

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2023-021
September 2022

**DESOTO COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2021-22 fiscal year, Dr. Bobby Bennett served as Superintendent of the DeSoto County Schools and the following individuals served as School Board Members:

	<u>District No.^b</u>
Daniel B. Via, Chair through 11-15-21	1
Judy M. Kirkpatrick through 3-29-22, ^a Vice Chair through 11-15-21	2
Karen K. Chancey, Vice Chair from 11-16-21	3
Asena Mott, Chair from 11-16-21	4
Vacant entire fiscal year	5

^a Position remained vacant through fiscal year end.

^b The District Nos. and related boundaries were established, effective 2-22-22, consistent with DeSoto County Board of County Commissioners' districts. The redistricting resulted in former District Nos. 4, 2, and 3 becoming District Nos. 2, 3, and 4, respectively.

The team leader was Elba M. Guzik, CPA, and the audit was supervised by Rachel P. Sellers, 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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DESOTO COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Desoto County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-033. Our operational audit disclosed the following:

Finding 1: Contrary to State law, the required mobile panic alert system was not, as of July 2022, installed at five of the seven schools attended by students in person.

Finding 2: District controls over school resource officer services could be improved.

Finding 3: Contrary to State law and State Board of Education rules, the District did not always provide the required youth mental health awareness and assistance instruction and training.

Finding 4: District records did not evidence that ad valorem tax levy proceeds were used only for authorized purposes, resulting in questioned costs totaling \$57,844.

Finding 5: District records did not always demonstrate compliance with State law by documenting that instructional personnel and school administrator evaluations were based, in part, upon student performance. A similar finding was noted in our report No. 2020-033.

Finding 6: The District did not always ensure that instructional contact hours for adult general education classes were accurately reported to the Florida Department of Education.

Finding 7: Some unnecessary or incompatible information technology (IT) access privileges existed that increase the risk for unauthorized disclosure, modification, or destruction of District data and IT resources to occur.

Finding 8: The District had not developed a comprehensive IT disaster recovery plan.

Finding 9: District security management controls need enhancement.

BACKGROUND

The Desoto 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 Desoto County. The governing body of the District is the Desoto County District School Board (Board), which is typically composed of five elected members. The elected Superintendent of Schools is the Executive Officer of the Board. During the 2021-22 fiscal year, the District operated eight elementary, middle, high, and specialized schools and reported 4,657 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – Alert System

Beginning with the 2021-22 school year, State law¹ requires each public school to implement a mobile panic alert system capable of connecting diverse emergency services technologies to ensure real-time coordination between multiple first responder agencies. The system, known as “Alyssa’s Alert,” must integrate with local public safety answering point infrastructure to transmit 911 calls and mobile activations.

In June 2021, the Board entered into a \$1.1 million agreement with a vendor for installation of a mobile panic alert system at five of the seven District schools that students attended in person; however, as of July 2022, the District had not contracted for similar services for the other two District schools.² Our examination of the agreement disclosed that an installation completion date was not specified for the systems at the five schools. According to District records, as of July 2022, system installations had been completed at two schools and were in progress at three schools³ and, the systems at the five schools were in a testing phase and planned to go live before the 2022-23 school year started in August 2022.

In response to our inquiries, District personnel indicated that the District did not contract for mobile panic alert systems at two schools due to oversight and the installation delays at the other five schools were due to unavailable parts and vendor and school scheduling conflicts. Absent implementation of a mobile panic alert system at each District school, there is an increased risk that multiple first responder agencies may not properly coordinate efforts during a school security emergency and the District cannot demonstrate compliance with State law.

Recommendation: The District should continue efforts to implement the required mobile panic alert system at each public school to ensure real-time coordination between multiple first responder agencies and compliance with State law.

Finding 2: School Safety – School Resource Officer Services

For the protection and safety of school personnel, property, students, and visitors, State law⁴ requires the Board and Superintendent to partner with local law enforcement agencies or security agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. SROs must be certified law enforcement officers and, among other things, are required to complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.⁵

¹ Section 1006.07(4)(c), Florida Statutes.

² The District had not contracted for a mobile panic alert system for DeSoto Secondary School or DeSoto Family Service Center as of July 5, 2022.

³ As of July 5, 2022, system installations were completed at DeSoto High School and West Elementary School and were in progress for Nocatee Elementary School, Memorial Elementary School, and DeSoto Middle School.

