDOE and used the allocation in compliance with Section 1011.62(14), Florida Statutes (2022).
- Examined Board policies, District procedures, and related records for volunteers during the audit period to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice as required by Section 943.04351, Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures addressing the ethical conduct of instructional personnel and school administrators, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, and also the investigation requirements of all reports for alleged misconduct to determine the sufficiency of those policies and procedures to ensure compliance with Section 1001.42(6) and (7)(b)3., Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures for reporting personnel subject to disqualification list to the FDOE in accordance with SBE Rule 6A-10.084, Florida Administrative Code.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report, and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

1939 SE Federal Highway • Stuart, Florida 34994 • Telephone (772) 219-1200



August 25, 2023

Ms. Sherrill F. Norman, CPA
Auditor General, State of Florida
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Please find below the District School Board of Martin County's (the District) response to the preliminary and tentative audit findings and recommendations that were provided to the District on July 27, 2023 regarding the State of Florida Auditor General's Operational Audit of the Martin County District School Board.

Finding 1: School Safety – School Resource Officer Services

The District concurs with the auditors recommendation that the District should enhance procedures and obtain documentation evidencing that all SROs complete the required training before services are provided. As noted in the finding the required training was completed in June 2023, however in an effort to address the recommendation, we will obtain from the Sheriff's Office copies of certificates that demonstrate that the SROs have completed the required training before services are provided.

Finding 2: Ethical Conduct Records and Reporting

The District concurs with the auditors recommendation and will establish procedures that ensure that an Affidavit of Separation is completed and maintained when an employee is separated. An Affidavit of Separation will be completed and maintained when an employee is "separated due to termination" or when an employee "resigned in lieu of termination". We will issue a final order that includes a determination that the person, while employed by the District in a covered position, committed either sexual misconduct with a student or had been convicted of one of the crimes listed in Florida State Statute 1012.315; and is no longer eligible for District employment. We will report this person and all necessary documents to the FLDOE disqualification list. The newly appointed Coordinator of Professional Standards position will also provide information and respond to FLDOE inquires related to the disqualification list and ensure that applicable former employees are timely reported to the disqualification list using the FLDOE online reporting tool. Finally, this position will also complete and maintain the Affidavit of Separation and issue the final order regarding the former employee.

Finding #3: Fiscal Transparency

The District concurs with the auditor's recommendation, and as noted, has addressed the auditors finding by making copies of the required budget information from the Truth in Millage (TRIM) Public Hearings meeting agendas on our website and posted them under the Finance Department's Fiscal Transparency website link in an effort to make the information more prominent and transparent.

Finding #4: Information Technology Access Privileges

The District concurs with the auditor's recommendation with respect to this finding. While the Assistant Superintendent of Finance may have had update access privileges to the finance and HR applications we believe there are adequate compensating controls in place that mitigate any risk of inappropriate use. For example, in the area of Human Resources, there are secondary reviews in place to detect any potential misuse of access that could impact employee information. However, in an effort to address the auditor's recommendation and further mitigate any risks, we have updated this position's access to a "View Only" access in certain areas of the ERP system.

In closing, I would like to thank the staff from your office for their professionalism and cooperation in the conduct of the aforementioned audit.

Please feel free to contact my office if you have any questions concerning this matter.

Sincerely

A handwritten signature in black ink, appearing to read "MSM", followed by a horizontal line.

Michael S. Maine
Superintendent of Schools

Michael Maine, Superintendent
School Board Members: Michael DiTerlizzi • Marsha B. Powers • Amy B. Pritchett • Christia Li Roberts • Jennifer Russell

"To Educate all Students for Success"