

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2020-074  
December 2019

**PASCO COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## **Board Members and Superintendent**

During the 2018-19 fiscal year, Kurt S. Browning served as Superintendent of the Pasco County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Allen Altman, Chair through 11-19-18	1
Colleen Beaudoin, Vice Chair from 11-20-18	2
Cynthia Armstrong, Vice Chair through 11-19-18	3
Alison Crumbley, Chair from 11-20-18	4
Megan Harding from 11-20-18	5
Steve Luikart through 11-19-18	5

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](mailto:micahrodgers@aud.state.fl.us) or by telephone at (850)412-2905.

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# PASCO COUNTY DISTRICT SCHOOL BOARD

## SUMMARY

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This operational audit of the Pasco County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2017-091. Our operational audit disclosed the following:

**Finding 1:** District records did not document verification that the 278 charter school teachers who received Florida Best and Brightest Teacher Scholarship awards totaling \$426,300 during the 2018-19 fiscal year were eligible for those awards. A similar finding was noted in our report No. 2017-091.

**Finding 2:** The District did not obtain documentation to support the eligibility of employee and retiree dependents enrolled into the District health insurance plan. In addition, the District had not established procedures to document periodic verifications to ensure that dependent participants in the plan remain eligible.

**Finding 3:** Some unnecessary information technology user access privileges existed that increased the risk that unauthorized disclosure of sensitive personal information of students may occur.

## BACKGROUND

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The Pasco 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 Pasco County. The governing body of the District is the Pasco 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 2018-19 fiscal year, the District operated 84 elementary, middle, high, and specialized schools; sponsored 11 charter schools; and reported 74,324 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. Pursuant to State law,<sup>3</sup> 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

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<sup>1</sup> Section 1012.731, Florida Statutes (2018). Chapter 2019-23, Laws of Florida, renamed the Program the Florida Best and Brightest Teacher Program and substantially revised the award process effective July 1, 2019.

<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 1012.731, Florida Statutes.

State law<sup>4</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.

District personnel are responsible for determining teacher eligibility for the scholarship awards 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. According to District personnel, charter schools are required to submit to the District a list of the names of charter school teachers determined to be eligible for a \$6,000 scholarship and a count of charter school teachers determined to be eligible for other scholarships. However, the District had not established procedures to verify, or document of record, that scholarships were only awarded to eligible charter school classroom teachers.

During the 2018-19 fiscal year, the District awarded teacher scholarships totaling \$5.84 million to 3,694 District teachers and \$426,300 to 278 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 50 scholarship recipients (34 District teachers and 16 charter school teachers) who were awarded a total of \$230,294. District records were provided to support the awards to the District teachers and, subsequent to our request, the District obtained from the charter schools the records used to determine the eligibility of the charter school teachers.

Our examination of the charter school records provided indicated that 1 charter school recipient was ineligible for the award based on the recipient's college entrance examination score. The charter school awarded a \$6,000 scholarship based on the local percentile rank, which was 10 points below the required national percentile ranks in effect when the teacher took the assessment. Without evidence that the charter school teacher scored at or above the 80th percentile on a college entrance examination based on the applicable national percentile ranks, the charter school did not demonstrate that the teacher was eligible to receive the award.

In response to our inquiries, District personnel indicated that they relied on charter school personnel to determine the scholarship eligibility of charter school teachers. However, 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. A similar finding was noted in our report No. 2017-091.

**Recommendation: The District should establish procedures to verify and document that scholarships are only awarded to eligible charter school classroom teachers and take appropriate actions to remedy the ineligible award totaling \$6,000.**

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<sup>4</sup> Section 1012.34, Florida Statutes. Section 1012.34(3)(a), Florida Statutes, requires the evaluation to include consideration of student performance.

## Finding 2: Health Insurance Plan Dependent Eligibility

The District provided health insurance for District applicable employees, former employees,<sup>5</sup> retirees, and their dependents through a self-insurance program. As permitted by State law,<sup>6</sup> the Board contracted with a third-party administrator (TPA) to pay claims and administer the District health insurance plan and, for the period July 1, 2018, through April 30, 2019, the District contributed \$59.3 million toward the health insurance plan costs. For that period, the District health insurance plan insured 9,359 employees, 564 retirees, 44 former employees, and 2,439 dependents. Pursuant to State law,<sup>7</sup> retirees who elect to continue participation in the District's health insurance plan pay a premium cost of no more than the premium cost applicable to active employees. Eligible dependents include spouses, qualifying children, and qualifying grandchildren if under the legal custody of the employee or retiree. Obtaining and verifying documentation supporting dependent eligibility provides assurance that only eligible dependents participate in the District health insurance plan.

