

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2019-073
December 2018

**SUMTER COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2017-18 fiscal year, Richard A. Shirley served as Superintendent of the Sumter County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Sally B. Moss from 4-16-18	1
Haydn L. Evans, Chair from 11-21-17, through 2-21-18, ^a Vice Chair through 11-20-17	1
Christine S. Norris, Chair through 11-20-17	2
David A. Williams, Chair from 3-20-18, Vice Chair from 11-21-17, through 3-19-18	3
Jennifer Boyett	4
Kathie L. Joiner, Vice Chair from 3-20-18	5

^a Member deceased on 2-21-18 and member position vacant through 4-15-18. Chair position vacant through 3-19-18.

The team leader was M. Cecilia Brown, and the audit was supervised by Anna A. McCormick, CPA.

Please address inquiries regarding this report to Micah E. Rodgers, CPA, Audit Manager, by e-mail at micahrodgers@aud.state.fl.us or by telephone at (850) 412-2905.

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SUMTER COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Sumter 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. 2016-126. Our operational audit disclosed the following:

Finding 1: Required background screenings were not always performed for contractor workers and instructional and noninstructional employees.

Finding 2: The District did not verify, or document of record, the eligibility of charter school teachers before the teachers were awarded Florida Best and Brightest Teacher Scholarships.

Finding 3: District controls for monitoring school resource officer service contracts and related payments could be enhanced.

Finding 4: The existence of some unnecessary information technology user access privileges increased the risk that unauthorized disclosure of sensitive personal information of students may occur.

BACKGROUND

The Sumter 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 Sumter County. The governing body of the District is the Sumter County District School Board (Board), which is composed of five elected members. The elected Superintendent of Schools is the Executive Officer of the Board. During the 2017-18 fiscal year, the District operated 9 elementary, middle, high, and specialized schools; sponsored 1 charter school; and reported 8,438 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Background Screenings

State law¹ requires each person hired or contracted to serve in an instructional or noninstructional capacity who is permitted access on school grounds when students are present or who have direct contact with students must undergo level 2 background screenings² at least once every 5 years. State law³ also provides that noninstructional contractors may be exempt from the background screening requirements if the contractors are under the direct supervision of a school district employee or contractor who has had a criminal history check and meets the statutory screening requirements. Additionally, State

¹ Sections 1012.32(2), 1012.56(10), 1012.465, and 1012.467, Florida Statutes.

² A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the FDLE and national criminal history records checks through the FBI.

³ Section 1012.468, Florida Statutes.

law⁴ requires the District to verify the results of a noninstructional contractor's background screening using the Florida Shared School Results (FSSR) system implemented by the Florida Department of Law Enforcement (FDLE).

To promote compliance with the statutory background screening requirements, District personnel in the schools and departments are required to send contractor workers to the Facilities Department to be fingerprinted and have a background screening conducted before services can be performed. The Director of the Human Resource (HR) Department reviews and approves the worker background screenings, and the worker is placed on the District Approved Contractor-Vendor List (Approved List). The Facilities Department Secretary distributes the Approved List monthly to each District site to monitor worker access to school grounds.

For previously screened contractor workers, the District receives an FDLE system notification when a background screening is about to expire, which prompts the Facilities Department Secretary to remove the worker from the Approved List unless the worker receives another screening. For workers who have obtained the required background screening from another school district and have a State badge, District personnel indicated that Facilities Department personnel make a copy of the badge as proof that the level 2 background screening was performed and also verify the contractor worker's level 2 background screenings using the FSSR system before the worker is placed on the Approved List. In addition, for previously screened instructional and noninstructional employees whose background screenings expired during the quarter, the HR Department resubmits the fingerprints to FDLE through the Florida Integrated Criminal History System (FALCON) at the end of each quarter.

For the 2017-18 fiscal year, the District employed 443 instructional and 467 noninstructional personnel⁵ and had 18 contractors with 288 workers⁶ who had direct contact with students and were not exempt from the background screening requirements. To determine whether required background screenings had been timely performed, we requested for examination District records as of August 2018 for 30 District employees and 10 contractors with a total of 133 contractor workers and evaluated District background screening procedures. We found that:

- 1 contractor with 105 workers performed instructional intervention counseling services for the District. According to District personnel, the contractor performed level 2 background screenings for its workers and provided updated reports to the District that identified the dates of the workers' most recent background screenings but lacked the screening results. The District relied on the contractor reports and permitted contractor workers access to school grounds without obtaining further evidence that the required level 2 background screenings had been timely performed.

