

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2021-042  
October 2020

**FRANKLIN COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## **Board Members and Superintendent**

During the 2019-20 fiscal year, Traci Yoder served as Superintendent of the Franklin County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
George Thompson	1
Pamela Marshall, Vice Chair from 11-18-19	2
Fonda Davis Sr.	3
Stacy Kirvin, Chair	4
Carl Whaley, Vice Chair through 11-17-19	5

The team leader was Melissa F. Hall, CPA, and the audit was supervised by Shelly G. Curti, CPA.

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

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# FRANKLIN COUNTY DISTRICT SCHOOL BOARD

## **SUMMARY**

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This operational audit of the Franklin County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2018-180. Our operational audit disclosed the following:

**Finding 1:** Contrary to State law and State Board of Education (SBE) rules, District mental health care plans and reports were not always timely submitted to the Florida Department of Education. In addition, contrary to SBE rules, District records evidenced that only 2 of the required 5 hours of mental health awareness and assistance instruction were provided for students in grades 8 through 12.

**Finding 2:** As similarly noted in our report No. 2018-180, District controls over contracted services and related payments could be enhanced.

**Finding 3:** As of April 2020, the District had not complied with State law by posting on its Web site the required graphical representations of summary financial efficiency data and fiscal trend information.

**Finding 4:** Some unnecessary information technology user access privileges existed that increased the risk that unauthorized disclosure of sensitive personal information may occur. A similar finding was noted in our report No. 2018-180.

## **BACKGROUND**

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The Franklin 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 Franklin County. The governing body of the District is the Franklin 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 one consolidated K-12 school and two specialized schools, sponsored one charter school; and reported 1,240 unweighted full-time equivalent students.

## **FINDINGS AND RECOMMENDATIONS**

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### **Finding 1: Mental Health Care Services**

Pursuant to State law,<sup>1</sup> the District received mental health assistance allocations totaling \$127,562 and \$129,927 for the 2018-19 and 2019-20 fiscal years, respectively, to establish or expand school-based mental health care services and related training. State law requires the District to submit detailed plans of the local mental health care program and planned expenditures to the Board for approval and then submit the Board-approved plans to the Florida Department of Education (FDOE) by August 1 each fiscal

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<sup>1</sup> Section 1011.62(16), Florida Statutes.

year. Beginning September 30, 2019, and annually thereafter, the District must submit to the FDOE a report on mental health care program outcomes and expenditures for the previous fiscal year.

State Board of Education (SBE) rules<sup>2</sup> require the District to submit by July 1 of each year an annual report to the FDOE that verifies completion of youth mental and emotional health instruction for each grade level and includes the professional qualifications of the person delivering the instruction and a description of the materials and resources utilized to deliver the instruction. In addition, SBE rules<sup>3</sup> require the District to annually provide a minimum of 5 hours of instruction to students in grades 6 through 12 related to mental health awareness and assistance, including suicide prevention and the impacts of substance abuse. Failure to comply with SBE rule requirements may result in the imposition of sanctions in State law.<sup>4</sup>

Our discussions with District personnel and examination of District records disclosed that several District mental health care plans and reports were not timely submitted to the FDOE. Specifically, while the District timely submitted the 2019-20 fiscal year mental health care program report of outcomes and expenditures, the report for the 2018-19 fiscal year was submitted 176 days late. Additionally, the Board-approved mental health care plans for the 2018-19 and 2019-20 fiscal years were submitted 12 and 32 days late, respectively; and the 2019-20 fiscal year annual report verifying the completion of youth mental and emotional health instruction was submitted 13 days late. In addition, for the 2019-20 fiscal year, District records evidenced that the minimum 5 hours of mental health awareness and assistance instruction were provided for students in grades 6 and 7; however, District records evidenced that only 2 of the required 5 hours of instruction were provided for students in grades 8 through 12.

