

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-008
August 2023

CALHOUN COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2022-23 fiscal year, Darryl Taylor Jr. served as Superintendent of the Calhoun County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Daniel E. Ryals III, Chair	1
Charles R. Howell	2
Clifford A. Newsome, Vice Chair from 11-22-22	3
Kenneth F. Speights	4
Danny M. Hassig, Vice Chair through 11-21-22	5

The team leader was Jason Law, and the audit was supervised by Shelly G. Curti, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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CALHOUN COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Calhoun County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2021-074. Our operational audit disclosed the following:

Finding 1: District school safety procedures need improvement to ensure and demonstrate that school resource officers complete required mental health crisis intervention training.

Finding 2: Required background screenings were not always obtained for applicable contractor workers.

Finding 3: As similarly noted in our report No. 2021-074, District controls over the collection of Prekindergarten Extended Day Program fees could be enhanced.

BACKGROUND

The Calhoun 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 Calhoun County. The governing body of the District is the Calhoun 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 one elementary school, two middle schools, one high school, and one specialized school; and reported 2,077 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – School Resource Officer Services

State law¹ requires the Board and the Superintendent to partner with 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, complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.

During the 2022-23 fiscal year, the District operated five schools, including one with two locations. To assign at least one safe-school officer at each of these six locations, the Board contracted with the Calhoun County Sheriff's Office (CCSO) and the Blountstown Police Department (BPD). While the agreement with the CCSO required documented verification of mental health crisis intervention training for the SROs, the agreement with the BPD did not and District records were not maintained to evidence that the six SROs received the required training. In response to our inquiry, District personnel indicated

¹ Section 1006.12, Florida Statutes.

that they relied upon the CCSO and BPD 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 April 2023, the District received documentation from the CCSO certifying that the three CCSO SROs had completed the required training before services were provided. However, documentation received from the BPD certified that only one of the three BPD SROs had completed the required training before services were provided and that the remaining two officers would be scheduled to receive that training in the summer of 2023.

Without 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 revisions to the BPD contract to require documented verification of mental health crisis intervention training for the SROs and District-documented verifications that SROs complete the required training before services are provided.

Finding 2: Contractor Worker Background Screenings

State law² requires that noninstructional contractors (and their personnel) who are permitted access on school grounds when students are present or who have direct contact with students must undergo a level 2 background screening³ at least once every 5 years unless the individuals are under the direct supervision of a school district employee or contractor who has had a criminal history check and meets the statutory background screening requirements. State law⁴ also requires the District to verify the results of the background screening of contractor workers whose background screening was completed by another school district within the last 5 years using the shared system implemented by the Florida Department of Law Enforcement (FDLE).

To promote compliance with the statutory background screening requirements, Board policies⁵ and District procedures require the Human Resources (HR) Department to ensure that the contractor workers who have access to school grounds undergo required background screenings every 5 years. To monitor background screenings, the District HR Department maintains an ongoing list of contractor workers and relies upon other departments to notify the Department of any changes to the list. However, the HR Department occasionally relies on contractors for background screenings without obtaining evidence of the screenings and does not periodically require the departments to verify the accuracy of the list and whether new workers should be added and screened.

The Board routinely contracts for contractor services including psychologists, counselors, and other therapists. According to District records for the period July 2022 through April 2023, 25 contractor

² Sections 1012.465, 1012.467, and 1012.468, Florida Statutes.

³ 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.

⁴ Section 1012.467(2)(f) and (7)(a), Florida Statutes.

⁵ Board Policy 3.68, Background Screening for Contractors.

workers provided these services and were permitted access on school grounds when students were present or had direct contact with students. To determine whether required background screenings had been timely obtained for these workers, we requested for examination District records supporting their screenings and found that the required background screenings had not been obtained for 3 counselors.

In response to our inquiries, District personnel indicated that, for 2 of the counselors, the District relied on the companies that employed the counselors to perform the screening process. Subsequent to our inquiry, the District obtained fingerprints, performed background screenings, and found no unsuitable backgrounds for the 2 counselors. For the other counselor, the screening was missed because the HR Department had not been notified that the counselor was providing virtual services to a high school student. According to District personnel, the District did not intend to use the counselor in the future.