In response to our inquiry, District personnel indicated that they determined that the contractor was exempt from the background screening requirements because the contractor was accredited by the Commission on Accreditation of Rehabilitation Facilities and is reviewed annually by Federal and State regulatory agencies. In addition, District personnel believed that the Department of Children and Families fingerprinted the contractor workers. Notwithstanding, although we requested, District records were not provided to evidence that the required

⁴ Sections 1012.467(2)(f) and 1012.467(7)(a), Florida Statutes.

⁵ The District personnel population was identified from a District-provided information technology (IT) system report.

⁶ The contractor worker population was identified through examination of District contractual service expenditure data and discussions with District personnel.

background screenings had actually been performed for the contractor workers or that the contractor workers were exempt from the screening requirements.

- For 5 instructional and 4 noninstructional personnel, the most recent background screenings occurred 83 to 253 days after the applicable 5-year period had elapsed. In response to our inquiries, District personnel indicated the screenings were late for 2 employees because the fingerprints were resubmitted at the end of the quarter in which the screenings expired. For the other 7 employees, District personnel detected the expired screenings in April 2018 prior to our audit fieldwork in August 2018. According to District personnel, the screenings expired because all FALCON system date fields were not completed. Upon discovering the error, District personnel obtained a report of all fingerprints retained in the FALCON system and identified 184 employees whose screenings had been expired for 186 to 250 days.
- For 2 other instructional employees, the required background screenings had not been performed at least once in the past 5 years. In response to our inquiries, District personnel indicated that 1 employee was overlooked during the fingerprinting resubmission process, and the other employee was scheduled to be submitted for the quarter ending September 30, 2018. Subsequent to our inquiry, the District obtained the required background screenings. However, the screenings occurred over 2 years and 66 days, respectively, after the applicable 5-year period had elapsed.

In response to our inquiries, District personnel indicated that, as of October 4, 2018, required background screenings had been obtained for applicable employees and none of the screenings disclosed unsuitable backgrounds. Absent effective controls to ensure that required background screenings are timely performed, there is an increased risk that individuals with unsuitable backgrounds may have direct contact with students.

Recommendation: The District should ensure that required background screenings are promptly obtained and evaluated for District contractor workers and employees at least once every 5 years, and make decisions, as necessary, based on the results of the screening evaluations.

Finding 2: Florida Best and Brightest Teacher Scholarship Program

The Florida Legislature established the Florida Best and Brightest Teacher Scholarship Program to reward classroom teachers who achieved high academic standards during their own education. Pursuant to State law,⁷ to be eligible for a \$6,000 scholarship, a classroom teacher must have scored at or above the 80th percentile on a college entrance examination based on the national percentile ranks in effect when the teacher took the assessment and have been evaluated as highly effective pursuant to State law⁸ in the school year immediately preceding the year in which the scholarship will be awarded or, if the teacher is a first-year teacher who has not been evaluated pursuant to State law, must have scored at or above the 80th percentile on a college entrance examination based on the national percentile ranks in effect when the teacher took the assessment. In addition, State law provides for a \$1,200 or \$800 scholarship for a classroom teacher who was evaluated as highly effective or effective, respectively, pursuant to State law in the school year immediately preceding the year in which the scholarship will be awarded.

⁷ Section 1012.731, Florida Statutes.

⁸ Section 1012.34, Florida Statutes. Section 1012.34(3)(a), Florida Statutes, requires the evaluation to include consideration of student performance.

District personnel are responsible for determining teacher eligibility for the scholarships and annually submitting the number of eligible teachers to the Florida Department of Education (FDOE). The FDOE then disburses scholarship funds to the District for each eligible classroom teacher to receive a scholarship as provided in State Law. To demonstrate eligibility for the top tier scholarship award of \$6,000, an eligible teacher must submit to the District an official score report of his or her college entrance examination score demonstrating that the teacher scored at or above the 80th percentile based on the national percentile ranks in effect when the teacher took the assessment. Pursuant to State law,⁹ once a classroom teacher is deemed eligible for this award by the District, the teacher shall remain eligible as long as he or she remains employed by the District as a classroom teacher at the time of the award and receives an annual performance evaluation rating of highly effective.

According to District personnel, charter schools are required to submit to the District a list of charter school teacher names determined to be eligible for the scholarships. However, the District had not established procedures to verify, or document of record, that scholarships are only awarded to eligible charter school classroom teachers.