In October 2012, the Board contracted with a TPA to conduct a comprehensive dependent eligibility audit for the plan year effective January 2013; however, according to District personnel in October 2019, the District had not conducted a dependent eligibility audit since that date. District personnel indicated that, when employees and retirees made changes outside the open enrollment periods due to a qualifying event, such as a birth or marriage, the District required documentation evidencing the dependent's eligibility. However, District personnel indicated that, upon employment or during open enrollment periods, the District did not require employees and retirees to provide documentation evidencing their dependents' eligibility. In addition, the District had not established procedures to conduct and document periodic verifications to ensure that dependents of the insureds remain eligible for plan services.

Absent documented dependent eligibility verification procedures, there is an increased risk that dependents receiving insurance benefits may not be eligible for those benefits and the District health insurance plan may incur unnecessary claim payments, resulting in increases to future Board contributions for health insurance premiums. In response to our inquiry, District personnel indicated that they plan to implement a new procedure to verify eligibility as dependents are added to the District's health insurance plan upon employment and during open enrollment periods. Additionally, District personnel indicated that during open enrollment in October 2019, the District required documentation to verify the eligibility of all dependents currently enrolled in the plan.

**Recommendation: The District should continue efforts to require, upon enrollment of a dependent into the District health insurance plan, applicable documentation, such as birth or marriage certificates, be provided for District verification of dependent eligibility. The District should also establish documented, periodic verification procedures to ensure that dependent participants in the plan remain eligible.**

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<sup>5</sup> Pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, former District employees are authorized to continue participating in the District's health insurance plan for a limited period of time, under specified circumstances.

<sup>6</sup> Section 1011.18(6)(a), Florida Statutes.

<sup>7</sup> Section 112.0801, Florida Statutes.

### Finding 3: Information Technology User Access Privileges

The Legislature has recognized in State law<sup>8</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 duties and provide for documented, periodic evaluations of information technology (IT) access privileges to help prevent employees from accessing sensitive personal information of students inconsistent with their duties.

Pursuant to State law,<sup>9</sup> the District identifies each student using a Florida education identification number obtained from the Florida Department of Education (FDOE). However, student SSNs are also included in the student records maintained within 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 provide student transcripts to colleges, universities, and potential employers based on student-authorized requests. Board policies<sup>10</sup> allow designated District employees access to sensitive personal information of students in the exercise of their respective job duties.

As of June 30, 2019, the District SIS contained the sensitive personal information of 270,623 former and 52,015 current District and charter school students and 898 District and charter school employees had continuous user access to this information. As part of our audit, we examined District records supporting the access privileges for 30 selected District and charter school employees who had access to both current and former student information. We found that none of the 30 employees, which included District interns and IT employees and charter school teachers and administrative staff, had a demonstrated need for continuous access to sensitive personal information of students.

In response to our inquiries in October 2019, District personnel indicated that, as part of their job duties, the majority of the 898 District employees required access to certain student demographic data but did not require access to other sensitive personal information and the District SIS did not have the ability to mask student SSNs. Subsequent to our inquiry, in November 2019 District personnel indicated that they removed the unnecessary access privileges for 570 employees, including the 30 employees included in our audit tests.

District personnel also indicated that the District SIS did not include a mechanism to differentiate the access privileges to current student information from the access privileges to former student information. In addition, District personnel indicated that annual evaluations of IT user access were performed but did not extend to an evaluation of privileges to the sensitive personal information of students. 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.

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<sup>8</sup> Section 119.071(5)(a), Florida Statutes.

<sup>9</sup> Section 1008.386, Florida Statutes.

<sup>10</sup> Board Policy 8330 – *Student Records*.

**Recommendation:** The District should continue efforts to ensure that only those employees who have a demonstrated need to access sensitive personal information of students, including SSNs, are granted access privileges to that information. Such efforts should include documented periodic evaluations of District SIS IT user access privileges to ensure that the access privileges are appropriately restricted based on user job duties. In addition, the District should consult with the District SIS provider to determine whether an SIS upgrade may mask student SSNs and include a mechanism to differentiate IT user access privileges to current student information from access privileges to former student information.

