

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2022-022
October 2021

**HOLMES COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2020-21 fiscal year, Buddy L. Brown served as Superintendent of the Holmes County Schools from November 17, 2020, Terry L. Mears served before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Kaci Johnson	1
Wilbur G. Baker, Vice Chair	2
Alan Justice, Chair	3
Shirley Owens	4
Leesa Lee	5

The team leader was Jason Law, 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 or by telephone at (850) 412-2887.

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HOLMES COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Holmes County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-037. Our operational audit disclosed the following:

Finding 1: District school safety policies and procedures need improvement to ensure, and demonstrate, compliance with State law.

Finding 2: Required background screenings were not always timely performed.

Finding 3: The District did not timely comply with State law requiring the District to post on its Web site graphical representations of summary financial efficiency data and fiscal trend information.

BACKGROUND

The Holmes 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 Holmes County. The governing body of the District is the Holmes 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 seven elementary, high, combination, and specialized schools; and reported 2,891 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety

To provide for proper attention to the health, safety, and welfare of students and District staff, State law¹ requires the Board to formulate and prescribe policies and procedures for emergency drills associated with active shooter and hostage situations and the drills must be conducted at least as often as other emergency drills. Pursuant to the Florida Fire Protection Code (Fire Code),² fire emergency drills must be conducted every month a facility is in session. In addition, to further provide for the protection and safety of students and staff, the Board and Superintendent are required, pursuant to State law,³ to partner with law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs) or school guardians, at each school facility. SROs must be certified law enforcement officers and, among other things, complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.

¹ Section 1006.07(4), Florida Statutes.

² Section 20.2.4.2.3 of the Florida Fire Prevention Code, 7th Edition (2020).

³ Section 1006.12(1) and (3), Florida Statutes.

The Board contracted with the Holmes County Sheriff's Office (HCSO) to provide an SRO at each of the District's seven schools and to conduct or facilitate a background investigation, a psychological evaluation, a random drug screening, and the required training for each of the 12 school guardians participating in the District Guardian Program. Pursuant to State law,⁴ the HCSO is required to certify that school guardians satisfactorily complete the statutory training requirements,⁵ including a 144-hour training program conducted by Criminal Justice Standards and Training Commission-certified instructors.

Board policies⁶ require each school to conduct emergency evacuation drills in accordance with State requirements, and to prepare and submit a report of each emergency evacuation drill to the District Office. According to District personnel, drills were physically conducted during the 2020-21 school year. To determine whether, from August 2020 to June 2021, the District conducted the required emergency drills at each of the seven District elementary, high, combination, and specialty schools, we requested for examination support for all 166 (83 active shooter and hostage situation and 83 fire)⁷ emergency drills for all schools. Our examination found that District records did not demonstrate the conduct of 64 (77 percent) of the 83 active shooter and hostage situation drills and 50 (60 percent) of the 83 fire emergency drills.

In response to our inquiries, District personnel indicated that detailed documentation for each drill was to be maintained throughout the year at each school; however, copies were not always forwarded to the District Office and available for audit inspection. District personnel also indicated that, during the 2021-22 fiscal year, the District purchased software to integrate and share safety training schedules and supporting documentation for drills throughout the District.

In addition, we requested District records supporting the SROs' completion of the mental health crisis intervention training and evidencing that school guardians had received the required background investigation, psychological evaluation, random drug screening, and 144 hours of law enforcement training. In response to our requests:

- District personnel provided records supporting completion of the mental health crisis intervention training for two of the seven SROs assigned to District schools; however, District records were not provided for the five other SROs.
- District records were not initially provided to demonstrate that the District's 12 school guardians had received the required background investigation, psychological evaluation, random drug screening, and law enforcement training. Subsequently, in June 2021, the District obtained letters from the HCSO certifying that each of the 12 school guardians was a certified school guardian and met the HCSO contract requirements.

District personnel indicated that they did not obtain support evidencing the SRO and school guardian requirements were met because of overreliance on the HCSO contract. In the future, District personnel plan to obtain certification from the HCSO that school guardians met the HCSO contract requirements at the start of each school year and that all required training is organized, completed, and verified.

