

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2023-050
November 2022

PUTNAM COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2021-22 fiscal year, Dr. Richard M. Surrency Sr. served as Superintendent of the Putnam County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Holly H. Pickens, Chair	1
David M. Buckles	2
Sandra Gilyard	3
Bud McInnis, Vice Chair	4
Jane T. Crawford	5

The team leader was Sue Granger, and the audit was supervised by Dennis W. Gay, CPA.

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PUTNAM COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Putnam County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-093. Our operational audit disclosed the following:

Finding 1: Contrary to State law, school advisory councils did not always adopt bylaws establishing procedures for scheduling meetings, hold regular meetings, promptly record minutes of meetings, or make meeting minutes open for public inspection.

Finding 2: As similarly noted in our report No. 2020-093, required background screenings were not always timely performed for District contractor workers.

Finding 3: District records did not evidence that 92 District personnel completed required ethical conduct training, contrary to State law and Board policies.

Finding 4: Contrary to State Board of Education rules, the District did not always provide required youth mental health awareness and assistance instruction.

Finding 5: Some unnecessary information technology (IT) user access privileges existed that increased the risk that unauthorized disclosure of sensitive personal information of students may occur. A similar finding was noted in our report No. 2020-093.

Finding 6: Six employees had unnecessary IT user access privileges that were incompatible with their job duties, increasing the risk for unauthorized disclosure, modification, or destruction of District data and IT resources to occur.

Finding 7: The District did not always timely deactivate the IT access privileges of former employees.

BACKGROUND

The Putnam 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 Putnam County. The governing body of the District is the Putnam 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 2021-22 fiscal year, the District operated 8 elementary, 4 junior-senior high schools, 1 combination school, and 1 virtual school; sponsored 3 charter schools; and reported 10,247 unweighted full-time equivalent students. The District is the fiscal agent for, and a member of, the North East Florida Educational Consortium.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Advisory Councils

Pursuant to State law,¹ the Board established a school advisory council (SAC) for each of the 14 District schools.² State law³ requires that the Board review the composition of each SAC and that SACs adopt bylaws establishing procedures for scheduling meetings when parents, students, and other members of the community can attend and for recording minutes of SAC meetings. State law⁴ also requires that minutes of public meetings be promptly recorded and open for public inspection. Board policies⁵ require the SACs to comply with procedures set forth in State law.

To evaluate District compliance with the SAC requirements, we requested for examination District records supporting SAC activities at the 14 schools during the 2021-22 fiscal year. As shown in Table 1, we found that the SACs at Browning Pearce Elementary School (BPES), James A. Long Elementary School (JAL), Kelly Smith Elementary School (KSES), Melrose Elementary School (MES), Middleton-Burney Elementary School (MBES), Ochwilla Elementary School (OES), Robert H. Jenkins, Jr. Elementary School (JES), William D. Mosley Elementary School (MES), Crescent City Jr.-Sr. High School (CCJS), Interlachen Jr.-Sr. High School (IJS), Palatka Jr.-Sr. High School (PJS), Q.I. Roberts Jr.-Sr. High School (QIR), Mellon Learning Center (MLC), and Putnam Virtual School (PVS) did not always comply with State law and Board policies.

**Table 1
Summary of School Advisory Council
Noncompliance**

	BPES	JAL	KSES	MES	MBES	OES	JES	MES	CCJS	IJS	PJS	QIR	MLC	PVS
The Board did not review the composition of SAC membership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SAC did not adopt bylaws	✓	✓			✓	✓	✓			✓	✓			✓
SAC did not hold any meetings			✓			✓		✓		✓			✓	✓
Minutes not maintained for all SAC meetings held ^a		✓		✓	✓		✓		✓		✓	✓		

^a Seven SACs held a total of 15 meetings; however, minutes were not maintained for 7 of those meetings.

In response to our inquiry, District personnel indicated that employees had not been properly trained to comply with the SAC requirements. Absent effective procedures to ensure District compliance, there is an increased risk that the composition of SAC memberships may not be appropriate, and bylaws may not be adopted to identify when SAC meetings should be held and to require minutes of SAC meetings be maintained to timely inform the public about SAC activities.

