

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2025-053
November 2024

**COLUMBIA COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2023-24 fiscal year, Alex L. Carswell served as Superintendent of the Columbia County Schools and the following individuals served as School Board Members:

| | <u>District No.</u> |
|---------------------------|---------------------|
| Narragansett Smith | 1 |
| Dana Brady-Giddens, Chair | 2 |
| Cherie Hill, Vice Chair | 3 |
| Keith Hudson | 4 |
| Hunter Peeler | 5 |

The team leader was Nicole Lee, and the audit was supervised by Glenda K. Hart, 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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COLUMBIA COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Columbia County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2022-029. Our operational audit disclosed the following:

Finding 1: District school safety procedures need improvement to ensure and demonstrate that school resource officers complete the required mental health crisis intervention training. A similar finding was noted in our report No. 2022-029.

Finding 2: As similarly noted in our report No. 2022-029, the District needs to strengthen controls over the collection of school-age childcare fees.

Finding 3: The District did not comply with State law and Board policies by competitively negotiating for architect services on the Fort White Elementary School Classroom Wing Addition Project (Fort White Project), which had estimated construction costs exceeding \$9 million.

Finding 4: District construction administration procedures for the Fort White Project did not include comparisons of construction management entity (CME) pay requests and related payments with the CME guaranteed maximum price contract and subcontractor contracts.

Finding 5: District procedures for the Fort White Project did not document attendance at the subcontractor bid openings, verification that the CME used a competitive selection process to select subcontractors, and that the subcontractor bid award and contract amounts agreed.

Finding 6: The District did not document verification that subcontractors were appropriately licensed before they commenced work on the Fort White Project.

Finding 7: District controls over tangible personal property annual inventories could be improved.

Finding 8: District controls over contracted services need enhancement. A similar finding was noted in our report No. 2022-029.

BACKGROUND

The Columbia 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 Columbia County. The governing body of the District is the Columbia 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 2023-24 fiscal year, the District operated 14 elementary, middle, high, and specialized schools; sponsored one charter school; and reported 10,141 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – School Resource Officer Service

State law¹ requires that the Board and 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 2023-2024 fiscal year, the Board contracted with the Columbia County Sheriff's Office for 21 SROs at the 14 District schools and the District charter school also contracted with the Sheriff's Office for SRO services. The contracts required the SROs to complete the required mental health crisis intervention training; however, the contracts did not require documented confirmation that the training was received. While our review of District records disclosed that 15 of the 21 District school assigned SROs completed the required training, District records did not evidence confirmation that the other 6 SROs received the required training.

According to District personnel, the District relied on the Sheriff's Office to ensure that the SROs completed the training and the 6 SROs started providing District services mid-year before the training was completed. Subsequent to our inquiry, District personnel obtained confirmation as of April 2024 that the 5 SROs who continued to provide District services had completed the training.

Absent effective procedures to ensure and document SRO completion of the required training, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety. A similar finding was noted in our report No. 2022-029.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with State school safety laws. Such enhancements should include contract provisions requiring confirmation that each SRO completed the required mental health crisis intervention training and documented verification by District staff of such training.

Finding 2: School-Age Childcare Fee Collections

The District operates a fee-supported, school-age childcare program after school at seven District schools. Pursuant to State Board of Education (SBE) rules,² the Board established fees to recover the cost of providing the childcare program and, during the 2023-2024 fiscal year, the District recorded \$581,918 in childcare program fee collections. According to District childcare program procedures,³ weekly program fees must be paid by Friday before the participation week or a \$5 weekly late fee per family will be assessed. However, the District had not established an appropriate time frame for families to pay their unpaid balances and help the District recover the program cost or guidance for acquiring and

¹ Section 1006.12, Florida Statutes.

² SBE Rule 6A-1.09983, Florida Administrative Code.

³ *After School Program Policy and Procedures Manual 2023-2024*.

documenting authorization to waive late fees for a specific student account in certain extraordinary circumstances.

Effective controls over the childcare fee collection process promote accountability and the safeguarding of collections. For example, such controls require that responsibilities for collecting fees and issuing prenumbered receipts be effectively separated from duties for recording student attendance and making entries into the student account ledgers. 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 childcare fee collections, periodic observations of childcare attendance, and evaluations of the reasonableness of fee collections based on the comparisons and observations, should be implemented.

To evaluate the adequacy and sufficiency of District controls over the childcare fee collection process for the 2023-24 fiscal year, we inquired of District personnel and examined District procedures and records associated with the childcare program at Columbia City Elementary and Westside Elementary Schools, which generated fee collections totaling \$238,593. We found that an inappropriate separation of duties existed as the childcare program directors at each school had the ability to collect fees and issue prenumbered receipts, and record student attendance and make entries into the student account ledgers. Additionally, compensating controls were not in place to mitigate the incompatible duties. In response to our inquiry, District personnel indicated that, due to the limited number of staff, the duties had not been separated and compensating controls had not been established. Notwithstanding, without effectively separating the incompatible duties or establishing adequate compensating controls, errors or fraud, should they occur, may not be timely detected and resolved.

We also requested for examination District records supporting the fee assessments and related collections totaling \$1,828 for 30 selected students⁴ for the week ended October 13, 2023. While fees totaling \$485 for 11 of the 30 students were properly assessed and collected by the preceding Friday, we found that fees totaling \$1,343 for 19 students were assessed but not timely paid. Those fees were eventually collected but were 4 to 53 days or an average of 14 days late. In addition, school staff did not assess the \$5 per family weekly late fees for any of the 19 students.

