

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2019-207  
April 2019

**JACKSON COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2017-18 fiscal year, H. Larry Moore served as Superintendent of the Jackson County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Dr. Terry E. Nichols, Chair from 11-21-17, Vice Chair through 11-20-17	1
Tony Pumphrey	2
Stacey B. Goodson, Chair through 11-20-17	3
Chris M. Johnson	4
Charlotte M. Gardner, Vice Chair from 11-21-17	5

The team leader was Grace E. Arrington, CPA, and the audit was supervised by Shelly G. Curti, CPA.

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

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# JACKSON COUNTY DISTRICT SCHOOL BOARD

## ***SUMMARY***

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This operational audit of the Jackson County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2016-131. Our operational audit disclosed the following:

**Finding 1:** The District disbursed Florida Best and Brightest Teacher Scholarship Program awards totaling \$10,400 to 12 prekindergarten teachers who did not meet the classroom teacher statutory definition to be eligible for the award.

**Finding 2:** According to Florida Department of Education guidance, school districts may pay the employer payroll taxes for Florida Best and Brightest Teacher Scholarship Program and Florida Best and Brightest Principal Scholarship Program awards from scholarship program funds. Notwithstanding, for the 2017-18 fiscal year, the District paid \$38,059 for those taxes from other resources without Board approval of the use of those resources for that purpose.

**Finding 3:** The Board did not comply with the provisions of State law requiring the adoption of performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and educational leadership.

**Finding 4:** Some unnecessary information technology (IT) user access privileges existed that increased the risk that unauthorized disclosure of the sensitive personal information of students may occur.

**Finding 5:** District security controls related to IT user authentication could be enhanced.

## ***BACKGROUND***

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The Jackson 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 Jackson County. The governing body of the District is the Jackson 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 17 elementary, middle, high, and specialized schools and reported 6,310 unweighted full-time equivalent students.

## ***FINDINGS AND RECOMMENDATIONS***

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### **Finding 1: Florida Best and Brightest Teacher Scholarship Program**

The Florida Legislature established the Florida Best and Brightest Teacher Scholarship Program<sup>1</sup> to reward classroom teachers<sup>2</sup> who achieved high academic standards during their own education. Classroom teachers eligible for a \$6,000 scholarship award are those who 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 law<sup>3</sup> 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. Pursuant to State law,<sup>4</sup> 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.

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 a \$6,000 scholarship, District teachers are required to submit to the District an official record 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. District personnel determine whether District teachers were evaluated as highly effective based on prior school year performance assessments.

During the 2017-18 fiscal year, the District awarded scholarships totaling \$451,600 to 420 District teachers.<sup>5</sup> To determine whether the recipients met the eligibility requirements for the scholarships, we requested for examination District records supporting the eligibility of 30 selected scholarship recipients who were awarded a total of \$98,400. Our examination of District records disclosed that 1 scholarship recipient, awarded a scholarship of \$800, was a prekindergarten teacher who did not meet the statutory definition of a classroom teacher. We attempted to identify all scholarships awarded to prekindergarten teachers by inquiring of District personnel and scanning District records and identified 11 additional prekindergarten teachers awarded scholarships totaling \$9,600 who did not meet the statutory definition

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<sup>1</sup> Section 1012.731, Florida Statutes.

<sup>2</sup> Section 1012.01(2), Florida Statutes, defines classroom teachers as K-12 staff members assigned the professional activity of instructing students in courses in classroom situations, including basic instruction, exceptional student education, career education, and adult education, including substitute teachers.

<sup>3</sup> Section 1012.34, Florida Statutes, Section 1012.34(3)(a), Florida Statutes, requires the evaluation to include consideration of student performance.

<sup>4</sup> Section 1012.731(3)(b), Florida Statutes.

<sup>5</sup> The District did not sponsor any charter schools during the 2017-18 fiscal year.

of a classroom teacher. According to District personnel, they were unaware that State law does not include prekindergarten teachers in the definition of classroom teachers, limits the definition of classroom teachers to K-12 personnel, and separately defines prekindergarten instructors.<sup>6</sup>

Absent effective procedures to limit scholarships to statutorily defined classroom teachers, there is an increased risk that scholarships will be awarded to ineligible recipients.

