

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-002
July 2023

**LIBERTY COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2022-23 fiscal year, Brandon Kyle Peddie served as Superintendent of the Liberty County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
James Flowers	1
Sandra J. Bailey, Vice Chair	2
Darrel L. Hayes, Chair	3
Samuel J. Singletary	4
Charles R. Morris	5

The team leader was Stacy Boyd, and the audit was supervised by Maria G. Loar, 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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LIBERTY COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Liberty County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2021-083. Our operational audit disclosed the following:

Finding 1: The District did not complete and submit to the Florida Department of Education (FDOE) the required cost report for the District construction project completed during the 2020 calendar year.

Finding 2: District procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE.

Finding 3: District school safety procedures need improvement to ensure and demonstrate that school resource officers complete required mental health crisis intervention training.

BACKGROUND

The Liberty 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 Liberty County. The governing body of the District is the Liberty 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 2022-23 fiscal year, the District operated five combination, high, and specialized schools; and reported 1,314 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Student Station Costs

State law¹ requires the Florida Department of Education (FDOE) to compute for each calendar year the Statewide average construction costs per student station for each instructional level and to annually review the actual completed construction costs of educational facilities in each school district. To help comply with State law, an FDOE memorandum² required the District to complete and submit by April 30, 2021, a construction cost report of each project completed during the 2020 calendar year. The report was to identify, for example, the type of project (e.g., new or addition), number of student and teacher stations, the size of the project (e.g., gross and net square feet), project cost, and funding source.

During the 2020 through 2022 calendar year, the District completed only one new construction project. The Liberty County High School project was completed in 2020 with expenditures totaling \$24.7 million, and required to be addressed in the construction cost report. However, as of May 2023, District personnel

¹ Section 1013.64, Florida Statutes.

² FDOE memorandum *2020 Cost of Construction Report*, dated April 8, 2021.

indicated that the construction cost report for the 2020 calendar year had not been completed, primarily due to staff turnover, and that the FDOE would be contacted to determine necessary corrective action. Absent timely completion of the construction cost report and submission of the report, the FDOE's ability to effectively monitor and evaluate Statewide average construction costs per student station for each instructional level is limited.

Recommendation: The District should establish procedures to ensure that construction cost reports are timely completed and submitted to the FDOE. Additionally, the District should continue efforts to ensure that 2020 construction cost information is reported to the FDOE.

Finding 2: Adult General Education Classes

State law³ 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 Act⁴ proviso language required each district to report enrollment for adult general education programs in accordance with FDOE instructional hours reporting procedures.⁵ State Board of Education (SBE) rules⁶ 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 11,008 instructional contact hours provided to 33 students enrolled in 98 classes during the Fall 2022 Semester. As part of our audit, we examined District records for the 3,427 hours related to 30 adult general education classes and reported for 30 students. We found that instructional contact hours for 9 students were under reported by 27 hours (ranging from 2 to 5 hours) and instructional contact hours for 13 students were over reported by 432 hours (ranging from 2 to 115 hours).

In response to our inquiry, District personnel indicated that the errors occurred because District personnel misunderstood FDOE instructional reporting procedures and miscalculated attendance days. 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 provide appropriate training to ensure that staff accurately report instructional contact hours for adult general education classes to the FDOE. The District should also determine the extent, if any, that adult general education hours were misreported and contact the FDOE for proper resolution.

³ Section 1004.02(3), Florida Statutes.

⁴ Chapter 2022-156, Laws of Florida, Specific Appropriation 118.

⁵ FDOE's Technical Assistance Paper *Adult General Education Instructional Hours Reporting Procedures*, dated September 2020.

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

Finding 3: School Safety – School Resource Officer Services

State law⁷ requires that the Board and the Superintendent partner with local law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. 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.

For the 2022-23 fiscal year, the Board contracted with the Liberty County Sheriff's Office (Sheriff's Office) to provide an SRO at each of the three applicable District school facilities.⁸ However, the agreement did not require documented verification of mental health training for the three 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 to ensure that the SROs completed the required training; notwithstanding, such reliance provides District management with limited assurance that the required training was properly completed.

Subsequent to our inquiry, in May 2023 the District received documentation from the Sheriff's Office certifying that the three SROs had completed the required training before the services were provided. However, absent effective procedures to ensure and document that SROs timely complete the required training, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with State school safety laws. Such enhancements should include documented verifications that SROs complete the required mental health crisis intervention training before services are provided.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2021-083.