During the 2017-18 fiscal year, the District awarded teacher scholarships totaling \$514,400 to 296 District-employed teachers and \$225,200 to 185 charter school teachers. To determine whether the teachers met the eligibility requirements for the scholarships, we requested for examination District records supporting the eligibility of 30 scholarship recipients (20 District-employed teachers and 10 charter school teachers) who were awarded a total of \$111,200. District records were provided to support the awards to the District-employed teachers and, subsequent to our inquiries, the District obtained appropriate records to support the eligibility of the 10 charter school teachers.

Absent District verification of the eligibility of charter school teachers before scholarships are awarded, there is an increased risk that scholarships may be awarded to ineligible recipients.

Recommendation: The District should continue efforts to document verifications that scholarships are awarded to eligible charter school teachers based on college entrance examination scores reported on reliable and authentic records and, as applicable, documentation that the teachers were evaluated as highly effective or effective.

Follow-up to Management's Response

Management indicated in the written response that “the charter school has its own evaluation system, staff, attorneys and auditors to determine compliance.” However, the District is responsible for monitoring all schools in the District, including the District-sponsored charter school, and for reporting to the FDOE only those teachers, including charter school teachers, who are eligible for scholarship awards. Accordingly, we continue to recommend that the District document verifications that Program scholarships are awarded to eligible charter school teachers.

Finding 3: School Resource Officer Services

Effective contract management requires and ensures that contract provisions establish required services and related service times and costs, and that contracted services are satisfactorily received by personnel

⁹ Section 1012.731(3)(b)(1), Florida Statutes.

with direct knowledge of the services received before payments are made. For the 2017-18 fiscal year, the District paid \$1.9 million for contractual services.

As part of our audit procedures, we examined District records supporting 30 selected payments totaling \$519,718 related to 29 contracts and found that the District designed and implemented internal controls that generally ensure payments are consistent with contract terms and provisions. However, we identified certain control deficiencies for monitoring one of the contracts and related \$65,593 payment to the Board of County Commissioners of Sumter County (BOCC) for school resource officer (SRO) services provided by the Sumter County Sheriff's Office (Sheriff). We expanded our audit procedures to evaluate District procedures and records supporting SRO services and related payments totaling \$115,989 for the entire 2017-18 fiscal year.

We found that, pursuant to State law,¹⁰ the Board approved a contract for the 2017-18 fiscal year with the Sheriff for security services. Although the contract required three SROs to provide security services at three middle and high schools, one SRO to serve as a roving SRO for all elementary schools, and one SRO to serve for Districtwide SRO school needs, the contract did not specify when the security services would be provided and the District had not established procedures to ensure that school personnel with direct knowledge of SRO services confirmed receipt of the services before payments were made. According to the terms of the contract, the District was to reimburse the BOCC for 50 percent of the SRO service costs based on the average salary and benefits for all Sheriff Deputies multiplied by the number of SROs identified in the contract and remit payments to the BOCC in two equal payments. The District made periodic payments after services were rendered based on BOCC invoices received in February and June 2018 and District records included a list of Sheriff Deputy salaries and benefits, which District personnel used as the basis for calculating the payments totaling \$115,989 for SRO services. However, the payments were not supported by documentation confirming the receipt of SRO services by school staff with direct knowledge of the services provided.

In response to our inquiries, District personnel indicated that they relied on the Sheriff to monitor the SROs' attendance and timekeeping. However, such reliance does not replace District personnel's responsibility to establish appropriate controls over SRO services and related payments. Absent deliverables specified in the contract as to when SRO services are to be provided and effective procedures requiring, prior to payment, documented confirmation that SRO services were satisfactorily received in accordance with the contract, there is an increased risk that overpayments may occur or that the services provided may not be consistent with Board expectations.

Recommendation: The Board should take appropriate action to ensure that SRO contracts specify when SRO services will be provided. In addition, the District should enhance procedures requiring, prior to payment, documented confirmation that SRO services were satisfactorily received in accordance with the contract by personnel with direct knowledge of the services provided.

¹⁰ Section 1006.12, Florida Statutes.

Finding 4: Information Technology User Access Privileges

The Legislature has recognized in State law¹¹ that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining such information to ensure its confidential status. Effective controls restrict individuals from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic evaluations of IT user access privileges to help prevent individuals from accessing sensitive personal information inconsistent with their responsibilities.