**Recommendation:** The District should enhance procedures to ensure that scholarships are only awarded to eligible recipients who meet the statutory definition of classroom teacher. In addition, the District should refund the FDOE for the awards totaling \$10,400 paid to the ineligible scholarship recipients and take appropriate actions to recover from those recipients the improper payments.

## Finding 2: Resource Use

State Board of Education (SBE) rules<sup>7</sup> require the Board to annually adopt and spread on its minutes salary schedules for District employees. The schedules so adopted are to be the sole instrument used in determining employee compensation. Such salary schedules must clearly show the method of computing employee compensation and individual personnel records for each employee must contain evidence of each factor used in calculating that employee's compensation for the year. According to District personnel, the salary schedule amounts identify employee compensation before payroll taxes are applied and District practice is to pay the employer payroll taxes and net compensation amounts from the same funding source.

The Florida Legislature established the Florida Best and Brightest Teacher Scholarship Program<sup>8</sup> to reward classroom teachers who achieved high academic standards during their own education. The Florida Legislature also established the Florida Best and Brightest Principal Scholarship Program<sup>9</sup> to reward school principals who recruit and retain a high percentage of classroom teachers designated as Florida's best and brightest teacher scholars pursuant to State law.

According to guidance contained in a January 2018 FDOE memorandum, each school district may use the applicable portion of funds from the two scholarship programs to pay the employer payroll taxes instead of paying those taxes from other resources. During the 2017-18 fiscal year, the FDOE provided the District a total of \$461,600 from the two scholarship programs for 422 District employees.

Our examination of District records disclosed that, instead of using scholarship program funds to pay the applicable employer payroll taxes, the District paid the taxes from unrestricted resources. For example, for a teacher who earned a \$6,000 program award, the District expended \$6,459, including \$6,000 paid to the employee from scholarship program funding and \$459 paid from unrestricted resources for the related employer payroll taxes, instead of following FDOE guidance and using \$6,000 in scholarship program funds to pay both the teacher and the related employer payroll taxes. By using unrestricted resources to pay the employer payroll taxes, District scholarship recipients each received higher

<sup>6</sup> Section 1002.51(6), Florida Statutes, defines prekindergarten instructors to include teachers who provide instruction to students in a prekindergarten program.

<sup>7</sup> SBE Rule 6A-1.052, Florida Administrative Code (FAC).

<sup>8</sup> Section 1012.731, Florida Statutes.

<sup>9</sup> Section 1012.732, Florida Statutes.

payments than they otherwise would have. Collectively, the District disbursed a total of \$38,059 from unrestricted resources for employer payroll taxes associated with the two scholarship programs.

Although we requested, District records were not provided to evidence that the Board approved use of unrestricted resources to pay the employer payroll taxes associated with these scholarships or approved the higher payment amounts to the scholarship recipients on the Board-adopted salary schedule or by other means. Absent Board approval, the authority for using unrestricted resources to pay employer payroll taxes related to the program-funded scholarships and the higher payment amounts is not readily apparent.

In response to our inquiries, District personnel indicated that they received the FDOE memorandum allowing the use of scholarship program funding to pay the applicable taxes; however, the payment errors occurred from a District misunderstanding. District personnel also indicated that, in subsequent years, the employer payroll taxes will be paid from available scholarship program funds. Use of unrestricted resources without prior Board approval not only reduces the amount of those resources for general appropriation and use, but also may result in uses that are inconsistent with Board intentions.

**Recommendation:** The Board should take action to either authorize District use of the \$38,059 in unrestricted resources for employer payroll taxes applicable to the respective program scholarship awards or seek and recover from the scholarship recipients the extra amounts paid. In addition, for future scholarship payments, the Board should take action to direct whether payroll taxes should be funded from unrestricted resources or respective program funds and ensure that employer payroll taxes are paid in accordance with Board direction.