Recommendation: The District should provide appropriate training for District personnel to promote understanding and ensure compliance with the SAC statutory and Board policy

¹ Section 1001.452, Florida Statutes.

² The District operated 8 elementary, 4 junior-senior high schools, 1 combination school, and 1 virtual school.

³ Section 1001.452(1)(d), Florida Statutes.

⁴ Section 286.011(1) and (2), Florida Statutes. Chapter 286, Florida Statutes, is referred to as the Sunshine Law.

⁵ Board Policy No. 2125 – *School Advisory Councils for School Improvement and Accountability*.

requirements. Such training should address required Board approval of the composition of SAC memberships and adoption of SAC bylaws establishing procedures for scheduling SAC meetings and maintaining minutes for each SAC meeting.

Finding 2: Background Screenings

State law⁶ requires that individuals who are contracted to serve in an instructional or noninstructional capacity and permitted access on school grounds when students are present or have direct contact with students to undergo a level 2 background screening⁷ at least once every 5 years. To promote compliance with the statutory background screening requirements, Board policies⁸ require contractor workers who have access to school grounds to undergo required background screenings at least once every 5 years.

According to District personnel, the FDLE shared system is used to verify the results of contractor worker background screenings and school and department supervisors are responsible for reporting to the Staff Services Department when a background screening is required for the workers. Contractor workers are required to wear a name badge, which expires after 5 years, to gain access to school grounds and, once the badge expires, the workers are prohibited from accessing school grounds unless they undergo the required background screening and obtain a new badge. In addition, the Staff Services Department uses a tracking report to help identify when background screenings are due for District employees and contractor workers.

As of March 2022, the District received substitute teacher services from 287 contractor workers and other services from 189 contractor workers who were permitted access to school grounds when students were present or had direct contact with students. We examined District records and evaluated background screening procedures for all District contractor workers and found that 11 contractor workers who provided substitute teacher, food service, or paraprofessional services, had received background screenings and obtained name badges for accessing school grounds when students were present; however, the name badges lacked expiration dates and, because the Staff Services Department experienced personnel turnover and did not always update the date on the tracking report, District records did not evidence when the background screenings were performed. Subsequent to our inquiry, background screenings were obtained by May 2022 for the 6 contractor workers who remained contracted by the District and no inappropriate backgrounds were noted.

Absent effective controls to ensure that required background screenings are timely performed, there is an increased risk that individuals with unsuitable backgrounds may have direct contact with students. A similar finding was noted in our report No. 2020-093.

Recommendation: The District should enhance procedures to ensure that background screenings are timely performed and documented for applicable contractor workers. Such enhancements should include timely update and maintenance of the background screening tracking report and identification of expiration dates on all contractor worker name badges.

⁶ Sections 1012.32, 1012.465, 1012.467, and 1012.56(10), Florida Statutes.

⁷ 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.

⁸ Board Policy Nos. 1121.01, 3121.01, 4121.01, and 8475, and Board Policy No. 9800 for charter schools.

Finding 3: Ethical Conduct Training

State law⁹ requires the Board to adopt policies establishing standards of ethical conduct for instructional personnel, administrative personnel, and school officers, as defined in State law.¹⁰ Such policies must require all instructional personnel, administrative personnel, and school officers to complete training on the standards and report alleged misconduct by other instructional or administrative personnel and school officers which affects the health, safety, or welfare of a student.

The Board adopted standards of ethical conduct¹¹ for instructional and noninstructional staff members, which require the staff members, upon employment and annually thereafter, to complete training on the standards. The ethical conduct training courses include staff member responsibility to report alleged misconduct by personnel affecting the health, safety, or welfare of students, as specified in the Board policies and District procedures or in the District Employee Handbook. After each course is completed, the District online reporting system is to be updated to identify those who completed the courses; however, the system does not identify those who have not completed the courses.

During the 2021-22 fiscal year, the District had 735 noninstructional and 676 instructional personnel who were required to complete the training courses. Our comparison of the District online reporting system records and personnel records disclosed that 55 noninstructional and 37 instructional or a total of 92 (7 percent) of the 1,411 employees did not complete the required ethical conduct training.