⁴ Section 1006.12, Florida Statutes.

⁵ Section 1006.12(2)(c), Florida Statutes.

To assign at least one safe-school officer at each of the seven District schools students attended in person during the 2021-22 fiscal year, the Board contracted with the DeSoto County Sheriff's Office (Sheriff's Office) and Arcadia Police Department (APD) to provide eight SROs.⁶ However, the agreements with the Sheriff's Office and APD did not require documented verification of mental health training for the SROs and District records were not maintained to evidence that the SROs received the required training. In response to our inquiry, District personnel indicated that they relied on the Sheriff's Office and APD to ensure that the SROs completed the required training; however, such reliance provides District management limited assurance that the required training was properly completed.

Subsequent to our inquiry, in June 2022 the District obtained correspondence from the Sheriff's Office and APD demonstrating that for the 2021-22 school year four SROs completed the required training and four lacked the training. Absent effective procedures to document verification that SROs completed the required mental health crisis intervention training, the District has limited assurance that the SROs were appropriately trained to avert, or appropriately intervene during, a mental health crisis, and the District cannot demonstrate compliance with State law established to promote student and staff safety.

Recommendation: The District should continue efforts to demonstrate compliance with State school safety laws. Such efforts should include documentation evidencing verification that SROs completed the required mental health crisis intervention training.

Finding 3: Mental Health Awareness and Assistance Training and Instruction

Pursuant to State law,⁷ the District received a mental health assistance allocation totaling \$279,366 for the 2021-22 fiscal year to establish or expand school-based mental health care services and related training. State law⁸ requires the District to designate a school safety specialist to ensure that District school personnel receive youth mental health awareness and assistance training. In addition, State Board of Education (SBE) rules⁹ require the District to annually provide to students in grades 6 through 12 a minimum of 5 hours of instruction related to mental health awareness and assistance, including suicide prevention and the impacts of substance abuse. Failure to comply with State law and SBE rule requirements may result in the imposition of sanctions specified in State law.¹⁰

Our discussions with District personnel and examination of District records disclosed that the District designated a school safety specialist; however, the District did not always comply with State law and SBE rule mental health awareness and assistance training and instruction requirements. Specifically:

- District records indicated that, as of June 2022, only 294 (42 percent) of the 708 school personnel had completed the required youth mental health awareness and assistance training. In response to our inquiries, District personnel indicated that the required training had not been provided primarily due to a lack of trainers.

⁶ The Sheriff's Office would provide six SROs with at least one SRO at each location, including two SROs for the senior high school and an SRO at the secondary school and three elementary schools. The APD would provide two SROs at the middle school.

⁷ Section 1011.62(14), Florida Statutes.

⁸ Section 1012.584, Florida Statutes.

⁹ SBE Rule 6A-1.094124(4), Florida Administrative Code.

¹⁰ Section 1008.32, Florida Statutes.

- During the 2021-22 school year, District personnel tracked student completion of the required mental health awareness and assistance instruction using Web-based modules. To determine whether students received the required minimum 5 hours of instruction, we requested District records generated by the modules that supported the instruction and found that, as of May 2022, 346 (15 percent) of the District's 2,353 students in grades 6 through 12 had not received the required instruction. District personnel indicated not all students completed the required instruction due to various reasons, such as truancy, late enrollment, and insubordination.

Without the required training and instruction, a mental health services need may not be timely identified and appropriately met, and the District cannot demonstrate compliance with State law and SBE rules. In addition, documented instruction and training enhances public awareness of District efforts to provide essential educational services.

Recommendation: The District should establish procedures to ensure that all school personnel within the District receive youth mental health awareness and assistance training and students in grades 6 through 12 annually receive at least 5 hours of mental health awareness and assistance instruction as required by State law and SBE rules.

Finding 4: Ad Valorem Taxation

State law¹¹ allows the District to levy ad valorem taxes for capital outlay purposes within specified millage rates subject to certain precedent conditions. State law¹² also requires the District to advertise, in advance of adopting a budget authorizing the expenditure of such tax levy proceeds, the purposes for which the Board intends to spend the proceeds of each such tax levy and to specify in the required notice of tax levy the projects to be funded by the assessment of such taxes. Allowable uses of ad valorem tax levy proceeds include, among other things, funding new construction and remodeling projects and maintenance, renovation, and repair of existing school plants. State law¹³ provides a definition of maintenance and repair that specifically excludes custodial and groundskeeping functions.