Pursuant to State law,¹² the District identified each student using a Florida education identification number assigned by the FDOE. However, student SSNs are included in the District student information system (SIS). Student SSNs are maintained in the District SIS to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure and to provide student transcripts to colleges, universities, and potential employers based on student-authorized requests. Board policies¹³ allow designated District school personnel access to student records to perform administrative, supervisory, or instructional responsibilities that serve a legitimate educational purpose in accordance with applicable requirements in State law, State Board of Education rules, and Federal laws and District employees are required to certify that they will comply with these requirements.

District personnel indicated that the supervisor at each location is responsible for requesting the appropriate SIS access for their subordinates, and District IT Security Department personnel review the request form submitted and grant access in the SIS. District personnel also indicated that the annual evaluations of IT user access were performed but did not extend to an evaluation of privileges to the sensitive personal information of students. Subsequent to our audit inquiry, District personnel indicated that in August 2018 they completed an evaluation of these privileges; however, District records were not maintained to demonstrate that evaluation.

As of August 2018, the District SIS contained information for 29,497 former and 5,358 current District students and 39 District employees had continuous IT user access privileges to sensitive personal information of students, including student SSNs. According to District personnel, the District SIS does not have a mechanism to differentiate IT user access privileges to current student information from access privileges to former student information; although employees did not always need access to both types of information.

As part of our audit, we examined District records supporting these access privileges for 39 selected employees who had access to both current and former student information. We found 13 employees, including a principal, assistant principal, media specialist, and a school counselor, who did not have a demonstrated need for continuous access to that information. Subsequent to our inquiry, in August 2018 District personnel removed the access from the 13 employees. Further inquiries related to the necessity

¹¹ Section 119.071(5)(a), Florida Statutes.

¹² Section 1008.386, Florida Statutes.

¹³ Board Policy 5.70, *Student Records*.

for continuous access for the remaining 26 employees resulted in the District removing the access to sensitive student information from 13 other employees in October 2018.

According to District personnel, the remaining 13 employees who had a need for continuous access to the sensitive personal information of students. However, although we requested, District records were not provided to demonstrate that these 13 users needed continuous access to this information or that occasional access could not be granted only for the time needed.

The existence of unnecessary IT user access privileges increases the risk of unauthorized disclosure of sensitive personal information and the possibility that such information may be used to commit a fraud against current or former District students.

Recommendation: To ensure that access to sensitive personal information of students is properly safeguarded, the District should:

- **Document periodic evaluations of IT user access privileges to determine whether such privileges are necessary and to ensure the timely removal of any inappropriate or unnecessary access privileges detected. If an individual only requires occasional access to sensitive personal student information, the privileges should be granted only for the time needed.**
- **Upgrade the District SIS to include a mechanism to differentiate IT user access privileges to current student information from access privileges to former student information.**

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for the finding included in our report No. 2016-126.

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 April 2018 to October 2018 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.

The objectives of this operational audit 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. 2016-126.
- 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 programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls, 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; 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 transactions, as well as events and conditions, occurring during the 2017-18 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 District information technology (IT) policies and 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 selected access privileges to the District enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access based on employees' job duties and user account functions and whether the access prevented the performance of incompatible duties. We also examined the

administrator account access privileges granted and procedures for oversight of administrative accounts for the network and applications to determine whether these accounts had been appropriately assigned and managed. Specifically, we tested update access privileges to selected critical ERP systems for finance and HR application functions resulting in the review of the appropriateness of access privileges granted for 30 accounts.

- Reviewed District procedures to prohibit former employee access to electronic data files. We also reviewed user access privileges for 26 of the 147 employees who separated from District employment during the audit period to determine whether the access privileges had been timely deactivated.
- Determined whether a comprehensive IT disaster recovery plan was in place, designed properly, operating effectively, and had been recently tested.
- Examined selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated IT procedures for requesting, testing, approving, and implementing changes to the District's business system.
- Evaluated Board policies and District procedures and examined supporting documentation to determine whether audit logging and monitoring controls were configured in accordance with IT best practices.
- Evaluated the District data center's physical access controls to determine whether vulnerabilities existed.
- Physically inspected the District data center to determine whether an appropriate fire suppression system was available.
- Interviewed District personnel and reviewed supporting documentation to evaluate whether the District effectively monitored charter schools.
- Examined Board, committee, and advisory board meeting minutes to determine whether Board approval was obtained for policies and procedures in effect during the audit period and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- Examined District records to determine whether the Board had adopted an anti-fraud policy and District procedures to provide guidance to employees for communicating known or suspected fraud to appropriate individuals.
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2018, to determine whether the total was less than 3 percent of the fund's revenues, as specified in Section 1011.051, Florida Statutes. We also performed analytical procedures to evaluate the District's ability to make future debt service payments.
- From the population of expenditures totaling \$2.9 million and transfers totaling \$10.5 million during the audit period 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 \$1.3 million and \$6.8 million, respectively, to determine compliance with the restrictions imposed on the use of these resources.
- From the population of \$154,917 total workforce education program expenditures for the audit period, selected five expenditures totaling \$110,486 and examined supporting documentation 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).