In response to our inquiry, District personnel indicated that the mental health care plans and reports were submitted late due to staff turnover and a misunderstanding regarding due dates and submission methods. District personnel also indicated that the District provided students in grades 8 through 12 the required mental health awareness and assistance instruction but, due to an oversight, all instruction hours provided were not documented. Timely submitted plans and reports help the FDOE monitor mental health care strategies and results on a Statewide basis and documented mental health care instruction enhances public awareness of District efforts to provide essential educational services. Absent timely mental health care plan and report submissions and appropriate mental health instruction records, the District cannot demonstrate compliance with State law and SBE rules, which may subject the District to statutory sanctions.

**Recommendation: The District should enhance procedures to ensure that mental health care plans and reports are timely submitted to the FDOE as required by State law and SBE rules. Additionally, the District should maintain records to demonstrate that the District provides students in grades 8 through 12 at least the minimum SBE rule-required 5 hours of mental health awareness and assistance instruction.**

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<sup>2</sup> SBE Rule 6A-1.094121(4), Florida Administrative Code.

<sup>3</sup> SBE Rule 6A-1.094121(1), Florida Administrative Code.

<sup>4</sup> Section 1008.32, Florida Statutes.

## Finding 2: Contracted Services

Effective contract management ensures that contract services conform to contract terms before payment. The Board routinely enters into contracts for services and District controls have been designed and implemented to ensure that payments are generally consistent with contract terms and conditions.

For the period July 2019 through February 2020, the District paid a total of \$729,695 for contracted services. To determine the propriety of those payments, we examined District records supporting 40 selected payments totaling \$313,164<sup>5</sup> and found that District controls over school resource officer (SRO) services and legal services could be enhanced. Specifically:

- In July 2019, the Board entered into a 10-month contract (August 2019 through May 2020) with the Franklin County Sheriff's Office to provide an SRO at the Franklin County School and another SRO at the Franklin Learning Center. The contract established SRO-duty requirements, including work hours on days that students were required to attend school, and required monthly payments of \$11,268. The Sheriff's Office was required to provide, and provided, time sheets to the District finance office for each SRO; however, neither the SRO time sheets nor other District records evidenced school personnel with direct knowledge of the SRO services confirmed that the services conformed to the contract terms and related invoices before payment. According to District personnel, the District did not require those procedures to be performed.
- For the period July 2019 through February 2020, the District paid \$111,912 to a legal firm pursuant to a Board-approved July 2018 contract for legal services, based on hourly rates, and additional expenditures. However, the contract neither defined nor quantified the total additional expenditures. During that period, the District paid the legal firm a total of \$13,263 for additional expenditures and, as part of our audit, we requested for examination District records supporting selected additional expenditures totaling \$6,617. The legal firm's invoice identified additional expenditures for court reporter, travel, copy, long distance telephone service, and other miscellaneous costs; however, although we requested, District records were not initially provided to support the expenditures.

Subsequent to our inquiry, in April 2020 the District obtained travel logs and hotel and restaurant receipts from the legal firm that supported the \$2,093 in travel costs and obtained in September 2020 detailed receipts from the legal firm for court reporter and other miscellaneous costs totaling \$3,404. However, as of September 2020, District records lacked support for copy and long distance telephone service costs totaling \$1,120. Absent contract terms that define and quantify the total additional expenditures and adequate support for such expenditures, the basis for payment is not readily apparent, increasing the risk of overpayment.

Absent effective contract management controls, there is an increased risk that the District may overpay for services, the services may not be received consistent with the Board's expectations, and any overpayments that occur may not be timely detected and recovered. A similar finding was noted in our report No. 2018-180.

**Recommendation: The District should establish procedures to ensure that, prior to payment, District records demonstrate that the contracted services invoiced were received and conformed to applicable contract terms. Such procedures should include documented verification before payment that school personnel with direct knowledge of SRO services confirm that the services conformed to contract terms. In addition, the District should ensure that legal firm contracts**

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<sup>5</sup> We initially examined District records supporting 23 selected payments totaling \$222,005, including an SRO service payment totaling \$33,803 and 2 payments for legal services totaling \$48,883. We expanded our examination of District records supporting an additional 17 payments totaling \$91,159, including 12 payments for legal services totaling \$83,563.