In response to our inquiry, District personnel indicated that the District did not always monitor staff training to ensure that all applicable employees completed the training. Subsequent to our inquiry, executive secretaries began monthly checks in July 2022 to identify District personnel who lacked the required training. District personnel also indicated that, during the 2021-22 fiscal year, there were no reports of alleged misconduct by instructional or administrative personnel or school officers affecting the health, safety, or welfare of a student, and no one separated from District employment or had their employment terminated for conviction or suspicion of inappropriate behavior with children. However, without proper training on standards of ethical conduct, school personnel may not appropriately identify and report misconduct affecting the health, safety, or welfare of a student.

Recommendation: The District should continue efforts to ensure that employees complete training on the standards of ethical conduct, including the responsibility to report alleged misconduct affecting the health, safety, or welfare of a student.

Finding 4: Mental Health Awareness and Assistance Instruction

State Board of Education (SBE) rules¹² 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 SBE rule requirements may result in the imposition of sanctions specified in State law.¹³

⁹ Section 1001.42(6), Florida Statutes.

¹⁰ Section 1012.01, Florida Statutes.

¹¹ Board Policy No. 0124, *Standards of Ethical Conduct*.

¹² SBE Rule 6A-1.094124(4), Florida Administrative Code.

¹³ Section 1008.32, Florida Statutes.

As part of our audit, we requested for examination District records to evidence that mental health awareness and assistance instruction was provided during the 2021-22 school year to students in grades 6 through 12. District personnel indicated that the required instruction was provided, but District records were not maintained to demonstrate that instruction.

Absent documentation evidencing youth mental health awareness and assistance instruction, the District cannot demonstrate compliance with SBE rules and, without the required instruction, a mental health services need may not be timely identified and appropriately met. In addition, documented instruction enhances public awareness of District efforts to provide essential educational services.

Recommendation: The District should demonstrate compliance with SBE rules by ensuring that District records evidence that students in grades 6 through 12 annually receive at least 5 hours of mental health awareness and assistance instruction.

Finding 5: Information Technology User Access Privileges to Student Sensitive Information

The Legislature has recognized in State law¹⁴ that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict individuals from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic evaluations of information technology (IT) user access privileges to help prevent individuals from accessing sensitive personal information inconsistent with their responsibilities. Board policies¹⁵ allow designated school officials and personnel access to student records to perform administrative, supervisory, or instructional responsibilities that serve a legitimate educational purpose.

The District Student Information System (SIS) provides for student records data processing and the District maintains current and former student information, including SSNs, in the District SIS. Student SSNs are maintained within the District SIS to, for example, register newly enrolled students and transmit that information to the Florida Department of Education through a secure-file procedure and to facilitate proper processing of student scholarship applications.

As of June 2022, the District SIS contained the SSNs of 58,471 former and 5,959 current District students. As part of our audit, we examined District records supporting the access privileges for the 48 employees and 9 other individuals who had access to that student information. According to Information Services (IS) Department personnel, access to records with SSNs had been determined necessary for data clerks, deans, guidance counselors, security personnel, and 45 principal-appointed discipline officers.¹⁶ However, although we requested, District records were not provided to demonstrate that all 45 discipline officers, located at 9 District schools, needed such access.

In addition, IS Department personnel indicated that previous evaluations of IT user access privileges did not include consideration of user access privileges to student SSNs because evaluating user access to

¹⁴ Section 119.071(5)(a), Florida Statutes.

¹⁵ Board Policy No. 8330, *Student Records*.

¹⁶ School principals appoint discipline officers including themselves, assistant principals, teachers, paraprofessionals, and mental health workers, to report serious incidents to law enforcement authorities and provide information about the students involved.

student SSNs was deemed a lower priority. Subsequent to our inquiries, the District conducted an evaluation of IT user access privileges in June 2022 and removed the access privileges for 36 discipline officers. According to IS Department personnel, access privileges to student SSNs would be granted to only 1 discipline officer per school and, as needed, temporary access would be granted to others upon the applicable school principal's request.