- From the population of 13 industry certifications eligible for the 2016-17 fiscal year performance funding, examined these certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- From the population of 11,787 contact hours for 188 adult general education instructional students during the audit period, examined District records supporting 699 reported contact hours for 28 selected students to determine whether the District reported the instructional contact hours in accordance with State Board of Education (SBE) Rule 6A 10.0381, Florida Administrative Code (FAC).
- Evaluated District procedures for protecting the sensitive personal information of students, including student social security numbers. Specifically, from the population of 39 individuals who had access to sensitive personal student information, we examined the access privileges of these employees to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job responsibilities.
- Examined the District Web site to determine whether the 2017-18 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- Examined District records to determine whether required internal funds audits for the 2017-18 and 2 preceding fiscal years were timely performed pursuant to SBE Rule 6A 1.087, FAC, and Chapter 8 – School Internal Funds, *Financial and Program Cost Accounting and Reporting for Florida Schools* (Red Book), and whether the audit reports were presented to the Board.
- Examined District records supporting the four payments totaling \$10,000 made during the audit period by the District to its direct-support organization to determine the legal authority for such transactions.
- From the population of compensation payments totaling \$43.2 million to 990 employees for the period July 1, 2017, through June 27, 2018, examined District records supporting compensation payments totaling \$56,012 to 30 selected employees to determine whether their rate of pay was accurate and whether supervisory personnel reviewed and approved their reports of time worked.
- Examined Board policies and District procedures to determine whether the District had developed adequate performance assessment procedures for instructional personnel and school administrators based on student performance and other criteria in accordance with Section 1012.34(3), Florida Statutes, and determined whether a portion of each selected instructional employee's compensation was based on performance in accordance with Section 1012.22(1)(c)4., Florida Statutes.
- Examined District records for 30 employees and 10 contractors selected from the population of 910 employees and 18 contractors for the audit period to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records for volunteers for 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.
- Examined District records supporting the eligibility of:
 - 20 selected District recipients of the Florida Best and Brightest Teacher Scholarship Program awards totaling \$84,000 from the population of 296 District teachers who received scholarships awards totaling \$514,400 during the audit period.
 - 10 selected charter school recipients of awards totaling \$27,200 from the population of 185 charter school teachers who received scholarships awards totaling \$225,200 during the audit period.

- Evaluated Board policies and District procedures to ensure health insurance was provided only to eligible employees, retirees, and dependents and that, upon an employee's separation from District employment, insurance benefits were timely canceled as appropriate. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board approved contributions.
- From the population of 141 payments totaling \$13,327 paid to employees for other than travel and payroll payments during the audit period, examined documentation for 25 selected payments totaling \$3,711 to determine whether such payments were reasonable, adequately supported, for valid District purposes, and were not contrary to Section 112.313, Florida Statutes.
- Reviewed District procedures for bidding and purchasing health insurance to determine compliance with Section 112.08, Florida Statutes. We also reviewed procedures for the reasonableness of procedures for acquiring other types of commercial insurance to determine whether the basis for selecting insurance carriers was documented in District records and conformed to good business practice.
- From the population of purchasing card (P-card) transactions totaling \$550,859 during the audit period, examined documentation supporting five selected transactions totaling \$30,335 to determine whether P-cards were administered in accordance with Board policies and District procedures. We also determined whether the District timely canceled the P-cards for the four cardholders who separated from District employment during the audit period.
- Evaluated the sufficiency of District procedures to determine whether District charter schools were required to be subjected to an expedited review pursuant to Section 1002.345, Florida Statutes.
- Evaluated District procedures for allocating Title I funds to ensure compliance with Section 1011.69(5), Florida Statutes. We examined District records to determine whether the District identified eligible schools, including charter schools, limited Title I allocations to eligible schools based on the threshold established by the District for the 2016-17 school year or the Statewide percentage of economically disadvantaged student, and distributed all remaining funds to all eligible schools in accordance with Federal law and regulation.
- Examined District records and evaluated District procedures to determine whether the District distributed the correct amount of local capital improvement funds to its eligible charter schools by February 1, 2018, pursuant to Section 1013.62(3), Florida Statutes.
- Determined whether non-compensation expenditures were reasonable, correctly recorded, adequately documented, for a valid District purpose, properly authorized and approved, and in compliance with applicable State laws, rules, contract terms and Board policies; and applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures totaling \$49.6 million for the audit period, we examined documentation relating to 30 selected payments for general expenditures totaling \$82,585.
- From the population of 136 consultant contracts totaling \$1.9 million during the audit period, examined supporting documentation, including the contract documents, for 30 selected payments totaling \$519,718 related to 29 contracts to determine whether:
 - The District complied with competitive selection requirements.
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - District records documented satisfactory receipt of deliverables before payments were made.
 - The payments complied with contract provisions.
- 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