**define and quantify the total additional expenditures and invoices for those expenditures agree with contract definitions and are adequately supported before payment.**

### **Finding 3: Fiscal Transparency**

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law<sup>6</sup>, 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.
- 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 FDOE pursuant to State law<sup>7</sup> 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. This 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 April 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, the FDOE had not provided to school districts the graphical representations or a link to the transparency tool. However, 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 June 2020 the FDOE provided the District with, and the District posted on the District Web site, the required graphical representations and link to the FDOE Web-based fiscal transparency tool. 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.**

<sup>6</sup> Section 1011.035(2), Florida Statutes.

<sup>7</sup> Section 1010.20(2)(c)2., Florida Statutes.

#### **Finding 4: Information Technology User Access Privileges - Sensitive Personal Information**

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 individuals from accessing information unnecessary for their assigned duties 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 duties.

Pursuant to State law,<sup>9</sup> the District identified each student using a Florida education identification number obtained from the FDOE. Student SSNs are maintained within the District management information system (MIS) to, for example, register newly enrolled students and transmit 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 school personnel access to student records to perform administrative, supervisory, or instructional responsibilities that serve a legitimate educational purpose in accordance with State law, State Board of Education rules, and Federal laws, and District employees are required to certify that they will comply with these requirements. According to District personnel, periodic evaluations of IT access privileges to student information were performed informally and documentation of the evaluations was not maintained.

The Panhandle Area Educational Consortium (PAEC) provides student records data processing services for the District and maintains sensitive personal information of students, including SSNs, in the District MIS. As of April 2020, the District MIS maintained the SSNs for approximately 8,000 former and 900 current students and six contract workers, three District employees, and one charter school employee had IT user access privileges to that information. As part of our audit, we requested District records to evaluate whether the ten individuals had a demonstrated need for the access and District records evidenced that the four individuals, including the Director of Assessment, Technology, and Information Systems, a charter school MIS employee, and two school secretaries, needed the access to perform their duties. However, District personnel noted that the six contract workers did not need the access and, in April 2020 subsequent to our inquiry, removed that access.

The existence of unnecessary access privileges increase the risk of unauthorized disclosure of sensitive personal information of students and the possibility that sensitive personal information may be used to commit a fraud against District students or others. A similar finding was noted in our report No. 2018-180.

**Recommendation: The District should continue efforts to ensure that only those individuals who have a demonstrated need to access sensitive personal information, including student SSNs, have such access. Such efforts should include documented, periodic evaluations of IT user access privileges to the District's MIS to ensure that access privileges to sensitive personal information are granted only to those users whose job duties require such access.**

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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 8350 – *Confidentiality*.

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

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The District had taken corrective actions for findings included in our report No. 2018-180, except that Findings 2 and 4 were also noted in that report as Findings 3 and 9.

## ***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 February 2020 through September 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; budget transparency, capital expenditures, school safety; mental health education, construction management, workforce development, adult education, decentralized collections, background screening, performance evaluations, health insurance eligibility, teacher certification, consultant contracts, commercial insurance, facilities assessments, virtual instruction program 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. 2018-180.
- 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)<sup>11</sup> 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.