The existence of unnecessary IT user access privileges increases the risk of unauthorized disclosure of sensitive personal information and the possibility that such information may be used to commit a fraud against current or former District students. A similar finding was noted in our report No. 2020-093.

Recommendation: The District should continue efforts to ensure that only those individuals who have a demonstrated need to access sensitive personal information of students, including student SSNs, be granted such access. Such efforts should include documented periodic evaluations of assigned IT user access privileges to determine whether such privileges are necessary and timely remove any unnecessary access privileges detected.

Finding 6: Information Technology User Access Privileges to Business Applications

Access controls are intended to protect data and 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 outside their areas of responsibilities. 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 duties. District personnel indicated that there was a previous procedure to evaluate IT access privileges but, as of May 2022, no evaluation had been conducted since the start of the COVID-19 pandemic (March 2020).

As a part of our audit, we examined District records and identified 51 employees with IT access privileges as of May 2022 to the District business applications, including the finance and human resources (HR) modules. To determine whether the IT user access privileges were consistent with each employee's job responsibilities and assigned duties, we requested for examination District records supporting selected access privileges for 30 employees with the ability to update critical finance and HR application functions. We found that the access privileges and job responsibilities were unnecessary for 6 of the 30 employees. Specifically:

- 2 finance employees had unnecessary update access to the HR application that allowed them to set up direct deposit information.
- 2 employees in the Curriculum and Instruction Department who assisted educators in designing and implementing instruction had unnecessary update access to the HR application that allowed them to edit employee addresses, assign salary to a position and location, set up direct deposit information, and add a new employee profile.
- Another finance employee had unnecessary update access to the HR application which allowed her to add new employee profile information.
- 1 employee in the Student Services Department who oversaw student discipline and student assignments had unnecessary update access to the finance application and was able to approve purchase orders and requisitions.

Subsequent to our inquiries, in June 2022 District personnel removed incompatible access privileges for these 6 employees.

In addition, we found that the District IS Department personnel had not updated procedures to periodically evaluate assigned IT access privileges for all accounts with access to the District business applications including the finance and HR modules.

While other District controls (e.g., payroll processing controls to independently review error reports and prevent duplicate payments and department budget monitoring controls) 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. In addition, absent effective periodic evaluations of assigned access privileges, the District lacks assurance that the assigned access privileges remain necessary and appropriate for the performance of employee assigned duties.

Recommendation: The District should ensure that access privileges are limited to those necessary for employees to perform their assigned duties. Such efforts should include documented periodic evaluations of IT user access privileges.

Finding 7: Information Technology – Timely Deactivation of User Access Privileges

Effective management of IT user access privileges includes the timely deactivation of access privileges when an employee separates from employment. As certain critical systems and confidential and sensitive information stored in the systems are accessible through the District IT System, prompt deactivation of IT user access privileges is necessary to ensure that the privileges are not misused by a former employee or others to compromise District data or IT resources.

According to District personnel, when an employee separates from the District, the HR Department ensures that all applicable departments receive timely notification of the separation, including the District IS Department so that user access privileges can be promptly deactivated. Certain limited access privileges must be briefly maintained for the terminated employee to view his or her final pay information but any additional access, including HR and finance modules, can be deactivated immediately.

During the period of July 1, 2021, through April 30, 2022, 163 employees separated from District employment. As a part of our audit, we compared the employment separation dates of 31 selected employees to District records supporting the dates access to District applications was deactivated. We found that, while the HR Department timely notified the IS Department to deactivate access for the 31 employees, the IS Department did not timely deactivate the access privileges of 22 former employees. These individuals continued to have IT user access privileges, including access to HR and finance modules, 11 to 30 days or an average of 22 days after their respective employment separation dates.

In response to our inquiries, District personnel indicated that the untimely deactivations occurred because the District IS Department had not established required action to remove access privileges other than those necessary for the individual to view final pay information. Without appropriate deactivation of user access privileges, the risk is increased for former employees or others to perpetrate fraud or misuse such privileges for other reasons.