### **Finding 3: Performance Salary Schedule**

Although State law<sup>10</sup> requires the Board to adopt performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and instructional leadership, the Board-adopted salary schedules for each of the 2014-15, 2015-16, 2016-17, and 2017-18 fiscal years did not provide for such annual adjustments for school administrators based upon these two considerations. Similarly, as of January 2019, the Board-adopted salary schedule for the 2018-19 fiscal year did not provide for annual salary adjustments for school administrators based upon student performance and instructional leadership. Accordingly, the Board was not in compliance with State law for the 2014-15 through 2018-19 fiscal years.

Table 1 shows the number of school administrator positions compensated and the total compensation for those positions for the 2014-15 through 2017-18 fiscal years.

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<sup>10</sup> Sections 1012.22(1) and 1012.34(3)(a)1. and 3., Florida Statutes.

**Table 1**  
**Number of School Administrator Positions and Related Compensation**  
**For the 2014-15 Through 2017-18 Fiscal Years**

Source	2014-15	2015-16	2016-17	2017-18
Number of School Administrator Positions Compensated	27	31	28	28
Total School Administrators' Compensation (in Millions)	\$1.83	\$2.08	\$1.91	\$1.89

In response to our inquiries, District personnel indicated that the 2017-18 fiscal year administrative salary schedule provided for a performance-based supplement of 5 percent of the individual's base salary for qualifying administrators who received a highly effective evaluation; however, no administrators received that evaluation. Notwithstanding this response, the performance-based supplement did not appear to meet the statutory requirement since, rather than an annual salary adjustment, the supplement would only be for 1 year.

**Recommendation:** The Board should comply with State law by adopting performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and instructional leadership.

**Finding 4: Information Technology User Access Privileges**

The Legislature has recognized in State law<sup>11</sup> 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 the confidential status of such information. Effective controls restrict employees from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic evaluations of information technology (IT) user access privileges to help prevent individuals from accessing sensitive personal information inconsistent with their responsibilities.

Pursuant to State law,<sup>12</sup> the District identified each student using a Florida education number assigned by the FDOE. However, student SSNs are included in the student records maintained within the District management information system (MIS). Student SSNs are maintained in the District MIS to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure and provide student transcripts to colleges, universities, and potential employers based on student-authorized requests. Board policies<sup>13</sup> 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 State law, State Board of Education rules, and Federal laws.

<sup>11</sup> Section 119.071(5)(a), Florida Statutes.

<sup>12</sup> Section 1008.386, Florida Statutes.

<sup>13</sup> Board Policy 5.70, *Student Records*.

The District MIS Department maintains the MIS and provides finance, human resources, and student records data processing services. As of September 2018, the MIS contained sensitive personal information for 36,045 former and 7,155 current District students and 158 individuals had continuous IT user access privileges to both former and current student information. District personnel indicated that, although some employees may need access to current but not former student information, the District MIS did not include a mechanism to differentiate IT user access privileges to current student information from access privileges to former student information. District personnel also indicated that periodic evaluations of IT user access privileges to student information are performed to help monitor these privileges; however, although we requested, District records were not provided to evidence that such evaluations had been performed.

As part of our audit, we examined District records supporting IT user access privileges and requested District personnel to confirm that the 158 individuals needed continuous access to the sensitive personal information of students to perform their assigned responsibilities. Our observations and District personnel responses disclosed that 153 of the 158 individuals did not need such access. The 153 individuals with the unnecessary IT user access privileges included data entry operators, school administrators, and District administrators. Subsequent to our inquiry, in October 2018, District personnel removed the unnecessary access privileges for the 153 individuals. District personnel indicated that the remaining 5 individuals were all IT employees who needed continuous access to the sensitive personal information of current students to perform their job duties, which include FDOE reporting and IT troubleshooting; however, District records did not evidence that all 5 individuals needed access to former student information.

