

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2022-013  
September 2021

**HARDEE COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## **Board Members and Superintendent**

During the 2020-21 fiscal year, Bob Shayman served as Superintendent of the Hardee County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Paul Samuels, Vice Chair from 11-17-20	1
Mildred Smith, Chair from 11-17-20	2
Claire Cornell from 11-17-20	3
Dr. Teresa Crawford, Chair through 11-16-20	3
Garry McWhorter	4
Mark Gilliard, Vice-Chair through 11-16-20	5

The team leader was Gregory J. Lemieux, CPA, and the audit was supervised by Mark A. Arroyo, 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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# HARDEE COUNTY DISTRICT SCHOOL BOARD

## **SUMMARY**

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This operational audit of the Hardee County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2019-161. Our operational audit disclosed the following:

**Finding 1:** As similarly noted in our report No. 2019-161, District controls over school resource officer services could be improved.

**Finding 2:** Contrary to State law, as of June 2021 the District Web site did not include the graphical representations of general administrative expenditures as a percentage of total budget for the 2017-18 and 2018-19 fiscal years for each school and the District or the required graphical representations for the 2019-20 fiscal year.

## **BACKGROUND**

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The Hardee 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 Hardee County. The governing body of the District is the Hardee 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 2020-21 fiscal year, the District operated five elementary schools, a junior high school, and a senior high school, and reported 4,907 unweighted full-time equivalent students.

## **FINDINGS AND RECOMMENDATIONS**

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### **Finding 1: School Resource Officer Services**

State law<sup>1</sup> requires the Board and Superintendent to partner with local law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. Effective management for SRO services on school premises ensures that the services provided conform to contract terms.

Our examination of District records for the 2020-21 fiscal year disclosed that the Board contracted with the Hardee County Sheriff's Office (HCSO) and the Wauchula Police Department (WPD) for SRO services during hours that school is in regular session and made payments to those entities totaling \$369,721 and \$25,192, respectively. According to the contracts, the HCSO would provide seven SROs, including two SROs at the senior high school and an SRO at each of four elementary schools and the junior high school, and the WPD would provide an SRO at one elementary school. To ensure that full-time SROs were onsite during hours school was in regular session, the District required monthly time

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<sup>1</sup> Section 1006.12, Florida Statutes.

sheets to be completed, which the SRO and applicable principal signed and dated; however, when the full-time SROs were absent, attendance records were not maintained for substitute SROs.

As a part of our audit procedures, we requested for examination SRO time sheets for the days that the seven District schools were in regular session during the period August 2020 through March 2021 and found that time sheets were maintained for full-time SROs. However, for 28 days that the HCSO full-time SROs were absent, District records did not demonstrate that another full-time SRO or substitute SRO was present at the school. In response to our inquiry, District personnel indicated that, although substitute SRO attendance was not recorded, none of the schools lacked an SRO while school was in session. Notwithstanding, without documented substitute SRO attendance, District records did not demonstrate that SRO services were received in accordance with the contract.

Absent effective procedures to ensure and document that SRO services were received and conformed to contract terms, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety. A similar finding was noted in our report No. 2019-161.

**Recommendation: The District should enhance procedures to demonstrate compliance with State school safety laws. Such enhancements should include documented verifications that at least one SRO is assigned during school hours at each school.**

## **Finding 2: 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>2</sup> the District must post on its Web site a plain language version of each proposed, tentative, and official budget and certain graphical representations. Specifically, for each of the 2017-18, 2018-19, and 2019-20 fiscal years, the District Web site must show graphical representations, for each public school within the District and for the District, of the summary financial efficiency data and fiscal trend information for the previous 3 years on 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.

As of June 2021, the District Web site displayed the required budgets for the 2017-18, 2018-19, and 2019-20 fiscal years and most of the required graphical representations for the 2017-18 and 2018-19 fiscal years. However, the Web site lacked graphical representations of the general administrative expenditures as percentages of the total budgets for the 2017-18 and 2018-19 fiscal years for each school and the District and all the required graphical representations for the 2019-20 fiscal year.

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

In response to our inquiry, District personnel explained that they posted comparisons of administrative expenditures as percentages of actual expenditures for the 2017-18 and 2018-19 fiscal years in error and that the FDOE did not provide the 2019-20 fiscal year data to complete the graphical representations until May 2021. District personnel also indicated that, subsequent to receiving data from the FDOE, the Finance Department did not have personnel available to timely post all required graphical representations. Our examination of District records disclosed that, in August 2021, the District posted the required graphical representations for the 2017-18, 2018-19, and 2019-20 fiscal years.