Recommendation: The District IS Department should establish procedures to ensure that access privileges, other than those required to view final pay information, are immediately deactivated upon a user’s separation from District employment.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No.2020-093, except as noted in Findings 2 and 5 as shown in Table 2.

**Table 2
Findings Also Noted in Previous Audit Reports**

Finding	2018-19 Fiscal Year Operational Audit Report No. 2020-093, Finding	2015-16 Fiscal Year Operational Audit Report No. 2017-163, Finding
2	5	8
5	6	Not Applicable

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 August 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. 2020-093.
- 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 2021-22 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 and the related requirements.
- Reviewed District information technology (IT) and North East Florida Educational Consortium (NEFEC) Educational Technology Services (ETS) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, system backups, and disaster recovery.
- Evaluated District and NEFEC ETS procedures for maintaining and reviewing employee access to IT data and resources. We examined selected access privileges to the District's enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access based on employees' job duties and user account functions and whether the access prevented the performance of incompatible duties. We also examined District and NEFEC ETS 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 District records supporting selected user access privileges for 30 of the 51 users who

had update access privileges to the finance and HR applications and the 9 NEFEC ETS default administrator accounts.

- Evaluated District Information Systems procedures to prohibit former employee access to the District's ERP system. We reviewed selected user access privileges for 31 of the 163 employees who separated from District employment during the period July 2021 through April 2022 and 1 employee who separated in May 2022 to determine whether access privileges were timely deactivated.
- Evaluated Board security policies and District IT and NEFEC ETS procedures governing the classification, management, and protection of sensitive and confidential information.
- Determined whether the District and NEFEC ETS had comprehensive IT disaster recovery plans that were designed properly, in place, operating effectively, and had been recently tested.
- Reviewed network and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated District IT procedures for requesting, testing, approving, and implementing changes to the District finance and HR applications.
- Evaluated District IT procedures and examined supporting documentation to determine whether audit logging and monitoring controls were configured in accordance with IT best practices.
- Evaluated the physical access controls at the District and NEFEC ETS data center to determine whether vulnerabilities existed.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined access privileges of the 48 District employees and 9 other individuals who had electronic access to sensitive personal student information in June 2022 to evaluate the appropriateness and necessity of the access privileges based on the individuals' assigned job responsibilities.
- Inquired whether the District had any expenditures or entered into any contracts under the authority granted by a state of emergency, declared or renewed, during the audit period.
- Evaluated Board policies and District procedures and examined supporting documentation to determine whether District records demonstrated compliance with Section 1001.452, Florida Statutes, including whether school advisory councils (SACs) adopted bylaws and the Board reviewed SAC membership compositions. Also, we inquired of District personnel and examined District records to determine whether required SAC meetings were held pursuant to Board policies and SACs complied with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- From the population of expenditures totaling \$1.8 million and transfers totaling \$2.5 million 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 \$1.4 million and \$2.3 million, 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.
- 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).
- From the population of District-recorded additions to tangible personal property (TPP) items with recorded costs totaling \$1.3 million as of March 31, 2022, selected and inspected 30 property

items with recorded costs totaling \$614,970 to determine whether the District had appropriately marked the items.

- Examined documentation supporting the District's TPP physical inventory during the audit period 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 Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- From a population of compensation payments totaling \$60.5 million to 1,725 employees during the period July 2021 through March 2022, examined District records supporting compensation payments totaling \$72,119 to 30 selected employees to determine whether the rate of pay complied with the Board-approved salary schedule and whether supervisory personnel reviewed and approved employee reports of time worked.
- Examined District records supporting bonus payments totaling \$1.2 million paid to 913 employees during the period July 2021 through March 2022 to determine whether the bonus payments were paid in accordance with Section 215.425(3), Florida Statutes.
- 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.
- 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 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 \$1.9 million for the audit period to 562 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 period July 2021 through March 2022, for 1,521 employees, 476 contractor workers, and 99 charter school employees and board members 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 addressing 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, and also for investigating all reports of alleged misconduct to determine the sufficiency of those policies and procedures to ensure compliance with Section 1001.42(6) and (7)(b)3., Florida Statutes.
- Evaluated Board policies and District procedures to ensure that health insurance was provided only to eligible employees, retirees, and dependents and that, upon an employee's separation from District employment, insurance benefits were timely canceled as appropriate based on the

Board policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board-approved contributions.

