

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2022-079
January 2022

**JACKSON COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2020-21 fiscal year, Steve R. Benton served as Superintendent of the Jackson County Schools from November 17, 2020, H. Larry Moore served before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Diane Long	1
Tony Pumphrey, Chair from 11-17-20	2
Stacey B. Goodson, Vice Chair	3
Chris M. Johnson, Chair through 11-16-20	4
Charlotte M. Gardner	5

The team leader was Douglas R. Conner, 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 or by telephone at (850) 412-2887.

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JACKSON COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Jackson County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2019-207. Our operational audit disclosed the following:

Finding 1: District controls over school safety officer services could be improved.

Finding 2: Contrary to Florida Department of Environmental Protection (DEP) rules, the public water system alteration for the Graceville PreK-5 Addition Project was placed into permanent operation in August 2020 without the required DEP clearance.

Finding 3: District controls over contracted services and related payments could be enhanced.

Finding 4: The Board did not establish a service-level agreement with the Washington County District School Board, as fiscal agent for the Panhandle Area Educational Consortium - Gateway Educational Computing Consultants (PAEC/GECC), to identify the services expected from PAEC/GECC and District and PAEC/GECC staff responsibilities.

Finding 5: District information technology security controls related to monitoring need improvement.

BACKGROUND

The Jackson 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 Jackson County. The governing body of the District is the Jackson 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 14 elementary, middle, high, and specialized schools and reported 5,863 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – Safe School Officer Services

For the protection and safety of school personnel, property, students, and visitors, State law¹ 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 safety officers (SSOs), school resource officers, or school guardians, at each school facility. SSOs are to be certified law enforcement officers and, among other things, are required to undergo psychological evaluations.² School guardians must satisfactorily complete training requirements, including a 144-hour training program conducted by Criminal Justice

¹ Section 1006.12, Florida Statutes.

² Section 1006.12(2)(a), Florida Statutes.

Standards and Training Commission-certified instructors, and the Jackson County Sheriff's Office (JCSO) is required to certify that District school guardians complete the required training.³

Our examination of District records disclosed that the Board established the District Police Department in June 2019 and, for the 2020-21 fiscal year, commissioned 14 SSOs. In addition, the Board partnered with the Bay County Sheriff's Office (BCSO) to provide psychological evaluations of District SSOs and with the JCSO to certify that the District's four school guardians completed required training. However, although we requested, District records were not provided to demonstrate that 4 of the 14 SSOs had undergone the required psychological evaluations or that the four school guardians were certified by the JCSO to demonstrate satisfactory completion of required training. We also found that the District agreements with the BCSO and JCSO did not require the Sheriff Offices to provide evidence of the psychological evaluations or training certifications, and District procedures did not require verification of that information. Subsequent to our inquiry, in September 2021 the District received documentation from the respective Sheriff Office confirming psychological evaluations for 2 of the 4 SSOs and the required school guardian training certifications; however, evidence of the psychological evaluations for the other 2 SSOs were not provided.

Additionally, at least one safe-school officer was assigned to each of the 11 District school facilities. To ensure that a safe-school officer was onsite during hours school was in regular session, the District required monthly time sheets to be completed, signed, and dated by the safe-school officer and applicable principal. As a part of our audit, we requested for examination safe-school officer time sheets for the days that the 11 District schools were in regular session during November 2020 and February 2021 and found that time sheets were maintained when the safe-school officers assigned to the schools were present. However, for 25 days that the assigned safe-school officer was absent, District records did not demonstrate that a substitute safe-school officer was present at the school. In response to our inquiry, District personnel indicated that, although substitute safe-school officer attendance was not recorded, none of the schools lacked a safe-school officer while school was in session. District personnel also indicated that, beginning July 1, 2021, the Board eliminated the District Police Department and contracted with the JCSO to provide school resource officer services.

Absent effective procedures to require, ensure, and document that SSO services were received, and school guardians complete the required training, the District cannot demonstrate compliance with State law or that all appropriate measures have been taken to promote student and staff safety.

Recommendation: The District should enhance procedures to ensure that District records demonstrate that each SSO received the required psychological evaluation, each school guardian received the required training, and at least one safe-school officer is present during school hours at each school.

³ Section 30.15(1)(k), Florida Statutes.