Providing the required fiscal transparency information in a timely manner enhances citizen involvement and the ability to analyze, monitor, and evaluate District budget outcomes. Also, posting comparisons of administrative expenditures as percentages of actual expenditures rather than the graphical representations of general administrative expenditures as percentages of the total budgets for each school and the District as required by State law, limits the ability of users to compare District information with that of other district school boards in the State.

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

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

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The District had taken corrective actions for findings included in our report No. 2019-161 except that Finding 1 was also noted in that report as Finding 6.

## ***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 2021 through June 2021 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 selected District processes and administrative activities, including, but not limited to, District information technology resources and related controls, school safety, fiscal transparency, compensation, and other expenses. 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. 2019-161.
- 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 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 2020-21 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, Board policies, District procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities.
- Reviewed Board information technology (IT) policies and District 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 District Enterprise Resource Planning (ERP) Systems for finance and human resources (HR) applications 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. 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 population of 66 user accounts as of March 2021 that were allowed view, add, change or delete access privileges to selected critical ERP systems of finance and HR applications functions to determine the appropriateness of access privileges granted.
- Evaluated District procedures to prohibit former employee access to critical ERP systems of finance and HR applications functions. We also reviewed selected user access privileges for all four employees who separated from District employment during the period July 1, 2020, through March 16, 2021, 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 18 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.
- 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.
- Determined whether a comprehensive IT risk assessment had been established to document the District's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- 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.
- From the population of expenditures totaling \$1 million during the period of July 1, 2020, through March 10, 2021, from nonvoted capital outlay tax levy proceeds, and other restricted capital project funds, examined documentation supporting selected expenditures totaling \$878,420 to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- Analyzed \$221,893 total workforce education program funds expenditures for the audit period 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).
- Examined District records supporting 3,980 reported instructional hours for 22 selected students from the population of 10,362 instructional hours reported for 71 adult general education instructional students during the Fall 2020 Semester 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.

- Examined the District Web site to determine whether the 2020-21 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 bonuses totaling \$311,170 paid to 414 employees during the period July 2020 through March 2021, examined District records to determine whether the bonuses were paid in accordance with Section 215.425(3), Florida Statutes.
- Examined District records to determine whether the Board adopted a grandfathered salary schedule for instructional personnel which based a portion of employee compensation on performance in accordance with Section 1012.22(1)(c)4.b., Florida Statutes.
- Examined District records supporting teacher salary increase allocation payments totaling \$807,656 to 247 teachers and the required reports submitted to the FDOE (salary distribution plan and expenditure report) to determine whether the District submitted applicable reports to the FDOE and used the funds in compliance with Section 1011.62(18), Florida Statutes.
- Examined District records for the period July 2020 through March 2021 for all 799 employees 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 period July 2020 through March 2021 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.
- Evaluated the effectiveness of Board policies and District procedures for ethical conduct for instructional personnel and school administrators, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, to determine the sufficiency of those policies and procedures to ensure compliance with Section 1001.42(6), 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, 1006.13, 1011.62(15) and (16), and 1012.584, Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Sections 1011.62(16) and 1012.584, Florida Statutes, and SBE Rule 6A-1.094124, Florida Administrative Code.
- From the population of expenditures for school resource officer contracted services totaling \$394,913 during the audit period, examined supporting documentation, including the contract documents and applicable time sheets, for payments during the period August 2020 through March 2021 to determine whether District records evidenced that services were satisfactorily received and conformed to contract terms and invoices before payment.
- 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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Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. 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 SCHOOL BOARD OF HARDEE COUNTY

*Bob Shayman, Superintendent*

P. O. Box 1678 – 1009 North 6<sup>th</sup> Avenue • Wauchula, FL 33873  
(863) 773-9058 • FAX (863) 773-0069

September 1, 2021

School Board

District 1  
Paul Samuels

District 2  
Mildred Smith

District 3  
Claire Cornell

District 4  
Garry McWhorter

District 5  
Mark Gilliard

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

Dear Ms. Norman:

The following is our response to your preliminary and tentative audit findings and recommendations for the Hardee County District School Board, dated August 30, 2021:

Finding 1: School Resource Officer Services. The Hardee School District will require any substitute SRO's to document their coverage on the District timesheets when they are filling in for the regularly assigned SRO. This will ensure there is adequate documentation to prove the school campuses have law enforcement presence during the instructional day when schools are in session.

Finding 2: Fiscal Transparency. We agree with your finding and recommendation. The Finance Department will post graphical representations for the 2020-21 fiscal year promptly, after receiving the data from FDOE.

Thank you for your Lakeland staff's work on our operational audit; they were fair and professional. Please contact me if you need anything else.

Sincerely,

Bob Shayman  
Superintendent of Schools

DISTRICT VISION STATEMENT

*"Empower and inspire all students for success"*