The District accounts for ad valorem tax levy proceeds in the Capital Projects – Local Capital Improvement Fund (LCI Fund). For the period July 2021 through March 2022, the District's LCI Fund transfers to other funds totaled \$900,825 and expenditures totaled \$389,116.

As part of our audit to determine the propriety of tax levy proceed use, we examined District job descriptions, vendor invoices, and other District records supporting all LCI Fund transfers and selected expenditures totaling \$361,300. We found that LCI Fund transfers and expenditures totaling \$19,248 and \$38,596, respectively, were used to make 11 vendor payments that did not appear to be allowable uses of ad valorem tax levy proceeds. Specifically:

- \$28,998 was paid to 7 vendors for mowers and supplies for groundskeeping and custodial services, which were not specified as allowable tax levy uses in State law.
- \$28,846 was paid to 4 vendors for various goods and services that were not advertised in the required tax levy notice. The goods and services included virtual instructor teacher desks, a network video recorder surveillance system, athletic irrigation and football field lighting repairs, and a storage room to weight room remodeling project.

¹¹ Section 1011.71, Florida Statutes.

¹² Section 200.065(10)(a), Florida Statutes.

¹³ Section 1013.01(12), Florida Statutes.

In response to our inquiries, District personnel indicated that they misunderstood how to record the 11 vendor payments and agreed that the payments were not allowable uses of tax levy proceeds. On June 30, 2022, District personnel made accounting entries to reimburse the LCI Fund for these payments. Without an appropriate understanding of the statutory restrictions on the use of ad valorem tax levy proceeds and effective controls to monitor such use, there is an increased risk for the District to violate tax levy use restrictions.

Recommendation: The District should enhance procedures to ensure and demonstrate that ad valorem tax levy proceeds are only used for authorized purposes. Such enhancements should include appropriate District employee training regarding the use of tax levy proceeds and recording of vendor payments consistent with the notice of tax levy specifying the purposes for such use.

Finding 5: Performance Evaluations

State law¹⁴ requires the Board to adopt performance salary schedules that provide annual salary adjustments for instructional personnel and school administrators based upon performance. Pursuant to State law¹⁵ and Board policies,¹⁶ the performance determinations must be based on evaluations that include student performance and instructional leadership evaluation criteria and are conducted for each instructional personnel and school administrator at least once a year.

As part of our audit, we examined District records and found that, for the 2021-22 fiscal year, the Board adopted instructional personnel and school administrator performance salary schedules based upon the student performance and instructional leadership evaluation criteria. From the population of 340 instructional personnel and 19 school administrators, we examined records supporting evaluations for 28 selected instructional personnel and 2 selected school administrators. We found that, although the evaluations for the instructional personnel and school administrators contained the instructional leadership evaluation criterion, they lacked documented consideration of the student performance evaluation criterion.

In response to our inquiries, District personnel indicated that the student achievement scores for the 2021-22 school year were not available for consideration in conducting the 2021-22 fiscal year evaluations. Additionally, due to Human Resources staff turnover, no one at the District knew why the 2020-21 school year student achievement scores, which were completed during the 2021-22 school year, were not considered in the employee evaluations. Absent documented evaluations that include consideration of student performance, District records do not demonstrate compliance with State law and there is an increased risk that instructional personnel and school administrator performance may not be properly recognized and compensated. A similar finding was noted in our audit report No. 2020-033.

Recommendation: The District should comply with State law and Board policies by ensuring that instructional personnel and school administrator evaluations document consideration of student performance.

¹⁴ Section 1012.12(1)(c)5., Florida Statutes.

¹⁵ Section 1012.34(3), Florida Statutes.

¹⁶ Board Policies 3220, *Evaluation of Instructional Personnel*, and 1220, *Evaluation of Administrative Personnel*.

Finding 6: Adult General Education Classes

State law¹⁷ defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The District received State funding for adult general education, and General Appropriations Act¹⁸ proviso language required each school district to report enrollment for adult general education programs in accordance with FDOE instructional hours reporting procedures.¹⁹ SBE rules²⁰ require the District to collect and maintain enrollment and attendance information on students based on minimum enrollment requirements for funding and mandatory withdrawal procedures for students for non-attendance. FDOE procedures provide that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner.