- From the 26 most recent annual fire safety, casualty safety, and sanitation inspection reports, selected 6 reports with 21 noted serious life safety deficiencies and examined documentation to determine whether timely action was taken to correct cited deficiencies.
- 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 policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Section 1012.584, Florida Statutes, Section 1011.62(14), Florida Statutes (2021), and State Board of Education Rule 6A-1.094124, Florida Administrative Code.
- Evaluated the sufficiency of District procedures to determine whether District charter schools were required to be subjected to an expedited review pursuant to Section 1002.345, Florida Statutes. For the one school subjected to an expedited review, we examined records to determine whether the District timely notified the applicable governing board pursuant to Section 1002.345(1)(b), Florida Statutes, and whether the District, along with the governing board, timely developed and filed a corrective action plan with the FDOE pursuant to Section 1002.345(1)(c), Florida Statutes.
- Determined whether non-compensation expenditures were reasonable, correctly recorded, adequately documented, for a valid District purpose, properly authorized and approved, and in compliance with applicable State laws, rules, contract terms, and Board policies; and applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures that individually exceeded \$1,000 and totaled \$22.7 million for the period July 2021 through March 2022, we examined documentation supporting 30 selected payments for expenditures totaling \$464,159.
- Examined District records to evaluate District efforts to collect the funds received for the sale of the Campbell building and deposit any moneys collected in the District capital projects fund.
- 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 the first name being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

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November 9, 2022

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Tallahassee, FL 32399-1450

Dear Ms. Norman:

Attached is our response to the preliminary and tentative audit findings and recommendations for the operational audit of the Putnam County School District for the fiscal year ended June 30, 2022.

My staff and I appreciate your efforts to assist us in improving our operations, and we appreciate the professionalism of the auditors assigned to our audit.

Should you have any questions regarding the attached responses, please contact Mrs. Rhonda Odom, Assistant Superintendent for Business, at 386-329-0513.

Sincerely,



Dr. Rick Surrency, Superintendent

Holly Pickens, District I
David Buckles, District II
Sandra Gilyard, District III



Gordon "Bud" McInnis, District IV
Jane Crawford, District V
Dr. Rick Surrency, Superintendent

Finding No. 1: School Advisory Councils

Recommendation: The District should provide appropriate training for District personnel to promote understanding and ensure compliance with the SAC statutory and Board policy requirements. Such training should address required Board approval of the composition of SAC memberships and adoption of SAC bylaws establishing procedures for scheduling SAC meetings and maintaining minutes for each SAC meeting.

Response: The district provided training to school leaders on August 26, 2022. This training included SAC membership guidelines, the timeline to submit SAC Membership for Board approval, adoption of by-laws, and keeping agendas, sign-in sheets, and minutes for SAC meetings. (See attached SAC INFO 822 for PowerPoint slides from the 8/26 meeting). Sample templates for bylaws and meeting minutes were also shared with the administrators (see attached).

On October 28, 2022, each school's SAC membership list was due to the district. The document 2022-2023 School Advisory Council Membership Lists, will go to the school board for approval during the November 15th board meeting. In subsequent years, this list will be submitted to the board for approval at the same time the School Improvement Plans are approved.

Finding No. 2: Background Screenings

Recommendation: The District should enhance procedures to ensure that background screenings are timely performed and documented for applicable contractor workers. Such enhancements should include timely update and maintenance of the background screening tracking report and identification of expiration dates on all contractor worker name badges.

Response: Based on the findings being related to contractors, the District has now created a spreadsheet for tracking expiration dates of all contractors. The District will continue working with third party vendors to ensure badges have expiration dates listed as well.

Finding No. 3: Ethical Conduct Training

Recommendation: The District should continue efforts to ensure that employees complete training on the standards of ethical conduct, including the responsibility to report alleged misconduct affecting the health, safety, or welfare of a student.