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

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The District had taken corrective actions for findings included in our report No. 2017-091, except that Finding 1 was also noted in our report No. 2017-091 as Finding 4.

## ***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 March 2019 to October 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. 2017-091.
- 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 2018-19 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 (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 the 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 user accounts.
- Evaluated Board security policies and District procedures governing the classification, management, and protection of sensitive and confidential information.
- 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 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.
- Determined whether a fire suppression system had been installed in the District data center.
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2019, 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 \$61.6 million and transfers totaling \$61.3 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 \$21.5 million and \$38.4 million, respectively, to determine District compliance with the restrictions, including those in Section 1011.71(2)(e), Florida Statutes, imposed on the use of these resources.
- From the population of \$1.9 million total workforce education program funds expenditures for the period from July 1, 2018, through June 21, 2019, selected 12 expenditures totaling \$410,782 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 51 industry certifications eligible for the 2018-19 fiscal year performance funding, examined 20 selected certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- From the population of 79,785 contact hours for 799 adult general education instructional students during the Fall 2018 term, examined District records supporting 3,089 reported contact hours for 30 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.
- Evaluated District controls over the collection of the District's child care fees.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, from the population of 898 employees who had access to sensitive personal information of students, we examined the access privileges of 30 selected 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 2018-19 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- 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, for the 2016-17 and 2017-18 fiscal years.
- Examined District records to determine whether required internal funds audits for the 2016-17 and 2017-18 fiscal years were timely performed pursuant to SBE Rule 6A 1.087, Florida Administrative Code, 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.
- Reviewed organizational charts, audit plans, and audit agendas for the audit period to determine whether the internal auditor reported directly to the Board or its designee as required by Section 1001.42(12)(l), Florida Statutes. We also determined whether the internal auditor

developed audit work plans based on annual risk assessments considering input from other finance and administrative management.

- Examined District records supporting the payments and transfers totaling \$37,735 made during the audit period by the District to its direct-support organization to determine the legal authority for such transactions.
- Evaluated severance pay provisions in 10 of 417 applicable employee contracts to determine whether the severance pay provisions complied with Section 215.425(4), Florida Statutes.
- From the compensation payments totaling \$391.1 million to 13,608 employees during the audit period, examined District records supporting compensation payments totaling \$41,464 to 30 selected employees to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked. We also examined District records for an additional 56 District administrators to determine whether supervisory personnel reviewed and approved employee reports of time worked.
- Examined District records to determine whether the Board adopted a salary schedule with differentiated pay for both instructional personnel and school administrators based on District determined factors, including, but not limited to, additional responsibilities, school demographics, critical shortage areas, and level of job performance difficulties in compliance with Section 1012.22(1)(c)4.b., Florida Statutes.
- Examined District records 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. and 5., Florida Statutes.
- Examined District records as of June 17, 2019, for 20 employees and 10 contractors selected from the population of 13,608 employees and 4,723 contractor workers 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:
  - 34 selected District recipients of the Florida Best and Brightest Teacher Scholarship Program awards from the population of 3,694 District teachers who received scholarships awards totaling \$5.8 million during the audit period.
  - 16 selected charter school recipients of the awards from the population of 278 charter school teachers who received scholarships awards totaling \$426,300 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.
- Evaluated Board policies and District procedures for ethical conduct for instructional personnel and school administrators, including reporting responsibilities of employee misconduct which affects the health, safety, or welfare of a student, to determine compliance with Section 1011.42(6), Florida Statutes.