Finding 2: Construction – Public Water System Alteration

Pursuant to Florida Department of Environmental Protection (DEP) rules,⁴ no public water system (PWS)⁵ components constructed or altered under a permit granted by the DEP should be placed into permanent operation without prior DEP approval or clearance. DEP rule violations may result in the imposition of penalties pursuant to State law.⁶

As part of our audit, we examined District records supporting the Marianna K-8 School Project (Marianna Project) and the Graceville PK-5 School Addition Project (Graceville Project) construction processes. We found that:

- For the Marianna Project, with costs totaling \$52.1 million, the DEP granted a permit in July 2018 for the District to alter the City of Marianna's PWS to connect to the Marianna K-8 School, and the District obtained the DEP clearance in June 2020 for alteration of the PWS before the alteration was placed into permanent operation.
- For the Graceville Project, with costs totaling \$8.2 million, the DEP granted a permit in September 2019 for the District to alter the City of Graceville's PWS to connect to the Graceville PK-5 School. While District records indicated the performance of certain procedures, such as potable water testing that disclosed satisfactory results, before the Graceville Project was placed into permanent operation in August 2020, District personnel overlooked the requirement to apply for and obtain the DEP clearance. Subsequent to our inquiry, the District applied for DEP clearance of the Graceville Project PWS alteration in September 2021 and the DEP granted the clearance in October 2021. Notwithstanding, our audit procedures cannot substitute for management's responsibility to timely obtain DEP clearance for PWS alterations.

Without the DEP approval or clearance prior to permanent operation of PWS alterations, the District cannot demonstrate compliance with DEP rules, which may subject the District to statutory penalties. In addition, absent timely approval or clearance, there is an increased risk that potable water may be unfit for consumption, jeopardize the health of the occupants, and endanger the environment.

Recommendation: The District should enhance procedures to ensure that DEP approval or clearance is obtained before PWS alterations are placed into permanent operation.

Finding 3: Contracted Services

Effective contract management ensures that contracted 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 2020 through March 2021, the District paid a total of \$4.2 million for contracted services. To determine the propriety of those payments, we examined District records supporting

⁴ DEP Rule 62-555.345, Florida Administrative Code, *Certification of Construction Completion and Clearance for Public Water System Components*.

⁵ Pursuant to Section 403.852(2), Florida Statutes, a public water system is a system for the provision to the public of water for human consumption through pipes or other constructed conveyances if such system regularly serves at least 25 individuals daily at least 60 days out of the year.

⁶ Section 403.860, Florida Statutes.

14 selected payments totaling \$1.1 million⁷ and found that District controls for monitoring contracted services could be enhanced. Specifically, in May 2017, the Board entered into a 12-month contract with an engineering firm to provide energy management services to District facilities and the contract was extended for 3 additional years through April 2021 for a total of \$180,000. According to the contract, an engineer was to:

- Track and document energy consumption at each facility being monitored to identify any unusual energy consumption problems as they arise.
- Remotely monitor each facility daily to ensure equipment is operating properly and on schedule and create work orders for District maintenance to address issues identified.
- Prepare quarterly reports to compare current and base year energy consumption.

In response to our inquiry, District personnel indicated that the engineer did not provide records to demonstrate remote monitoring of the equipment daily to ensure the equipment was operating properly and on schedule or create work orders to address any identified issues. Instead, District personnel indicated that they identified equipment and energy malfunctions and notified the engineer who, in turn, directed District personnel to complete a work order, provide the order to District management, and remedy the issues identified. In addition, although we requested, District records were not provided to demonstrate how District personnel monitored the engineering services before payment, such as through records of daily remote facility monitoring by the engineer or review of quarterly reports comparing current and base year energy consumption for the period July 2020 through April 2021. According to District personnel, the District did not require monitoring procedures to be performed and, subsequent to our inquiry, the energy management contract was not renewed.

Absent effective procedures for documenting monitoring contracted services, there is an increased risk that the services received may not be consistent with the Board's expectations.

Recommendation: The District should enhance procedures to ensure that, prior to payment, District records demonstrate that contracted services are received and conform to applicable contract terms.

Finding 4: Information Technology – Service-Level Agreements

An effective service-level agreement is a negotiated and signed agreement between a service provider and a customer where explicit terms are reached to, among other things, establish the levels of support provided to customers, identify the roles and responsibilities of each party, and provide appropriate security guidelines to ensure the availability and integrity of the customer's application and data.

The District receives information technology (IT) technical support as a member of the Gateway Educational Computing Consultants (GECC) Project through the Panhandle Area Educational Consortium (PAEC). In July 2017, the Board contracted with the Washington County School Board

⁷ As part of our audit, we initially examined District records supporting 6 selected payments totaling \$1,065,056, including an energy management service payment totaling \$3,750. To better understand District controls over energy management services, we expanded our examination of District records supporting an additional 8 payments for energy management services totaling \$30,000.

(WCSB), as fiscal agent for PAEC/GECC, for Enterprise Resource Planning (ERP) solution and training services.