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

Recommendation: The District should enhance procedures to ensure that background screenings for contractor workers are promptly obtained and evaluated, and make decisions, as necessary, based on evaluations of the screening results. In addition, to help monitor and ensure that required background screenings are performed before contractor workers access school grounds and at least once every 5 years thereafter, the District should maintain evidence of all screenings and periodically require District departments to verify the accuracy of the contractor worker list to determine whether any workers should be added to the list and screened.

Finding 3: Prekindergarten Extended Day Program Fee Collections

Pursuant to State law,⁶ the District operates a Prekindergarten Extended Day Program (Program) for students participating in the Voluntary Prekindergarten Education Program (VPK). State Board of Education (SBE) rules⁷ authorize the Board to establish fees for certain programs in amounts that will recover the cost of providing such programs after deducting any State and Federal funding provided for the programs.

During the 2022-23 fiscal year, the District did not receive any State or Federal funding for the Program and, according to District personnel, each school charged Program participants \$50 per week⁸ and reduced fees by \$10 per day for school closures (e.g., for holidays, school breaks, and inclement weather). For the 2022-23 fiscal year, the District recorded \$40,080 for Program fee collections at the Blountstown Elementary School (BES), Carr School (Carr), and Altha Public School (Altha).

Effective controls over the Program fee collection process promote accountability, safeguard collections, and require that:

- Responsibilities for recording fee assessments, student attendance, and fee collections be appropriately separated from fee collection duties. If, because of the limited number of staff the separation of incompatible duties is not practical, compensating controls, such as supervisor-documented comparisons of historical and current Program fee collections, periodic

⁶ Sections 1002.53 and 1002.63, Florida Statutes.

⁷ SBE Rule 6A-1.09983, Florida Administrative Code.

⁸ On May 16, 2013, the Board approved a \$50 per week Program fee to help fund Program operations.

observations of student attendance, and evaluations of the reasonableness of fee collections based on the comparisons and observations, should be implemented.

- Student attendance be recorded, and routine independent fee audits be conducted to reconcile attendance records to fee collections and deposits.
- Transfer receipts be used to establish custodial responsibility for collections.
- Fees be collected before services are rendered.

We interviewed District personnel and reviewed selected Program fee collection records and found that the District's fee collection process could be improved. Specifically:

- Although we requested, District records were not provided to demonstrate compliance with the SBE rule requiring the Board to establish Program fees in amounts that will recover the cost of providing the Program after deducting any State and Federal funding provided for the Program.
- An inappropriate separation of duties existed at two of three schools (BES and Carr) as the bookkeeper collected Program fees, issued prenumbered receipts, and recorded fee assessments and collections on a spreadsheet. Additionally, compensating controls were not in place to mitigate the inappropriate separation of duties. Without separating the incompatible duties of collecting fees and recording fee assessments and fee collections, or establishing appropriate compensating controls, errors or fraud, should they occur, may not be timely detected and resolved.
- Although program attendance was maintained at all three schools with coding that differentiated which students attended both the Program and VPK, fee audits were not conducted to reconcile participant attendance to Program fee assessments and collection records. Independent fee audits reconciling documented attendance to fee assessments and collections would help ensure that collections are appropriately accounted for and properly safeguarded.
- At the end of the 2022-23 school year, uncollected Program balances totaled \$7,869 for ten BES students and \$120 for one Carr student. While District personnel indicated that they work with parents when possible to ensure that Program services are not interrupted, collecting fees before services are provided better assures the recovery of Program costs.

In response to our inquiries, District personnel indicated that the District had not established Program procedures to effectively promote accountability and safeguard fee collections. Additionally, District personnel indicated that, since Program costs are combined with VPK expenditures, District records did not demonstrate that Program fees recover Program costs. Absent effective Program fee assessment and collection procedures, there is an increased risk that fee collections will not recover the costs of providing the Program, the Program may not operate in accordance with Board intent, and errors or fraud, should they occur, may not be timely detected. A similar finding was noted in our report No. 2021-074.

Recommendation: The District should separately account for Program costs and ensure that Board-established fees are sufficient to recover the costs of the Program. In addition, the District should establish effective Program fee assessment and collection procedures to ensure that:

- **Incompatible duties are appropriately separated or, if the District does not have a sufficient number of staff to appropriately separate duties, compensating controls exist.**
- **Periodic independent fee audits are conducted to reconcile attendance records to Program fee collections and bank deposits.**
- **Fees are collected before services are provided.**

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2021-074, except that Finding 3 was also noted in that report as Finding 3.