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

**Recommendation: To ensure access privileges to the sensitive personal information of students are properly safeguarded, the District should:**

- **Document periodic evaluations of assigned IT user access privileges to determine whether such privileges are necessary and timely remove any unnecessary access privileges detected. If an individual only requires occasional access to sensitive personal information, the privileges should be granted only for the time needed.**
- **Consult with the MIS provider regarding the cost-benefit of a District MIS upgrade to include a mechanism to differentiate IT user access privileges to current student information from access privileges to former student information.**

#### **Finding 5: Information Technology – User Authentication**

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit procedures disclosed that certain District security controls related to user authentication need improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising District data and IT resources. However, we have notified appropriate District management of the specific issues.

Without adequate security controls related to user authentication, the risk is increased that the confidentiality, integrity, and availability of District data and IT resources may be compromised.

**Recommendation: The District should improve security controls related to user authentication to ensure the continued confidentiality, integrity, and availability of District data and IT resources.**

## ***PRIOR AUDIT FOLLOW-UP***

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The District had taken corrective actions for applicable findings included in our report No. 2016-131.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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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 January 2019, 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 findings included in our report No. 2016-131.
- 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's enterprise resource planning 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:
  - Examined 8 critical finance functions to determine the appropriateness and necessity of the access privileges based on the employee's job duties.
  - Examined 14 critical HR functions to determine the appropriateness and necessity of the access privileges based on the employee's job duties.
- Reviewed District procedures to prohibit former employee access to electronic data files. We also reviewed user access privileges for 27 of the 180 employees who separated from District employment during the audit period to determine whether the access privileges had been timely deactivated.
- Examined Board and committee meeting minutes and other records 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 District had developed an anti-fraud policy and procedures to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Also, we examined District records to determine whether the District had implemented appropriate and sufficient procedures to comply with its anti-fraud policy.
- 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.
- Reviewed workforce development funds expenditures totaling \$391,681 for the audit period 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 31,261 contact hours for 141 adult general education instructional students during the audit period, examined District records supporting 3,566 reported contact hours for 25 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, we examined the access privileges of the 158 individuals who had access to sensitive personal student information 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 audit for the 2016-17 fiscal year was 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.
- From the compensation payments totaling \$25.4 million to 2,290 employees as of March 30, 2018, examined District records supporting compensation payments totaling \$83,768 to 30 selected employees to determine whether the rate of pay was accurate and supervisory personnel reviewed and approved their reports of time worked. We also evaluated whether the Board-adopted school administrator salary schedules for the 2014-15 through 2018-19 fiscal years were based on student performance and instructional leadership in accordance with Sections 1012.22(1) and 1012.34(3)(a)1. and 3., Florida Statutes.
- Examined Board policies, District procedures, and related records for volunteers for the audit period to determine whether the District performed a level 2 background screening or 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 54 selected District recipients of Florida Best and Brightest Teacher Scholarship Program awards from the population of 420 District teachers who received scholarship awards totaling \$451,600 during the audit period.
- Evaluated District procedures to implement the Florida Best and Brightest Principal Scholarship Program pursuant to Section 1012.732, Florida Statutes. We also examined District records to determine whether the District submitted to the FDOE accurate information about the number of classroom teachers and the list of principals, as required by Section 1012.731(4), Florida Statutes, and whether the District timely awarded the correct amount to each eligible principal.

- Determined whether the District followed the January 2018 FDOE guidance to use the applicable portion of funds from the Florida Best and Brightest Teacher Scholarship Program and Florida Best and Brightest Principal Scholarship Program awards to pay the employer payroll taxes related to those awards.
- 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, 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.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs. We also compared maintenance plans with needs identified in safety inspection reports, reviewed inspection reports for compliance with Federal and State inspection requirements, evaluated District efforts to timely resolve any deficiencies identified during inspections, and tested the work order system for appropriate tracking of maintenance jobs.
- Evaluated District procedures for determining maintenance department staffing needs. We also determined whether such procedures included consideration of appropriate factors and performance measures that were supported by factual information.
- Examined District records to determine whether the architects were properly selected for the Graceville K-5 Addition project.
- Examined District records to determine whether the construction manager was properly selected for the Marianna K-8 School.
- From the population of 10,103 non-payroll expenditures totaling \$18 million for the audit period, examined documentation relating to 30 selected transactions totaling \$67,406 to determine whether the non-payroll expenditures were reasonable, correctly recorded, adequately documented, for valid District purposes, properly authorized and approved, and in compliance with applicable State laws, rules, contract terms, and Board policies.
- Evaluated the adequacy of District Virtual Instruction Program (VIP) policies and procedures.
- For the FDOE-approved VIP provider that contracted with the District for the audit period, determined whether the District obtained a list of provider employees and contracted personnel who had obtained background screenings in accordance with Section 1012.32, Florida Statutes.
- Examined District records for the audit period to determine whether the District provided the required number of VIP options and properly informed parents and students about students' rights to participate in a VIP and the VIP enrollment periods as required by Section 1002.45(1)(b) and (10), Florida Statutes.
- Examined the contract documents for the FDOE-approved VIP provider to determine whether the contract contained required statutory provisions. Also, we examined the contract documents to determine whether provisions were included to address compliance with contract terms, the confidentiality of student records, and monitoring of the provider's quality of virtual instruction and data quality.
- 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***