Upon District management's request in July 2020, the District began receiving security administration services from PAEC/GECC staff. However, the Board-approved agreements or other District records did not identify the responsibilities of District or PAEC/GECC staff for the application support, maintenance, and administration of the District ERP system, including access, change management, oversight, and performance metrics such as timeliness and other service expectations. In addition, PAEC/GECC security administration services and responsibilities for managing access controls for the District were not documented, but PAEC/GECC staff indicated a need for District management to ensure that access privileges granted within ERP system were appropriate. Our inquiries and review of District records further disclosed that the PAEC/GECC staff had been granted systemwide access to the ERP system to perform the requested services and two staff were sharing one account and password, limiting the ability to assign responsibility for security administration as further discussed in Finding 5.

Having clearly defined responsibilities within the service-level agreement, including effective security control procedures, for both District and PAEC/GECC staff increases the likelihood of meeting service level expectations and reduces the risk of compromise to the IT resources and data included in the agreement.

Recommendation: The Board should establish a service-level agreement with the WCSB – PAEC/GECC to identify responsibilities and expectations and ensure provision of services in accordance with appropriate security control procedures.

Finding 5: Information Technology – Security Controls - Monitoring

The effective, routine monitoring of system activity includes the review of activity related to sensitive or critical IT resources and documentation of response and remediation to identified events to provide management with, among other things, assurance that unauthorized access to, or modification of, applications and data will be detected and appropriately addressed. Additionally, effective access controls include a process for the unique identification of system users that allows management to assign responsibility for system activity to an individual.

The District ERP system is composed of finance and human resource (HR) applications, as well as a product setup component that allows for the technical configuration and system administration of both applications. The finance application includes, for example, the ability to create and edit vendor information, create and post journal entries, and process payment transactions. The HR application includes, for example, the ability to add new employees, adjust pay rates, edit leave balances, and process payroll transactions. The product setup component is used by the security administrator to assign IT user access privileges to the District applications and setup component.

As discussed in Finding 4, two PAEC/GECC staff members shared one account and password. This account was assigned systemwide access that allowed update access to all functions within the ERP system, including transaction origination, correction, and changes to finance and HR data, in addition to changes to user access privileges. Also, the District did not have agreed upon procedures in place with WCSB – PAEC/GECC for monitoring changes made to data and records through systemwide access

and further did not have full capability because of the shared account used with this level of permission. While District personnel reviewed District records supporting requested changes to determine that the changes were properly made, District procedures did not include periodic evaluations of all system changes to detect and remedy any unauthorized changes.

The absence of adequate monitoring of application activity, including and changes to data and security records, increases the risk that inappropriate or unauthorized activity, should it occur, may not be timely detected and resolved. In addition, the lack of individual accountability limits management's ability to assign responsibility for system activities.

Recommendation: The District should improve security controls related to service-level agreements and monitoring to ensure the continued confidentiality, integrity, and availability of District data and IT resources. Such security control improvements should include eliminating the use of shared accounts and periodic evaluations of all system changes to detect and remedy any unauthorized changes.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2019-207.

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 September 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, construction, 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. 2019-207.

- 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, 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 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 applications to determine whether these accounts had been appropriately assigned and managed. Specifically, we:

- Examined the 7 critical finance functions for user 6 accounts to determine the appropriateness and necessity of access privileges based on the employee's job duties.
- Examined the 12 critical HR functions for 4 user accounts to determine the appropriateness and necessity of access privileges based on the employee's job duties.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges for the three employees with access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job responsibilities.
- From the population of expenditures totaling \$7.5 million and transfers totaling \$407,554 during the audit period from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$3.2 million and \$407,554, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- From the population of \$249,224 total workforce education program funds expenditures for the period July 2020 through March 2021, examined District records supporting 9 selected expenditures totaling \$180,487 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 5,918 contact hours reported for 50 adult general education instructional students during the Fall 2020 Semester, examined District records supporting 721 reported contact hours for 25 selected students to determine whether the District reported the instructional contact hours in accordance with State Board of Education (SBE) Rule 6A-10.0381, Florida Administrative Code.
- 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).
- Examined District records to determine whether the District had developed adequate performance assessment procedures for instructional personnel and school administrators based on student performance and other criteria in accordance with Section 1012.34(3), Florida Statutes, and determined whether a portion of each selected instructional employee's compensation was based on performance in accordance with Section 1012.22(1)(c)4. and 5., Florida Statutes.
- Examined District records supporting teacher salary increase allocation payments totaling \$970,422 during the audit period to 488 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 the audit period for 30 employees and 30 contractor workers selected from the population of 1,175 employees and 329 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 during the audit period to determine whether the District performed a level 2 background screening or 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.
- From the three significant construction projects in progress during the audit period with contracts and expenditures each totaling \$62 million, selected two construction management entity projects with guaranteed maximum price contracts totaling \$60.3 million and examined applicable documentation to determine compliance with Board policies, District procedures, and applicable provisions of State law and rules. Specifically, we:
 - Examined District records to determine whether the construction manager for the Graceville PK-5 project was properly selected pursuant to Section 255.103, Florida Statutes.
 - Evaluated District procedures for monitoring subcontractor selection and licensure and examined District records to determine whether the sufficiency of such procedures ensured that subcontractors were properly selected and licensed.
 - Examined District records to determine whether the District determined the architects were adequately insured.
 - Determined whether the Board established appropriate policies and District procedures addressing the negotiation and monitoring of general conditions costs.
 - Examined District records supporting eight selected payments totaling \$6 million to determine whether District procedures for monitoring payments were adequate and payments were sufficiently supported.
 - Examined District records to determine whether projects progressed as planned consistent with established benchmarks and were cost effective, and whether District records supported that the contractors performed as expected.
 - Examined District records to determine whether the District made use of its sales tax exemption to make direct purchases of materials or documented justification for not doing so.
 - Examined District records to determine whether the District obtained Department of Environmental Protection (DEP) approval or clearance before alterations of public water system components were placed into permanent operation pursuant to DEP Rule 62-555.345, Florida Administrative Code.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2020 cost of construction report of District student station costs. For the two construction projects completed during the 2020 calendar year, we examined District records to determine whether student station costs in the 2020 cost of construction report were accurately reported and complied with the student station cost limits established by Section 1013.64(6)(b)1., 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 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 67 contracted services totaling \$4.2 during the period July 2020 through March 2021, examined supporting documentation, including the contract documents, for 14 selected payments totaling \$1.1 million related to 6 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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