- 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 based on the District's policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board-approved contributions.
- Evaluated District procedures for bidding and purchasing health insurance and examined related records to determine whether the District complied with Section 112.08, Florida Statutes. We also reviewed 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 payments totaling \$3.1 million during the audit period for new software applications, examined documentation supporting two selected payments totaling \$223,066 to determine whether the District evaluated the effectiveness and suitability of the software applications prior to purchase, the purchases were made through a competitive vendor selection process, and deliverables met the contract terms and conditions.
- For the 19 significant construction projects with expenditures totaling \$170.2 million and in progress during the audit period, examined documentation for project expenditures of \$2 million to determine compliance with Board policies and District procedures and provisions of State laws and rules. Also, for two construction management contracts with guaranteed maximum prices of \$18.8 million and \$40.4 million, we:
  - Examined District records to determine whether the construction manager was properly selected.
  - Evaluated District procedures for monitoring subcontractor selection and licensure and examined District records to determine whether such procedures ensured subcontractors were properly selected and licensed.
  - Examined District records to determine whether architects were properly selected and adequately insured.
  - Examined District records to determine whether District procedures for monitoring payments were adequate and payments were sufficiently supported.
  - Examined District records to determine whether the District made use of its sales tax exemption to make direct purchases of materials, or documented its justification for not doing so.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the May 2019 reports of District student station costs. We examined District records for two construction projects completed during the period January 1, 2018, through December 31, 2018, to determine whether the reports accurately reported student station costs and complied with the student station cost limits established by Section 1013.64(6)(b)1., Florida Statutes.
- Examined copies of the most recent annual fire safety, casualty safety, and sanitation inspection reports for 15 of the 92 District schools, educational centers, and ancillary facilities to determine whether timely action was taken to correct the deficiencies.
- 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, 1006.12, 1006.13, 1011.62(15) and (16), and 1012.584, Florida Statutes.
- Examined District records to determine whether the District timely canceled the purchasing cards for all 31 cardholders who separated from District employment during the audit period.

- For the two charter schools that were not renewed or were terminated in the 2017-18 and 2018-19 fiscal years, evaluated District procedures to determine whether applicable funds and property appropriately reverted to the District and whether the District did not assume debts of the school or center, except as previously agreed upon by the District.
- 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 also 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 2018-19 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 regulations.
- Evaluated District procedures and examined District records to determine whether the procedures were effective for distributing 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.
- Examined District records and evaluated construction planning processes for the audit period to determine whether processes were comprehensive, included consideration of restricted resources and other alternatives to ensure the most economical and effective approach, and met District short-term and long-term needs.
- 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 and whether maintenance department employees received annual evaluations.
- 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 \$247.8 million for the audit period, we examined documentation related to 30 selected payments for general expenditures totaling \$6.2 million.
- From the population of 423 consultant contracts totaling \$22.8 million during the audit period, examined supporting documentation, including the contract documents, for 30 selected payments totaling \$3.2 million related to 30 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***

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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 written in a cursive style with a large initial 'S' and 'N'.

Sherrill F. Norman, CPA  
Auditor General

## MANAGEMENT'S RESPONSE

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### Pasco County Schools

Kurt S. Browning, Superintendent of Schools  
7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

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December 10, 2019

Sherrill F. Norman, CPA  
Auditor General  
Claude Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman:

We appreciate the efforts of your professional staff in analyzing the District School Board of Pasco County's operations.

The following paragraphs enumerate various actions the District will take and provides clarification applicable to certain findings and recommendations listed in the preliminary and tentative audit finding letter dated November 15, 2019:

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

The District has established procedures where the charter schools will be required to provide award eligibility supporting documentation to the District for review by the District's charter school compliance specialist prior to disbursement of funds. The District has notified the charter school of their requirement to recover the award paid to the ineligible recipient and to submit the funds to the District. Once the funds are received, the District will then refund the funds to the Florida Department of Education.

#### **Finding 2: Health Insurance Plan Dependent Eligibility**

Effective October 1, 2019, Pasco County Schools required all employees who enrolled their spouse or dependent children in the District's group health plan to provide documentation verifying their dependent's eligibility for coverage. In addition, going forward employees will be required to submit documentation to verify their dependent's eligibility during open enrollment and when an employee request a plan change during the calendar year. Furthermore, on a periodic basis, we will perform an eligibility audit to ensure that dependent participants in the plan remain eligible.

#### **Finding 3: Information Technology-User Access Privileges**

The District will include an evaluation of access to sensitive personal information of students, including social security numbers, in the District's semi-annual security access review. In addition, the District has begun discussions with the Student Information System (SIS) provider to determine what enhancements can be made to mask student social security numbers and differentiate security access between current and former students. Finally, the District is reviewing the overall need to collect student social security numbers.

We appreciate the opportunity to respond to these findings. After reviewing our response, please advise me if you need further clarification or any additional action on our part.

Sincerely,

Kurt S. Browning  
Superintendent of Schools

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