⁴ Section 30.15(1)(k)2., Florida Statutes.

⁵ Section 30.15(1)(k), Florida Statutes.

⁶ Board Policy 3.40, *Safe and Secure Schools*.

⁷ Six schools were required to conduct drills all 12 months. The other school did not provide classes in June 2021 and was required to conduct drills for 11 months.

Absent effective procedures to require, ensure, and document the conduct of required emergency drills; that SROs receive required mental health crisis intervention training; and that school guardians receive required investigations, evaluations, screenings, and law enforcement training, the District cannot demonstrate compliance with State law and the Fire Code or that appropriate measures have been taken to promote student and staff safety.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with the State school safety laws. Such efforts should include procedures to document that District schools conduct active shooter and hostage situation and fire emergency drills as required; SROs receive required mental health crisis intervention training; and school guardians receive required investigations, evaluations, screenings, and law enforcement training.

Finding 2: Background Screenings

State law⁸ requires that individuals who serve in an instructional or noninstructional capacity that requires direct contact with students undergo a level 2 background screening⁹ at least once every 5 years. To promote compliance with the statutory background screenings requirements, Board policies¹⁰ require employees to undergo required background screenings upon employment and at least once every 5 years thereafter.

As of April 2021, the District employed 380 instructional and 153 noninstructional personnel requiring background screenings. According to District personnel, the Human Resource (HR) Department is responsible for ensuring that employees and contractor workers who have access to school grounds undergo required background screenings at least once every 5 years. District personnel manually input the date of the background screening from the Florida Department of Law Enforcement (FDLE) electronic screening database into the District's electronic spreadsheet to track the date of the most recent screening.

To determine whether required background screenings had been timely performed, we requested for examination District records supporting the screenings of 30 selected employees (25 instructional and 5 noninstructional employees). We found that, in May 2021:

- 4 employees had not been screened in the past 5 years. Subsequent to our inquiry, the employees were screened and no unsuitable backgrounds were noted; however, the screenings were conducted 165 to 226 days late.
- District personnel were unable to provide evidence of another employee's background screening and the individual had been employed with the District for 22 years.

In response to our inquiry, District personnel indicated that the electronic spreadsheet used to track background screenings was destroyed in July 2019 in conjunction with a ransomware attack that impacted the local network. As a result, the District had worked to perform background screenings on all employees and entered the most recent date into the District's enterprise resource planning system to track screenings.

⁸ Sections 1012.32, 1012.465, and 1012.56(10), Florida Statutes.

⁹ 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.

¹⁰ Board Policy 6.17, *Appointment or Employment Requirements*.

Absent effective controls to ensure that required background screenings are timely obtained, there is an increased risk that individuals with unsuitable backgrounds may have direct contact with students.

Recommendation: The District should continue efforts to identify employees who have not obtained the required background screenings; ensure screenings are promptly obtained and evaluated; and make decisions, as necessary, based on the evaluations. In addition, the District should ensure that required background screenings are performed for applicable employees at least once every 5 years.

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,¹¹ the District must post on its Web site certain 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 Florida Department of Education (FDOE) pursuant to State law¹² 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 inquiry and review in April 2021, 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 employees responsible for posting the required summary financial efficiency data and fiscal trend information to the District Web site had been on leave when the information became available from the State and forgot to do so upon their return to the District Office. Subsequent to our inquiry, the District posted the required link and graphical representations in April 2021.

Providing the required financial efficiency data and fiscal trend information in a timely manner enhances citizen involvement and the ability to analyze, monitor, and evaluate fiscal outcomes.

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

¹¹ Section 1011.035(2), Florida Statutes.

¹² Section 1010.20, Florida Statutes.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2020-037.

