

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2021-022
September 2020

**TAYLOR COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2019-20 fiscal year, Dr. Danny Glover Jr. served as Superintendent of the Taylor County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Bonnie Sue Agner, Vice Chair through 11-18-19	1
Brenda H. Carlton, Vice Chair from 11-19-19, Chair through 11-18-19	2
Jeannie Mathis	3
Danny Lundy, Chair from 11-19-19	4
Deidra A. Dunnell	5

The team leader was James H. Tubbs, and the audit was supervised by Maria G. Loar, CPA.

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

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TAYLOR COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Taylor County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2018-026. Our operational audit disclosed the following:

Finding 1: As of March 2020, the District had not complied with State law by posting on its Web site all required graphical representations of summary financial efficiency data and fiscal trend information.

Finding 2: District records did not demonstrate that the District conducted required searches of the names of prospective volunteers against the applicable registration information regarding sexual predators and sexual offenders. A similar finding was noted in our report No. 2018-026.

BACKGROUND

The Taylor 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 Taylor County. The governing body of the District is the Taylor 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 2019-20 fiscal year, the District operated seven elementary, middle, high, combination, and specialized schools; and reported 2,647 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,¹ the District must post on its Web site a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public.

In addition, effective July 1, 2019, the information posted on the District Web site must include graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years. Specifically, the District Web site must show the:

- Ratio of full-time equivalent (FTE) students to FTE instructional personnel.
- Ratio of FTE students to FTE administrative personnel.
- Total operating expenditures per FTE student.

¹ Section 1011.035(2), Florida Statutes.

- Total instructional expenditures per FTE student.
- General administrative expenditures as a percentage of total budget.
- Rate of change in the General Fund's ending fund balance not classified as restricted.

The District Web site must also include a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE) pursuant to State law² to enable taxpayers to evaluate the financial efficiency of the school district and compare the financial efficiency of the school district with other similarly situated school districts. The information must be prominently posted on the District's Web site in a manner that is readily accessible.

At the time of our review in March 2020, the District had posted the proposed, tentative, and official budgets for the 2019-20 fiscal year on its Web site; however, the Web site lacked the graphical representations and a link to the Web-based fiscal transparency tool developed by the FDOE. In response to our inquiry, District personnel indicated that, as of that date, they had requested but not received from the FDOE District graphical representations or a link to the transparency tool. Although the FDOE had not provided school districts a link to the transparency tool, District records did not demonstrate any efforts to create or report the required summary financial efficiency data or fiscal trend information for the previous 3 years.

Subsequent to our inquiry, in May 2020 the FDOE provided the District with, and the District posted on the District Web site, the required graphical representations. In addition, District personnel indicated that, in June 2020, the FDOE provided the District a link to the FDOE fiscal transparency tool and the District posted the link on the District Web site. Providing the required transparency information on the District Web site enhances citizen involvement and the ability to analyze, monitor, and evaluate fiscal outcomes.

Recommendation: The District should continue efforts to comply with statutory transparency requirements by timely posting all required information on the District Web site.

Finding 2: School Volunteers

State law³ requires, before making any decision to appoint a person to work as a volunteer where children regularly congregate, a search of that person's name or other identifying information against the registration information regarding sexual predators and sexual offenders through the Dru Sjodin National Sexual Offender Public Web site (NSOPW) maintained by the United States Department of Justice. If that site is not available, a search of the registration information regarding sexual predators and sexual offenders (i.e., Florida Sexual Offenders and Predators Registry) maintained by the Florida Department of Law Enforcement (FDLE) is required. State law also provides that the search does not apply to positions or appointments for which a level 2 background screening⁴ is conducted.

Pursuant to Board policies, a school volunteer program exists to provide assistance and enrichment in classrooms and noninstructional support areas and must comply with State requirements. According to District personnel, during the 2019-20 school year, school volunteers were required to complete a

² Section 1010.20, Florida Statutes.

³ Section 943.04351, Florida Statutes.

⁴ A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the FDLE and national criminal history records checks through the Federal Bureau of Investigation.

volunteer application listing a valid driver's license, submit the application to the school principal, and be screened against the FDLE sex offender registry. However, District procedures did not require a background search against available registration information through the NSOPW for any of the 298 volunteer applicants during the 2019-20 school year.

Although FDLE registry searches provide some assurances, the data in the FDLE registry is not as extensive as the national sex offender data provided by the NSOPW. NSOPW searches would provide greater assurance as to the suitability of the backgrounds of individuals and are essential given the risks associated with allowing individuals access to places where children regularly congregate.