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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



SUMTER COUNTY SCHOOL BOARD

"Preparing the next generation today"

Richard A. Shirley
Superintendent of Schools

BOARD MEMBERS

Sally Moss

District 1

Christine S. Norris

District 2

David A. Williams

District 3

Jennifer Boyett

District 4

Kathie L. Joiner

District 5

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Elementary Education

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Student Services

Ext. 50211 Fax 793-4180

Federal Programs

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Human Resources

Ext. 50220 Fax 793-2096

Employee Benefits

Ext. 50229 Fax 793-2096

Food Service

Ext. 52226 Fax 793-4277

Professional Development

748-1510 Fax 748-7639

MIS/Data Processing

Ext. 50241 Fax 793-4963

Exceptional Education

Ext. 50259 Fax 793-1612

Information Technology

Ext. 50263 Fax 793-4377

Adult Education

793-5719 Fax 793-6508

Facilities

793-1281 Fax 793-9298

Warehouse

793-7906 Fax 793-9298

Transportation

793-5705 Fax 793-1083

The Villages Charter School

352-259-2350

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December 10, 2018

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Re: Sumter County District School Board
Preliminary and Tentative Audit Finding
For Fiscal Year Ended June 30, 2018

Dear Ms. Norman:

This letter is intended as the Sumter County School District's response to the preliminary and tentative audit finding dated December 3, 2018 for the District's fiscal year ending June 30, 2018.

Finding 1: Background Screenings.

The District has enhanced procedures to ensure background screenings are performed promptly and at least every five years.

Finding 2: Florida Best and Brightest Teacher Scholarship Program

The District disagrees with this finding. The charter school has its own evaluation system, staff, attorneys and auditors to determine compliance. This would make the District liable for interpretation of Florida Statute 1012.731. In fact the district reached out to FLDOE for guidance on administering the Best and Bright's scholarship FLDOE's response was "The law, section 1012.731, Florida Statutes, does not give the Florida Department of Education authority to determine eligibility for the Best and Brightest Teacher Scholarship Program. We advise that you seek legal guidance from your school district's legal team for answers to your questions". The District contends the same applies for the district and charter schools.

Finding 3: District controls for monitoring school resource officer service contracts and related payments could be enhanced.

2680 West County Road 476 - Bushnell, Florida 33513

<http://www.sumter.k12.fl.us>

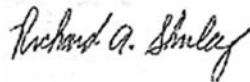
The District disagrees with this finding. The District has a long standing history of partnership with the local Sheriff's department and has been pleased with the agreement to only pay 50% of the cost of School Resource Officers. The resource officers served the District schools well and were always available when needed. However, this finding is a moot point since SB 7026 has changed the way districts hire and pay resource officers causing the contract to be revised. The new contract does define the hours school resource officers work, the schools now have sign in sheets for the school resource officers and the district will pay 100% percent of the costs in 2018-2019.

Finding 4: The existence of some unnecessary information technology user access privileges increased the risk that unauthorized disclosure of sensitive personal information of students may occur.

The District has removed any unnecessary access.

Please contact Deborah W. Smith at 352-793-2315 x 50246 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Richard A. Shirley". The signature is written in a cursive style with a large, stylized initial 'R'.

Richard A. Shirley
Superintendent