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 April 2023 through July 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.

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. 2021-074.
- 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, 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 user access privileges to District enterprise resource planning 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. 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 reviewed the appropriateness of access privileges granted for the:
 - 16 accounts to 14 critical finance application functions.
 - 4 accounts to 13 critical HR application functions.
- Evaluated District procedures to prohibit former employee access to electronic data files. We reviewed selected user access privileges for the 24 employees who separated from District employment during the period July 1, 2022, through April 19, 2023, to determine whether access privileges were timely deactivated.
- Determined whether the District had a comprehensive IT disaster recovery plan in place that was designed properly, operating effectively, and had been recently tested.
- Evaluated the adequacy of District procedures related to security incident response and reporting.
- 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 audit period.

- Evaluated District controls over the collection of District Prekindergarten Extended Day Program fees.
- 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).
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- From the compensation payments totaling \$12.3 million to 428 employees during the period July 1, 2022, through April 11, 2023, examined District records supporting compensation payments totaling \$65,198 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 documentation for all ten school administrators compensated a total of \$694,319 during the audit period 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 school administrator's compensation was based on performance in accordance with Section 1012.22(1)(c)4. and 5., Florida Statutes.
- Examined District records supporting the teacher salary increase allocation received pursuant to Chapter 2022-156, Laws of Florida, Specific Appropriation 86, totaling \$515,580 and records supporting related payments during the audit period totaling the same amount made to 140 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).
- Examined District records for the period July 1, 2022, through April 11, 2023, for 31 employees selected from the population of 428 employees and 25 contractor workers to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records for volunteers for the audit period to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and also notifying the results of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., Florida Statutes.
- For the one significant construction project (Blountstown Elementary School Project) in progress during the audit period with a guaranteed maximum price of \$32 million and expenditures totaling \$3.2 million for the period July 1, 2022, through April 13, 2023, examined District records to determine whether:
 - The construction manager was properly selected pursuant to Section 255.103, Florida Statutes.
 - District personnel properly monitored subcontractor selection and licensures.

- The architects were properly selected pursuant to Section 287.055, Florida Statutes, and adequately insured.
- Appropriate Board policies and District procedures addressing the negotiation and monitoring of general conditions costs had been established.
- Documentation supporting the selected payments totaling \$1.5 million was sufficient and complied with the contract provisions.
- The project progressed as planned consistent with established benchmarks and was cost effective, and the contractors performed as expected.
- The District made use of its sales tax exemption to make direct purchases of materials, or documented its justification for not doing so.
- 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 SBE Rule 6A-1.094124, Florida Administrative Code.
- 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, SBE rules, contract terms and Board policies; and applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures totaling \$8.9 million for the period July 1, 2022, through April 13, 2023, we examined documentation related to 30 selected payments for general expenditures totaling \$162,505.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report, and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

CALHOUN COUNTY SCHOOL DISTRICT

DARRYL TAYLOR, JR

Superintendent Of Schools

20859 Central Ave. East, RM-G20 • Blountstown, FL 32424 • Phone: 850-674-5927 • Fax: 850-674-5814

August 14, 2023

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 Calhoun County School Board for the fiscal year ending June 30, 2023.

I would like to thank the members of your staff who conducted the audit for the efficient and courteous manner in which they did their job.

Our responses are as follows:

Finding No. 1: School Safety – School Resource Officer Services

The District will enhance procedures to ensure and demonstrate compliance with State school safety laws.

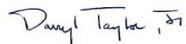
Finding No. 2: Contractor Worker Background Screenings

The District will enhance procedures to ensure that background screenings for contractor workers are promptly obtained and evaluated.

Finding No. 3: Prekindergarten Extended Day Program Fee Collections

The District has established Program procedures and will enhance such procedures to effectively promote accountability and safeguard fee collections.

Sincerely,



Darryl Taylor, Jr
Superintendent
Calhoun County School District

Danny Ryals
District 1

Ray Howell
District 2

Clifford Newsome
District 3

Kenneth Speights
District 4

Danny Hassig
District 5