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<sup>11</sup> 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)
<b>Control Environment</b>	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"> <li>• Demonstrate commitment to integrity and ethical values.</li> <li>• Exercise oversight responsibility.</li> <li>• Establish structures and reporting lines and assign authorities and responsibilities.</li> <li>• Demonstrate commitment to a competent workforce.</li> <li>• Hold individuals accountable for their responsibilities.</li> </ul>
<b>Risk Assessment</b>	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"> <li>• Establish clear objectives to define risk and risk tolerances.</li> <li>• Identify, analyze, and respond to risks.</li> <li>• Consider the potential for fraud.</li> <li>• Identify, analyze, and respond to significant changes that impact the internal control system.</li> </ul>
<b>Control Activities</b>	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"> <li>• Design control activities to achieve objectives and respond to risks.</li> <li>• Design control activities over technology.</li> <li>• Implement control activities through policies and procedures.</li> </ul>
<b>Information and Communication</b>	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"> <li>• Use relevant and quality information.</li> <li>• Communicate necessary information internally to achieve entity objectives.</li> <li>• Communicate necessary information externally to achieve entity objectives.</li> </ul>
<b>Monitoring</b>	Periodic or ongoing evaluations to verify that the internal control system is present and functioning properly.	<ul style="list-style-type: none"> <li>• Conduct periodic or ongoing evaluations of the internal control system.</li> <li>• Remediate identified internal control deficiencies on a timely basis.</li> </ul>

We determined that all internal control components were significant to our audit objectives. The associated underlying principles significant to our objectives included:

- Board and management commitment to integrity and ethical values.
- Board exercise of oversight responsibility.
- Management establishment of clear objectives to enable the identification of risks and define risk tolerances.
- Management identification and analysis of and response to risks.
- Management consideration of the potential for fraud.
- Management design of control activities to achieve the District's objectives and respond to risks.
- Management design of controls over information technology.
- Management establishment of policies and procedures to implement internal control activities.
- Management use of relevant and quality information to achieve the District's objectives.
- Management communication of information internally necessary to achieve the District's objectives.
- Management communication of information externally necessary to achieve the District's objectives.
- Management activities to monitor the District's internal control system and evaluate the results.
- Management remediation of identified internal control deficiencies on a timely basis.

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. From the population of 30 employees who had access to critical menu paths within finance and human resource applications, we examined District records supporting the access privileges of 20 selected employees to determine the appropriateness and necessity of the access based on employee job duties and user account functions and whether the access prevented the performance of incompatible duties.
- Reviewed District procedures to prohibit former employee access to electronic data files. We also reviewed selected access user privileges for all 25 employees who separated from District

employment during the period July 1, 2019, through May 8, 2020, to determine whether the access privileges had been timely deactivated.

- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the ten individuals who had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on assigned duties.
- 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.
- 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 \$193,902 and transfers totaling \$255,746 during the audit period July 2019 through February 2020 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 \$112,258 and \$111,011, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as District compliance with Section 1011.71(2)(e), Florida Statutes.
- Examined documentation supporting the District's process for selecting the only architect and construction manager selected during the period July 2019 through February 2020, which were selected for the Triumph Phase I – New Construction CTE Welding Building Project, to determine compliance with Board policies, District procedures, and provisions of State laws and rules. In addition, we examined District records to determine whether the architect was adequately insured.
- 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 the District charter school by February 1, 2018, pursuant to Section 1013.62(3), Florida Statutes.
- Examined copies of the District's most recent annual fire safety, casualty safety, and sanitation inspection reports to determine whether any previous significant or life-threatening deficiencies were timely corrected.
- 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.
- From the population of \$64,896 total workforce education program funds expenditures for the audit period, selected payments totaling \$42,996 to two employees 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 1,073 contact hours for seven adult general education instructional students during the Fall 2019 Semester, examined District records supporting 365 reported contact hours for three 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.
- From the population of Prekindergarten Enrichment Program fees totaling \$12,264 collected for 43 students during the period July 2019 through February 2020, examined District records supporting receipts totaling \$1,222 from 10 students and two monthly reports totaling of \$4,370

to determine whether fees charged were based on a Board-approved fee schedule and the fee collections agreed with District accounts receivable records.