The District reported 13,442 instructional contact hours provided to 134 students enrolled in 56 adult general education classes for the Fall 2021 Semester. As part of our audit, we examined District records supporting 3,558 contact hours reported for 30 students enrolled in 30 adult general education classes. We found that, for 24 students in 56 classes, the District under reported 1,221 instructional hours (ranging from 3 to 141 hours). According to District personnel, the District accounting system misreported hours based on student attendance instead of reporting hours from the date of enrollment to the date of withdrawal or end of class.

Subsequent to our audit inquiry, in June 2022 the District corrected the instructional hours and reported the corrected information to FDOE. Since adult general education funding is based, in part, on enrollment data reported to the FDOE, it is important that the District report accurate data.

Recommendation: The District should take appropriate action to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE based on the hours that occur between the date of student enrollment and the withdrawal date or end-of-class date.

Finding 7: Information Technology – User Access Privileges

Access controls are intended to protect data and Information Technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls provide employees access to IT resources based on a demonstrated need to view, change, or delete data and restrict employees from performing incompatible functions or functions outside of their areas of responsibilities. These controls include assigning a security administrator responsibility for granting employee IT access privileges and limiting such IT privileges based on the employee's job responsibilities. In addition, periodic evaluations of assigned IT access privileges are necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job responsibilities. District

¹⁷ Section 1004.02(3), Florida Statutes.

¹⁸ Chapter 2021-36, Laws of Florida, Specific Appropriation 122.

¹⁹ FDOE's Technical Assistance Paper: *Adult General Education Instructional Hours Reporting Procedures*, Dated September 2020.

²⁰ SBE Rule 6A-10.0381(5), Florida Administrative Code.

personnel indicated that an evaluation of IT user access privileges is completed monthly for six randomly selected users to detect and remove any unnecessary and inappropriate access privileges.

As part of our audit, we obtained a listing, as of March 2022, of the 54 employees with IT access privileges to the District business application, including the finance and human resources (HR) modules. To determine whether the IT user access privileges were consistent with each employee's job responsibilities, we requested for examination District records supporting the access privileges of 21 selected employees and found that the access privileges and job responsibilities were sometimes unnecessary or incompatible with the users' respective duties. Specifically:

- A benefits clerk, responsible for District employee insurance benefits, had incompatible access privileges to update all vendor information and process vendor payments. This employee also had unnecessary access to process payroll payments and add and update employee records.
- A personnel specialist, responsible for insurance billings to support and facilitate District employment services, had necessary access to add and update employee information but also had unnecessary backup access privileges to set up and process payroll payments.
- A purchasing clerk, responsible for District procurement processes, had necessary update access to all vendor information, including vendor addresses, but also had unnecessary access privileges that allowed the clerk to process vendor payments. In January 2022, District personnel had randomly selected this employee for access privileges evaluation and determined the clerk's access was appropriate.
- An hourly printer assistant, responsible for processing District printing needs, had unnecessary update access to purchase requisitions and the procured goods and services receipt function.

Subsequent to our inquiries, in May 2022 District personnel removed unnecessary or incompatible access privileges for these four employees. While other District controls (e.g., budget monitoring and payroll and expenditure processing controls to independently review error reports and prevent duplicate payments) mitigate some risks associated with these access control deficiencies, inappropriate access privileges increase the risk that unauthorized disclosure, modification, or destruction of District data may occur without timely detection.

Recommendation: The District should continue efforts to ensure that access privileges are limited to those necessary for employees to perform their assigned duties. Such efforts should include effective periodic evaluations of IT user access privileges to ensure those privileges restrict employees from performing incompatible functions or functions outside their areas of responsibilities, and timely deactivation of any unnecessary and inappropriate privileges detected.

Finding 8: Information Technology – Disaster Recovery Plan

An important element of an effective internal control system over IT operations is a disaster recovery plan to help minimize data and asset loss in the event of a major hardware or software failure. A disaster recovery plan should identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery.

The District established an IT disaster recovery plan for the 2021-22 fiscal year, which the Board approved on June 8, 2021. However, the plan lacked certain necessary critical elements and details, such as designation of an alternate processing site in the event of a disaster that interrupts District IT

operations; identification of key recovery personnel responsibilities; detailed instructions for connection to the service organization recovery site should the service organization become inoperable; identification of any critical infrastructure components, software, or supplies necessary for recovery and applicable vendor contracts; and detailed instructions for set up and configuration in the event less experienced personnel must be relied upon for recovery operations.