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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 letters of the first and last names being capitalized and prominent.

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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## THE SCHOOL BOARD OF JACKSON COUNTY



**H. Larry Moore**  
Superintendent of Schools

2903 Jefferson Street  
P.O. Box 5958  
Marianna, Florida 32447  
Telephone 850-482-1200  
Fax 850-482-1299

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**Jackson County District School Board  
Management's Corrective Action Plan  
For the Fiscal Year Ended June 30, 2018**

April 16, 2019

Ms. Sherrill F. Norman, CPA  
Auditor General  
111 West Madison Street  
Tallahassee, FL 32399

Dear Ms. Norman:

The preliminary and tentative findings and recommendations for the fiscal year ended June 30, 2018 operational audit have been reviewed. Our response to the findings and recommendations are as follows:

**Finding 1: Florida Best and Brightest Teacher Scholarship Program awards**

The District is confident in the safeguards put in place to ensure that only eligible teachers will be included in the Florida Best and Brightest Scholarship Programs awards for the 2018-19 year and thereafter.

**Planned Corrective Action:**

- The District Human Resources Director will notify all employees of the eligibility requirements in accordance with state statute.
- The Human Resources Director will screen each application to determine eligibility.
- Once eligibility is determined, the Human Resources Director will submit information to the Florida Department of Education.
- The Human Resources Director and the Finance personnel will work closely together when disbursing funds to ensure that ineligible employees are not awarded funds.
- The Human Resources Director will maintain verification files to include the verification on the date the awarded funds are released that the employee is still eligible.

**Finding 2: Resource Use**

The Board was verbally informed of the use of the \$38,059 in unrestricted resources for employer payroll taxes for the respective program subsequent to the disbursement date.

Diane Long  
District 1

Tony Pumphrey  
District 2

Stacey B. Goodson  
District 3

Chris M. Johnson  
District 4

Charlotte M. Gardner  
District 5

*An Equal Opportunity Employer*

**Planned Corrective Action:**

- The Human Resources Director and the Finance Director will work together to ensure that this doesn't occur in the future without prior Board approval.

**Finding 3: Performance Salary Schedule**

The District has a better understanding of the language in State law.

**Planned Corrective Action:**

- The District plans to update the language on the administrative salary schedule during the 2018-19 fiscal year to include the annual salary adjustments for school administrators based on student performance and educational leadership.
- Remove the language on the administrative salary schedule for a performance-based supplement of 5 percent of the individual's' base salary.

**Finding 4: Information Technology User Access Privileges**

The District, in October 2018, removed the unnecessary access privileges and plans to monitor the access as employees change within the District. The monitoring will take place in the District's MIS Department.

**Finding 5: Information Technology – Use Authentication**

The District is in agreement with the need for stronger security controls related to user authentication.

**Planned Corrective Action:**

- The District IT Department will perform a review of the controls over the user authentication and make adjustments as necessary.

We would like to thank your staff for their usual courtesy and professionalism during the operational audit. Please call me in you have any questions or comments.

Sincerely,



H. Larry Moore  
Superintendent, Jackson County School Board