As part of our audit, we extended our procedures to perform a search of the names of 30 selected volunteers against the NSOPW database and none of those volunteers were listed as a sexual predator or sexual offender. However, our procedures cannot substitute for management's responsibility to ensure that the District schools perform the appropriate NSOPW searches of volunteer names and information in accordance with State law. Although a similar finding was noted in our report No. 2018-026, in response to our inquiry, District personnel indicated that they were unaware of the requirement to complete a background search through the NSOPW for volunteer applicants. Absent effective controls to ensure that searches of the names of prospective volunteers are performed in accordance with State law, there is an increased risk that volunteers with unsuitable backgrounds may have direct contact with students.

Recommendation: The District should establish procedures to require searches of prospective school volunteers' names and information against available NSOPW registration information. To ensure that searches are performed before decisions are made to appoint volunteers, the procedures should require independent verifications to confirm the conduct of the required searches and to review the search results. Once established, the procedures should be appropriately communicated to District personnel to help employees understand and comply with the background search requirements.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2018-026, except that Finding 2 was also noted in that report as Finding 2.

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 February 2020 to June 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on information technology resources and related controls; public meetings and communications; school safety; compensation, construction, and other expenses; and other processes and administrative activities. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2018-026.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

In planning and conducting our audit, we assessed whether internal controls were significant to our audit objectives by considering the internal control integrated framework established by the Committee of Sponsoring Organizations (COSO)⁵ and adapted for a government environment within the *Standards for Internal Control in the Federal Government* issued by the United States Government Accountability Office. That framework is illustrated in the following table.

⁵ The Committee of Sponsoring Organizations (COSO) of the Treadway Commission was established in 1985 to develop guidance in the areas of risk and control which enable good organizational governance and reduction of fraud. Pursuant to their mission, COSO developed a framework for internal control that consists of five components and 17 underlying principles.

COSO Internal Control Integrated Framework

Internal Control Component	Description	Underlying Principles (To be Applied by the Board and Management)
Control Environment	Standards, processes, and structures that provide the basis for carrying out internal control across the organization. Represents the foundation on which an effective internal control system is built.	<ul style="list-style-type: none"> • Demonstrate commitment to integrity and ethical values. • Exercise oversight responsibility. • Establish structures and reporting lines and assign authorities and responsibilities. • Demonstrate commitment to a competent workforce. • Hold individuals accountable for their responsibilities.
Risk Assessment	Management's process to consider the impact of possible changes in the internal and external environment and to consider actions to mitigate the impact. The basis for how risks will be managed.	<ul style="list-style-type: none"> • Establish clear objectives to define risk and risk tolerances. • Identify, analyze, and respond to risks. • Consider the potential for fraud. • Identify, analyze, and respond to significant changes that impact the internal control system.
Control Activities	Activities in the form of policies, procedures, and standards that help management mitigate risks. Control activities may be preventive in nature or detective in nature and may be performed at all levels of the organization.	<ul style="list-style-type: none"> • Design control activities to achieve objectives and respond to risks. • Design control activities over technology. • Implement control activities through policies and procedures.
Information and Communication	Information obtained or generated by management to support the internal control system. Communication is the dissemination of important information to help the organization meet requirements and expectations.	<ul style="list-style-type: none"> • Use relevant and quality information. • Communicate necessary information internally to achieve entity objectives. • Communicate necessary information externally to achieve entity objectives.
Monitoring	Periodic or ongoing evaluations to verify that the internal control system is present and functioning properly.	<ul style="list-style-type: none"> • Conduct periodic or ongoing evaluations of the internal control system. • Remediate identified internal control deficiencies on a timely basis.

We determined that all components of internal control and underlying principles were significant to our audit objectives.

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

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

Our audit included transactions, as well as events and conditions, occurring during the 2019-20 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

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

In conducting our audit, we:

- Reviewed applicable laws, rules, District policies and procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities.
- 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. Specifically, we:
 - Tested the nine roles that allowed update access privileges to selected critical ERP system finance application functions resulting in the review of the appropriateness of access privileges granted for two accounts.
 - Tested the eight roles that allowed update access privileges to selected critical ERP system HR application functions resulting in the review of the appropriateness of access privileges granted for four accounts.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the 21 employees 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.
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2020, 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.
- Examined the District Web site to determine whether the 2019-20 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the Web site contained the required graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- From the population of expenditures totaling \$3.3 million and transfers totaling \$1 million during the period July 2019 through February 2020 from nonvoted capital outlay tax levy proceeds,

Public Education Capital Outlay funds, and other restricted funds, examined documentation supporting selected expenditures and transfers totaling \$2.6 million and \$1 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as District compliance with Section 1011.71(2), Florida Statutes.