Response: In addition to the reports that are run annually to verify completion of all required training for ethical conduct and reporting of misconduct, the District has now implemented procedures for quarterly tracking of the completion of this training. In addition, Human Resources will ensure that all new hires are provided this information at time of on-boarding.

Finding No. 4: Mental Health Awareness and Assistance Instruction

Recommendation: The District should demonstrate compliance with SBE rules by ensuring that District records evidence that students in grades 6 through 12 annually receive at least 5 hours of mental health awareness and assistance instruction.

Response: State Board of Education (SBE) rules 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. Districts will provide documentation supporting the delivery of such instruction.

Putnam County School District has reviewed a number of methods in which to monitor and document compliance of SBE rules. Due to schools providing the required instruction at various times of the year, the district will initially employ two methods.

To resolve the documentation requirement, the district's long term plan is to load the lessons onto CANVAS. As teachers access the lessons, the teachers create a digital date/time stamp as well as the teacher's name which will align with the grade level they are teaching. The district will then be able to download teacher's access to provide documentation of date and time the courses were taught and monitor completion of instruction.

The backup plan for the 2022-23 school year if the lessons cannot be downloaded in a timely manner and teachers have already begun lessons, is to provide a spreadsheet for teachers to log the grade, date, time and course they taught the required lessons for SBE rules. Principals will verify the lessons are being delivered and provide the required instruction lesson log to the district when lessons are completed at their school. All Required Instruction Teacher Logs and CANVAS documents will be gathered at the end of the year. A sample of the Required Instruction Teacher Log is provided.

To ensure lesson logs are being kept up, the district will send out regular reminders to school administrators of the required documentation and the pending deadline.

Finding No. 5: Information Technology User Access Privileges to Student Sensitive Information

Recommendation: The District should continue efforts to ensure that only those individuals who have a demonstrated need to access sensitive personal information of students, including student SSNs, be granted such access. Such efforts should include documented periodic evaluations of assigned IT user access privileges to determine whether such privileges are necessary and timely remove any unnecessary access privileges detected.

Response: As of November 2023, the district will accomplish a monthly report that will list all those persons that have access to student SSN. A scheduled, periodic Google calendar invite will be created to ensure timeliness.

We've already minimized how many deans or individuals that deal with discipline at the schools that have access to SSN (One per school). Only one identified dean will be given the Security Group Access called "Lead Discipline Officer". The "Discipline Officer" security group at the schools have had the SSN field removed from their view.

Apart from the “Lead Discipline Officer”, law enforcement (SRO’s) will remain having access as well as the Data Clerks. All data clerks are assigned to a “data clerk” security group but given the need to enter SSN for students or to change in the event of a SSN, they are all assigned to the newly created security group called “2022 SSN Access.”

There is one other group of people that require access to SSN, those working closely with our Foster Care demographic of students. That Security Group is called “Foster Care 2017 Read/Write”.

At the time of this drafted response, only 47 users have access to SSN.

Finding No. 6: Information Technology User Access Privileges to Business Applications

Recommendation: The District should ensure that access privileges are limited to those necessary for employees to perform their assigned duties. Such efforts should include documented periodic evaluations of IT user access privileges.

Response: Based on the recommendation of our auditors, a report will be shared to the department directors semiannually beginning December 1, 2023 of those persons having access to HR/Finance Data by menu and we will address those accesses as determined by the department’s recommendation. A scheduled, periodic Google calendar invite will be created to ensure timeliness.

Finding No. 7: Information Technology – Timely Deactivation of User Access Privileges

Recommendation: The District IT Department should establish procedures to ensure that access privileges, other than those required to view final pay information, are immediately deactivated upon a user’s separation from District employment.

Response: We will be working closely with NEFEC to have a report generated weekly that shows those personnel with a termination date but an active security account. Though we have automation built in through an internal script developed by a previous employee, this other means will ensure that we can identify those missed users timely and address their account. We will also initiate a comprehensive plan between Finance/Payroll and the Information Services Department on a solution for timely, feasible deactivation for terminated employees.