The absence of critical elements and details from the District disaster recovery plan may hinder District efforts to minimize the impact of, and timely recover from, a disaster or a disruption of operations.

Recommendation: District management should enhance the District IT disaster recovery plan to include all necessary critical elements and details.

Finding 9: District Security Management Controls

Effective security management controls include ensuring that activities performed by external service providers are adequately secure. Clearly defined activities in a service-level agreement establish a trust relationship between the customer and provider and enable the monitoring of required security controls and determination of control effectiveness. To allow for proper oversight and performance monitoring, a negotiated and signed agreement between a service provider and customer, among other things, explicitly establishes the levels of support provided to the customer, identifies the roles and responsibilities of each party, and provides appropriate security guidelines to ensure the availability and integrity of the customer's application and data based on the customer's control risk assessment.

The Board entered into a hosted software license agreement with a service provider on April 28, 2010, for the server and application hosting, management, and operations of the District's business application software. The agreement terms provide hosting services availability and compliance with all Federal and State personally identifiable information restrictions. However, District management did not document an evaluation of control risks associated with use of the service provider by obtaining from the provider an overview of the provider's information security policies and procedures.²¹ Moreover, the agreement did not require the provider to give the District a Service Organization Controls (SOC) 1 Type 2 report that disclosed the suitability of the design and operating effectiveness of the service provider's controls. Consequently, District personnel did not obtain copies of the provider's SOC 1 Type 2 reports.

In addition, the District did not define and document detailed security requirements²² based on identified control risks necessary for the service organization to ensure the availability, confidentiality, and integrity of the District's application and data. In response to our inquiry, District management indicated that using a service provider placed the District in a position of less risk overall; however, although we requested, District records were not provided to demonstrate the basis for this risk assessment.

Subsequent to our inquiry, District personnel obtained the service provider's SOC 1 Type 2 report for the period September 1, 2021, through February 28, 2022. While our inquiry prompted the District to obtain

²¹ Information security policies and procedures could include, for example, provider background checks, signed confidentiality agreements, security training, physical security, user authentication, network perimeter and boundary protection, and client application configuration, encryption, and incident response.

²² FIPS Publication 200, *Minimum Security Requirements for Federal Information and Information Systems* include access control, awareness and training, audit and accountability, configuration management, contingency planning, identification and authentication, personnel security, and system and services acquisition.

the report, which disclosed that the service provider's controls were suitably designed to provide reasonable assurance that the control objectives were operating effectively, our procedures do not substitute for management's responsibility to ensure that service organization controls are operating effectively. In addition, having clearly defined, agreed-upon security requirements, including security control responsibilities and control procedures for the service provider, increases the likelihood of meeting service-level expectations and reduces the risk of compromise to the District's application and data.

Recommendation: To increase District assurance that service provider controls are suitably designed to provide protection over the availability, confidentiality, and integrity of the District's application and data, we recommend that District management identify control risks related to the use of a service provider and define and document agreed-upon service provider security requirements and procedures. In addition, the District should revise the service provider agreement to require SOC 1 Type 2 reports from the service provider and obtain and review the reports to evaluate whether service provider controls are operating effectively or whether the District should obtain services elsewhere.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2020-033, except that Finding 5 was also noted in that report as Finding 4.

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 2022 through July 2022 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. 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. 2020-033.

- 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 the selection and examination of transactions and records, as well as events and conditions, occurring during the audit period of the 2021-22 fiscal year, 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 applications to determine whether these accounts had been appropriately assigned and managed. Specifically, we tested:

- 15 of the 48 accounts that had update access privileges to finance application functions.
- 1 account that had update access privileges to both finance application and HR application functions and the 4 other accounts that had update access privileges to HR application functions.
- The 2 accounts that had complete access to network resources.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers, and restricting access privileges to only that information appropriate and necessary based on the employee's assigned job responsibilities. Specifically, from the population of 47 employees who had access to sensitive personal student information, we examined the access privileges of 26 selected employees to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job duties.
- Evaluated District procedures to prohibit former employee access to electronic data files. We also reviewed selected user access privileges for the 3 employees who separated from District employment during the audit period to determine whether access privileges were timely deactivated.
- Evaluated Board security policies and District procedures governing the classification, management, and protection of sensitive and confidential information.
- Determined whether the District had a comprehensive IT disaster recovery plan in place that was 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 the District had established a comprehensive IT risk assessment to document the District's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of District IT resources and data.
- Evaluated District IT procedures for requesting, testing, approving, and implementing changes to the District business system.
- 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 adequacy of District procedures related to security incident response and reporting.
- Inquired whether the District made expenditures or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period, to evaluate the reasonableness of District actions.
- From the population of expenditures totaling \$440,245 and transfers totaling \$900,825 during the period July 2021 through March 2022 from nonvoted capital outlay tax levy proceeds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$382,913 and \$900,825, 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 \$469,947 total workforce education program funds expenditures for the period July 2021 through March 2022, selected four expenditures totaling \$246,746 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).

- Examined all six industry certifications eligible for 2021-22 fiscal year performance funding to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 3,558 reported contact hours for 30 selected students enrolled in 30 adult education classes from the population of 13,442 contact hours reported for 134 adult general education instructional students enrolled in 56 adult education classes during the Fall 2021 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 2021-22 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 documentation supporting the District's annual tangible personal property physical inventory process to determine whether the inventory results were reconciled to the property records, appropriate follow-up was made for any missing items, and law enforcement was timely notified for any items that could not be located and considered stolen.
- Evaluated District procedures to determine whether the District properly identified and inventoried attractive items pursuant to Florida Department of Financial Services Rules Chapter 69I-73, Florida Administrative Code.
- Examined District records to determine whether the Board adopted a salary schedule with differentiated pay for both instructional personnel and school administrators based on District determined factors, including, but not limited to, additional responsibilities, school demographics, critical shortage areas, and level of job performance difficulties in compliance with Section 1012.22(1)(c)4.b., Florida Statutes.
- From the population of 340 instructional personnel and 19 school administrators compensated a total of \$16.9 million during the audit period, examined documentation for 30 selected employees who were paid a total of \$1.6 million 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.
- Examined District records supporting teacher salary increase allocation payments totaling \$837,581 for the audit period to 243 instructional personnel to determine whether the District submitted required reports (salary distribution plan and expenditure report) to the FDOE and used the funds in compliance with Section 1011.62(16), Florida Statutes (2021).
- Examined District records for the audit period for 25 employees and 5 contractor workers selected from the population of 606 employees and 143 contractor workers to assess whether individuals who were on school premises when students were present or had direct contact with students were subjected to the required fingerprinting and background screening.
- Evaluated the effectiveness of Board policies and District procedures for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and notifying the result of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., 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 and 1006.12, Florida Statutes, and Section 1011.62(13), Florida Statutes (2021).

- Examined District records to determine whether the Board had adopted appropriate mental health awareness and assistance policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Sections 1012.584, Florida Statutes, Section 1011.62(14), Florida Statutes (2021), and SBE Rule 6A-1.094124, Florida Administrative Code.
- 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 fluid and cursive, with a large initial "S" and "N".

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

MANAGEMENT'S RESPONSE



The School District of DeSoto County
Bobby Bennett
Superintendent

September 16, 2022

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

Dear. Ms. Norman:

Pursuant to Section 11.45(4) (d), Florida Statutes, the District is required to submit a written statement of explanation concerning all findings. Below is our response to the Preliminary and Tentative audit findings and recommendations as prepared by your office for the DeSoto County District School Board for the fiscal year ended June 30, 2022.

Finding 1: School Safety – Alert System

Recommendation:

The District should continue efforts to implement the required mobile panic alert system at each public school to ensure real-time coordination between multiple first responder agencies and compliance with state law.

District Response:

The District agrees with Finding #1. Installation of this system has been completed at five locations and the contracts for the last two schools are scheduled for board approval on September 13, 2022. Installation for these two schools should be completed in approximately thirteen weeks once they are approved. At that time, the final testing phase for the entire District and integration with Law Enforcement will be completed.

Post Office Drawer 2000 Arcadia, Florida 34365
Telephone: 863.494.4222
Bobby.bennett@desotoschools.com

Finding 2: School Safety – School Resource Officer Service

Recommendation:

The District should continue to demonstrate compliance with State school safety laws. Such efforts should include documentation evidencing verification that SROs completed the required mental health crisis intervention.