THE SCHOOL BOARD OF JACKSON COUNTY



Steve R. Benton, Sr.
Superintendent of Schools

2903 Jefferson Street
P.O. Box 5958
Marianna, Florida 32447
Telephone 850-482-1200
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Management's Corrective Action Plan For the Fiscal Year Ended June 30, 2021

December 21, 2021

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

Dear Ms. Norman:

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

Finding 1: School Safety – Safe School Officer Services

The District is confident in the safeguards that have been put in place to ensure that the District can demonstrate compliance with State law.

- The District Board has eliminated the District Police Department and contracted with the Jackson County Sheriff's Office to provide school resource officer services.
- The District Safety Director will maintain records that indicates that an officer and or guardian is present during the regular school hours at each school.

Finding 2: Construction – Public Water System Alternation

The District will enhance procedures to ensure that DEP approval /clearance obtained prior to public water system (PWS) alternations are put in pace.

- The Facility Director will work closely with DEP and the public municipality to ensure that both approvals are granted prior to changing permanent operations.
- The Facility Director will maintain the records required to support compliance with this rule.

Finding 3: Contracted Services

The District feels confident that enhanced procedures have been put in place to prevent payment of contractual services without services being provided as contract language specifies. As indicated in the report, the District did not renew an energy management contract.

Diane Long
District 1

Tony Pumphrey
District 2

Stacey B. Goodson
District 3

Chris M. Johnson
District 4

Charlotte M. Gardner
District 5

An Equal Opportunity Employer

- The Director overseeing the contract will certify that the contract language is being met by signing off on the request for payment.
- The Director overseeing the contract will maintain the deliverables of the contract to ensure that contract language is met.

Finding 4: Information Technology – Service-Level Agreements

While the District feels that this is an issue for all the PAEC Gateway member districts, the District is working with appropriate PAEC staff to:

- Ensure that services provided by the PAEC/GECC staff are identified clearly in the agreement.
- Ensure that PAEC/GECC staff are assign a different Skyward user id and password.

Finding 5: Information Technology – Security Controls – Monitoring

The District will maintain records to show monitoring of security controls changes. The District currently has the following compensating controls in place to mitigate significant IT risk:

- Payroll function compensating controls include: a finance employee, independent of the payroll security access within payroll, reviews each salary and benefit prior to payment for any change. If there is a change to an employee’s salary/benefits, it is verified with written/approved documentation. This occurs for every employee on every payroll prior to updating and releasing payment.
- Accounts Payable (AP) compensating controls include: a finance employee, independent of the AP security access within the ERP system, checks each invoice to the batch reports before payments are processed. Also, a different finance employee does a final check of the invoices to the payments before mailing out checks.
- Bank Statement reconciliations are handled by an employee that does not have access to issue checks. These statements are opened and reviewed by the Finance Director prior to being balanced. After balancing, the statements are returned to the Finance Director for review.

We would like to thank your staff for their usual courtesy and professionalism during the operational audit. Please call me if you have any questions or comments.

Sincerely,



Steve R. Benton, Sr.
Superintendent, Jackson County School Board