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 March 2021 through August 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, mental health education, background checks, fiscal transparency, compensation, construction, 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. 2020-037.
- 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) system 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 examined:
 - The 22 critical ERP system finance application functions for 105 user accounts to determine the appropriateness and necessity of the access privileges based on the employee's job duties.
 - The 21 critical ERP system HR application functions for 105 user accounts to determine the appropriateness and necessity of the access privileges based on the employee's job duties.
- Evaluated District procedures to prohibit former employee access to electronic data files. Specifically, we reviewed user access privileges for the 36 employees who separated from District employment during the audit period to determine whether access privileges had been timely deactivated.
- 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 an adequate, comprehensive IT security awareness and training program was in place.
- 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 9,012 compensation payments totaling \$17.3 million during the period July 1, 2020, through April 17, 2021, examined District records supporting compensation payments totaling \$62,092 to 30 selected employees to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked.
- Examined District records supporting teacher salary increase allocation payments totaling \$482,276 to 231 teachers and instructional personnel 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 30 employees and 9 contractor workers selected from the population of 533 employees and 9 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.
- Evaluated the effectiveness of Board policies and District procedures for the ethical conduct of 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.
- Evaluated District procedures for acquiring health insurance for officers and employees and examined related records to determine whether the District complied with Section 112.08, 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 54 contracted services totaling \$1.4 million during the period July 2020 through March 2021, evaluated supporting documentation, including the contract documents, for five selected payments totaling \$500,692 related to 5 contracts to determine whether:
 - The District complied with applicable competitive selection requirements (e.g., SBE Rule 6A-1.012, Florida Administrative Code).

- The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
- District records evidenced that services were satisfactorily received and conformed to contract terms before payment.
- The payments complied with contract provisions.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

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



Holmes County School Board

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SUPERINTENDENT

Buddy L. Brown

BOARD MEMBERS

Alan Justice, Chair

Wilburn Baker, Vice-Chair

Kaci Johnson

Leesa Lee

Shirley Owens

September 30, 2021

Sherrill F. Norman, CPA

Auditor General, State of Florida

Claude Denson Pepper Building, Suite G74

111 West Madison Street

Tallahassee, FL 32399-1450

Dear Ms. Norman:

The preliminary and tentative findings and recommendations for the fiscal year ended June 30, 2021 operational audit have been reviewed. Our response to the findings and recommendations are as follows:

Finding 1: District school safety policies and procedures need improvement to ensure, and demonstrate, compliance with State law.

Planned Corrective Action:

Drill Accountability: All drills will be initiated in the Raptor Panic system to allow for documentation of the drill. Once the drill is complete, the Principal will ensure that the after action review is uploaded into the Raptor drill manager, using the emergency drill form. The School Safety Specialist will monitor the drill manager software to ensure compliance. If a school is out of compliance, the Safety Specialist will notify the Principal and the District Superintendent in writing.

Crisis Intervention Training (CIT): All SROs will complete CIT training prior to their assignment. The Sheriff's Office will provide verification of the training prior to each school year if documentation has not previously been submitted. If an SRO is awaiting training, the Sheriff's office will provide a timeframe for the completion of the training. All required documentation will be sent the School Safety Specialist.

School Guardians: Annually, the Sheriff's Office will provide documentation that all school guardians remain in good standing and have completed the required training. This may be in the form of a letter or a certificate of completion. The Sheriff's Office will provide an annual training report with the verification of certification.

Finding 2: Required background screenings were not always timely performed.

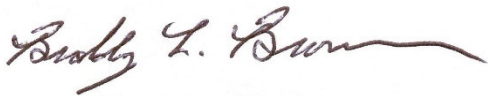
Planned Corrective Action: Background screening dates are being added to Skyward for all employees, including but not limited to part-time employees. A yearly report will be printed with all current employees and dates of

background screening. Using this report, all current employees needing updated screenings will be addressed and screening obtained. A copy of the screening report will be filed with the Coordinator of HR as well as the individual overseeing fingerprint records.

Finding 3: The District did not timely comply with State law requiring the District to post on its website graphical representations of summary financial efficiency data and fiscal trend information.

Planned Corrective Action: In the future, the District will follow up to ensure that the financial data has been posted in a timely manner. In addition, the District will assign a backup website manager for periods of extended employee absences.

Sincerely,

A handwritten signature in cursive script, reading "Buddy L. Brown", with a long horizontal flourish extending to the right.

Buddy L. Brown
Superintendent of Schools