District Response:

The District agrees with Finding #2. The four remaining SROs/SRDs attended and completed the crisis intervention training during July and August. In the future, procedures will be implemented to make sure that all of the training have been completed.

Finding 3: School Safety – Mental Health Awareness and Assistance Training and Instruction

Recommendation:

The District should establish procedures to ensure that all school personnel within the District receive youth mental health awareness and assistance training and students in grades 6 through 12 annually receive at least 5 hours of mental health awareness and assistance instruction as required by State law and SBE rules.

District Response:

The District agrees with Finding #3.

Training for Staff: This District is reviewing and developing a new process in which all staff members receive the mandatory Youth Mental Health First Aid Training.

Training for Students: The District is reviewing the process in which students in grades 6-12 receive the required minimum of 5 hours of instruction in mental health awareness and assistance last school year. New processes and procedures are being developed to ensure that all students in grades 6-12 receive this required instruction this school year and in future years.

Finding 4: Ad Valorem Taxation

Recommendation:

The District should enhance procedures to ensure and demonstrate that ad valorem tax levy proceeds are only used for authorized purposes. Such enhancements should include appropriate District employee training regarding the use of tax levy proceeds and recording of vendor payments consistent with the notice of tax levy specifying the purposes for such use.

District Response: We recognize the importance of ensuring that all expenditures are made in accordance with appropriate laws, rules and board policies. As noted, we have restored the questioned costs to the LCIF Fund. For the future, we have made it a priority to provide appropriate staff training to ensure a greater understanding of specific requirements of varying revenue sources.

Finding 5: Performance Evaluations:

Recommendation:

The District will comply with State law and Board policies by ensuring instructional personnel and school administrator evaluations document consideration of student performance.

District Response:

For the 2022-2023 school year, the performance determinations will be based on evaluations that include student performance and instructional leadership evaluation criteria and will be conducted for each instructional personnel and school administrator at least once a year. The Board adopted instructional personnel and school administrators' performance salary scheduled based upon the student performance and instructional leadership evaluation criteria. The District's performance evaluation model will be updated by selecting assessments with available student performance data to use for evaluations.

Finding 6: Adult General Education Classes

Recommendation: The District should take appropriate action to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE based on the hours that occur between the date of student enrollment and the withdrawal date or end-of-class date.

Response: The District determined that during a software update in the reporting system, Skyward, a toggle was switched which resulted in instructional hours not being reported correctly and ultimately being underrepresented. In June 2022, the District corrected the instructional hours and reported the corrected information to FDOE.

Finding 7: Information Technology – User Access Privileges

Recommendation:

The District should continue efforts to ensure that access privileges are limited to those necessary for employees to perform their assigned duties. Such efforts should include effective periodic evaluations of IT user access privileges to ensure those privileges restrict employees from performing incompatible functions or functions outside their areas of responsibilities, and timely deactivation of any unnecessary and inappropriate privileges detected.

District Response:

The Information Technology Department is working on implementing regular evaluations for user access control on all aspects. This includes Skyward Business (specifically addressing this audit's findings) but also for all IT driven systems such as firewalls, servers, and other items requiring delegated access.

Finding 8: Information Technology – Disaster Recovery Plan

Recommendation:

District management should enhance the District IT disaster recovery plan to include all necessary critical elements and details.

District Response:

The Information Technology Department is in the process of reviewing and re-writing the Disaster Recovery Plan. The new plan will be more thorough and implement any missing elements and identification of key personnel and processes.

Finding 9: District Security Management Controls

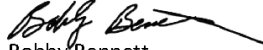
Recommendation:

To increase District assurance that service provider controls are suitably designed to provide protection over the availability, confidentiality, and integrity of the District's application and data, we recommend that District management identify control risks related to the use of a service provider and define and document agreed-upon service provider security requirements and procedures. In addition, the District should revise the service provider agreement to require SOC 1 Type 2 reports from the service provider and obtain and review the reports to evaluate whether service provider controls are operating effectively or whether the District should obtain services elsewhere.

District Response:

The Information Technology Department is working with District Administration to amend any policies that are in place currently, and to ensure that any future service provider agreements require a SOC 1 Type 2 report upon entering an agreement.

Sincerely,



Bobby Bennett

Superintendent