- Examined District records for the period July 1, 2019, through March 10, 2020, for 15 employees and 15 contractor workers selected from the population of 226 employees and 78 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.
- From the population of 63 instructional personnel and 4 school administrators compensated a total of \$1.6 million during the period July 2019 through February 2020, examined documentation for 23 selected employees who were paid a total of \$667,712 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.
- 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.
- Examined District records for the 12 teachers hired during the period July 2019 through February 2020 to determine whether the teachers held the required certificates before they were hired and, for any out-of-field teaching assignment, whether the District notified parents and reported the out-of-field teachers on the District Web site.
- Evaluated Board policies and District procedures to ensure that 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 Board policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board-approved contributions.
- From the population of 77 service contracts totaling \$729,695 during the period July 2019 through February 2020, examined supporting documentation, including the contract documents, for 23 selected payments totaling \$222,005 related to 23 contracts to determine whether:
  - The District complied with 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 evidenced services conformed to contract terms and related invoices before payment.

In addition, we examined District records, including 5 service contracts, supporting 5 additional payments totaling \$7,596 to determine whether the payments were properly documented, classified, and made in accordance with contract terms and contracts were executed prior to service dates. We also examined two contracts for legal services, supporting 12 additional payments totaling \$83,563 to determine whether additional costs and expenditures were adequately supported.

- 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 practices.
- 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 the charter school, 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 students, and distributed all remaining funds to all eligible schools in accordance with Federal law and regulations.
- 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, and evaluated the work order system for appropriate tracking of maintenance jobs.
- Evaluated the adequacy of District Virtual Instruction Program (VIP) policies and procedures.
- For the two FDOE-approved VIP providers 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.
- 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.



Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE



## Franklin County District Schools

85 School Rd., Suite 1  
Eastpoint, FL 32328

Superintendent Traci Yoder  
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(850)670-2810 ex. 4120

October 14, 2020

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

Dear Ms. Norman:

Please find below the responses to the Preliminary and Tentative Audit Findings and Recommendations for the Fiscal Year Ended June 30, 2020, for the Franklin County District School Board.

### **Finding 1: Mental Health Care Services**

The District has enhanced procedures to ensure that mental health care plans and reports are timely submitted to the Florida Department of Education as required by State law and State Board of Education (SBE) rules. Additionally, the District will maintain records that demonstrate that the District provides students in grades 8 through 12 - at least the minimum SBE rule-required 5 hours of mental health awareness and assistance instruction.

### **Finding 2: Contracted Services**

The District has established procedures to ensure that, prior to payment, District records demonstrate that contracted services invoiced were received and conformed to applicable contract terms. In addition, school personnel with direct knowledge of School Resource Officer (SRO) services will document and monitor SRO attendance to confirm that the services conformed to contract terms. Further, the District will ensure that all contracts define and quantify the total additional expenditures and invoices for those expenditures agree with contract definitions and are adequately supported before payment.

### **Finding 3: Fiscal Transparency**

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

### **Finding 4: Information Technology User Access Privileges – Sensitive Personal Information**

The District has provided for scheduled reviews of assigned IT user access privileges, including access to sensitive student information, to monitor the appropriateness of current access and need for privilege modification.

Sincerely,

Traci Yoder  
Superintendent

DISTRICT 1  
GEORGE THOMPSON

DISTRICT 2  
PAM MARSHALL  
CO-CHAIR

DISTRICT 3  
FONDA DAVIS, SR.

DISTRICT 4  
STACY KIRVIN  
CHAIR

DISTRICT 5  
CARL WHALEY

The Franklin County School District does not discriminate on the basis of race, color, national origin, gender, age, disability, pregnancy or marital status in its educational programs, services or activities, or in its hiring or employment practices. The district also provides equal access to its facilities to the Boy Scouts and other patriotic youth groups, as required by the Boy Scouts of America Equal Access Act. Questions, complaints or request for additional information regarding discrimination or harassment may be sent to: Karen Peddie, Director of Human Resources, 85 School Road, Eastpoint, Florida 32328 850-670-2810 X4101 [kpddie@franklincountyschools.org](mailto:kpddie@franklincountyschools.org)