- Examined documentation for the one construction management contract with a guaranteed maximum price totaling \$16.6 million and expenditures totaling \$1 million during the period July 2019 through March 2020 to determine compliance with Board policies and District procedures and provisions of State laws and rules. Also, for this project we:
 - 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.
 - Determined whether the Board established appropriate policies and District procedures addressing negotiation and monitoring of general conditions costs.
 - Examined District records supporting the seven selected payments totaling \$1 million to determine whether District procedures for monitoring payments were adequate and payments were sufficiently supported.
 - Examined District records to determine whether projects progressed as planned and were cost effective and consistent with established benchmarks, and whether District records supported that the contractors performed as expected.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2019 cost of construction reports of District student station costs. We examined District records for the one construction project completed during the 2019 calendar year to determine whether the report 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. From the 11 inspection reports, we selected 5 reports with 13 noted deficiencies and examined documentation to determine whether timely action was taken to correct the deficiencies.
- Interviewed District personnel and examined supporting documentation to determine whether floor plans for the only newly constructed educational facility were submitted to law enforcement and fire agencies by October 1, 2019, pursuant to Section 1013.13, Florida Statutes.
- 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, and 1006.13, and 1011.62(15), Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1011.62(16), and 1012.584, Florida Statutes, and State Board of Education Rule 6A-1.094121, Florida Administrative Code.
- From the population of \$1.3 million total workforce education program funds expenditures for the audit period, selected expenditures totaling \$257,295 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 99 industry certifications eligible for the 2019-20 fiscal year performance funding, examined 25 selected certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- From the population of 6,710 contact hours for 51 adult general education instructional students during the Fall 2019 Semester, examined District records supporting 968 reported contact hours

for 30 selected students to determine whether the District reported the instructional contact hours in accordance with State Board of Education Rule 6A-10.0381, Florida Administrative Code.

- Examined District records for the audit period for 36 employees selected from the population of 583 employees and the 4 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 (NSOPW) maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes. In addition, from the population of 298 volunteer applicants, we extended our procedures to perform a search of the names of 30 selected volunteers against the NSOPW database.
- Examined District records to determine whether the Board 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 instructional employee's compensation was based on performance in accordance with Section 1012.22(1)(c)4. and 5., 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 Board policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board approved contributions.
- 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 1001.42(6), Florida Statutes.
- From the population of 62 contractual service contracts totaling \$1 million during the period July 2019 through February 2020, examined supporting documentation, including the contract documents, for 30 selected payments totaling \$304,841 related to 30 contracts to determine whether:
 - The District complied with applicable competitive selection requirements (e.g., State Board of Education Rule 6A-1.012, Florida Administrative Code).
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - District records documented satisfactory receipt of deliverables before payments were made.
 - Payments complied with contract provisions.
- From the population of expenditures totaling \$2.1 million of selected non-Federal, non-capital grants and appropriations during the period July 2019 through February 2020, examined documentation supporting selected expenditures totaling \$436,465 to determine District compliance with the restrictions imposed on the use of these resources.
- 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.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



THE DISTRICT SCHOOL BOARD OF TAYLOR COUNTY

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Danny Glover Jr., Superintendent

September 15, 2020

Sherrill F. Norman, CPA
Auditor General
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111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

The preliminary and tentative findings and recommendations for the fiscal year ending June 30, 2020 have been reviewed by the appropriate District staff. Our response to the findings and recommendations are listed below.

Finding 1: Fiscal Transparency

The District will continue efforts to comply with statutory transparency requirements by timely posting all required information on the District website.

Finding 2: School Volunteers

The District has corrected procedures that require searches of prospective school volunteers' names and information against NSOPW registration information. To ensure searches are performed before decisions are made to appoint volunteers, the procedures should require independent verifications to confirm the conduct of the required searches and to review the search results. Those procedures will be communicated to District personnel to help employees better understand and comply with the background search requirements.

We wish to commend James Tubbs and his staff; the audit was conducted with much courtesy and professionalism. We value their knowledge and expertise relating to school business.

Sincerely,

Danny Glover, Jr.
Superintendent, Taylor County Schools

School Board Members

Bonnie Sue Agner
Residence Area One

Brenda H. Carlton
Residence Area Two

Jeannie Mathis
Residence Area Three

Danny Lundy
Residence Area Four

Deidra Dunnell
Residence Area Five

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