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 2023 through June 2023 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.

⁷ Section 1006.12, Florida Statutes.

⁸ A safe-school officer was not required for the District virtual school and the adult school.

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. 2021-083.
- 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 2022-23 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 Board information technology (IT) policies and District procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined selected user access privileges in April 2023 to District enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether the access privileges prevented the performance of incompatible duties. Specifically, we:
 - Tested the eight roles that allowed update access privileges to selected critical ERP system finance application functions resulting in the review of the appropriateness of access privileges granted for 20 accounts.
 - Tested the three roles that allowed update access privileges to selected critical ERP system HR application functions resulting in the review of the appropriateness of access privileges granted for four accounts.
- Evaluated District procedures to prohibit former employee access to electronic data files. We also reviewed selected user access privileges for the 11 employees who separated from District employment during the period July 2022 through April 2023 to determine whether access privileges were timely deactivated.
- Examined selected application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Inquired whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the period July 2022 through March 2023.
- Examined the District Web site to determine whether the 2022-23 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the District Web site contained, for each public school within the District and for the District, the required graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- Examined District records to determine, for construction projects, whether the Board had adopted appropriate policies and the District had established effective procedures to ensure that:
 - Subcontractor selections are properly monitored by District personnel.
 - Architects are properly selected pursuant to Section 287.055, Florida Statutes.
 - District personnel properly negotiate and monitor general conditions costs.
 - District records demonstrate that payments for construction services comply with contract provisions.
 - Contracts require contractors to pay penalties for noncompliance with contract terms.
- Examined District records for the one construction project completed during the 2020 through 2022 calendar years to determine whether the District accurately reported student station costs

and complied with the student station cost limits established by Section 1013.64(6)(b)1., Florida Statutes.

- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07 and 1006.12, Florida Statutes; and Section 1011.62(12), Florida Statutes (2022).
- 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(13), Florida Statutes (2022); and State Board of Education (SBE) Rule 6A-1.094124, Florida Administrative Code.
- From the population of \$37,346 total workforce education program funds expenditures for the period July 2022 through March 2023, selected expenditures totaling \$28,217 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 District records supporting 3,427 reported contact hours related to 30 adult general education classes for 30 selected students from the population of 11,008 contact hours reported for 33 adult general education instructional students enrolled in 98 classes during the Fall 2022 Semester to determine whether the District reported the instructional contact hours in accordance with SBE Rule 6A-10.0381, Florida Administrative Code.
- Examined District records for the audit period supporting the teacher salary increase allocation received pursuant to Chapter 2022-156, Laws of Florida, Specific Appropriation 86, totaling \$330,497 and records supporting related payments totaling the same amount made to 102 instructional personnel to determine whether the District submitted required reports (salary distribution plan and expenditure report) to the FDOE and used the allocation in compliance with Section 1011.62(14), Florida Statutes (2022).
- 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 also notifying the FDOE of the result of the investigation pursuant to Section 1001.42(7)(b)3., Florida Statutes.
- 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



LIBERTY COUNTY SCHOOL DISTRICT

Kyle Peddie, Superintendent of Schools

July 25, 2023

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Ms. Sherrill F. Norman, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Pursuant to the provisions of Section 11.45(4)(d), Florida Statutes, I am responding to the findings cited in the Operational Audit of the Liberty County School Board. As always, I would like to commend your staff who were very courteous during the process. Our responses are as follows:

Finding #1: Any future construction projects within the district will have the accompanying cost report during the calendar year as required by state law in the future. I took office in November of 2020 and was unaware this had not been completed and submitted.

Finding #2: District procedures will be strengthened to ensure instructional contact hours for general education coursework are accurately reported to the FDOE.

Finding #3: Although our school resource officers in fact had completed the required mental health crisis intervention training, the District will maintain such documented training records.

Again, I wish to express our appreciation to your audit staff for the professional way the audit was conducted. We appreciate your recommendations and are taking the necessary action to implement them. The District will continue to be diligent to conduct its affairs in a correct and efficient manner now and in the future. If you need further information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "K. Peddie".

Kyle Peddie

Liberty County Superintendent of Schools

District I
James E. Flowers

District II
Jodi Bailey

District III
Darrel "Doobie" Hayes

District IV
Jason Singletary

District V
Charles "Boo" Morris III