In response to our inquiries, District personnel indicated that they were not aware late fees were required and that they work with parents, when possible, to ensure childcare services are not interrupted. Notwithstanding, failure to collect fees before services are rendered, specify when unpaid balances must be paid, and assess applicable late fees on unpaid balances, increases the risk that childcare program fees may remain uncollected and not provide District recovery of program cost. A similar finding was noted in our audit report No. 2022-029.

Recommendation: The District should enhance procedures to ensure that childcare program fees are properly assessed and collected. Such enhancements should include:

- **Separation of the incompatible duties of collecting fees and issuing prenumbered receipts from recording student attendance and making entries into the student account ledgers. Alternatively, if the District does not have a sufficient number of staff to effectively separate duties, appropriate compensating controls should be implemented.**

⁴ 15 students from Columbia City Elementary School and 15 students from Westside Elementary School.

- **Assessment of the \$5 weekly late fee when fees are not collected before services are rendered, unless specific authorization for waiving a student account's late fee is obtained and documented. To help recover the program cost, the District should also establish an appropriate time frame for families to pay their unpaid balances and, once that time frame is exceeded, applicable students should not be allowed to continue participating in the program.**

Finding 3: Architect Services

State law⁵ prescribes the competitive negotiation process for the District to follow for each occasion when professional services, including architect services, must be purchased for a project in which the basic construction cost is estimated to exceed \$325,000. Pursuant to State law,⁶ the District may enter into a continuing contract for architect services in which the estimated construction cost of each individual project under contract does not exceed \$4 million. State law⁷ also provides that the Board constitutes the contracting agent for the District.

Board policies⁸ specify the procedures to follow when contracting for architect services, including advertising and negotiating with the firm rated most qualified and obtaining Board approval of the contract. The competitive negotiation process reduces the appearance and opportunity for favoritism and inspires public confidence that the architect was selected in a fair, equitable, and economical manner.

In December 2012, the District solicited a request for qualifications for architect continuing contract services and, in February 2013, the Board entered into a Board architect continuing contract for those services. The contract was in effect for the 2023-24 fiscal year and is to remain in effect continuously until such time as the District or the architect wishes to terminate it after providing appropriate notice.

As part of our audit, we examined District records supporting the Fort White Elementary School Classroom Wing Addition Project (Fort White Project) with total estimated construction costs exceeding \$9 million. We found that, in April 2022 District personnel asked the Board architect to prepare plans for the Project and the District paid the architect \$540,358 for those services. However, as the total construction cost for the Project exceeded \$4 million, using an architect under a continuing contract was not permitted and the District should have procured the architect services using the competitive negotiation process prescribed by State law and Board policies. Moreover, since use of the continuing contract for the Fort White Project architect services was not permissible and the Board as contracting agent did not execute another contract for or approve those services, the Board did not comply with the State law and Board policy contracting requirements.

Absent documented compliance with the competitive negotiation and Board-approved contracting processes, District records do not demonstrate compliance with State law or Board policies and there is an increased risk that the District may not select professional services in a fair, equitable, and economical manner, and the services may not be received consistent with Board expectations.

⁵ Section 287.055, Florida Statutes.

⁶ Section 287.055(2)(g), Florida Statutes (2023).

⁷ Section 1001.41(4), Florida Statutes.

⁸ Board Policy 7.141, *Selecting Professional Services*.

Recommendation: The District should enhance procedures to ensure compliance with State law and Board policies by competitively negotiating for architect contracts on construction projects with costs exceeding the amount specified by State law and obtaining Board approval for those contracts.

Finding 4: Monitoring Construction Payments

Under the construction management entity (CME) process, contractor profit and overhead are contractually agreed upon, and the CME is responsible for all scheduling and coordination in both the design and construction phases and is generally responsible for the successful, timely, and economical completion of the construction project. The CME may be required to offer a guaranteed maximum price (GMP), which allows for the difference between the actual cost of the project and the GMP amount, or the net cost savings, to be returned to the District. To ensure potential savings in material and labor costs and prevent cost overruns or other impediments to successful completion of GMP contracts, it is important that District personnel verify that payments to CMEs agree with applicable support such as GMP and subcontractor contracts.

The District solicited competitive proposals, as required by State law,⁹ for CME services related to the Fort White Project and, in February 2023, the Board entered into a GMP contract totaling \$8.8 million with a CME for these services. During the period July 2023 through March 2024, the District made payments totaling \$4.4 million to the CME for the Project. To evaluate District monitoring controls over CME payments, we inquired of District personnel and examined District records supporting all the payments made to the CME during that period, including \$3.8 million paid to the CME for subcontractor services.

Our examination of District records disclosed that District personnel reconciled CME pay requests to subcontractor invoices, verified the mathematical accuracy of the requests, and also verified that prior payments were properly accumulated. However, District personnel indicated that they did not compare CME pay requests and related payments to the GMP contract nor were the payments for subcontractor services compared to the subcontractor contracts. According to District personnel, the CME retained the subcontractor contracts and the District relied on the CME to monitor subcontractor services. However, District reliance on CME procedures provide little assurance that the pay requests and related District payments were proper.

As part of our audit, we requested and the District obtained subcontractor contracts from the CME supporting the \$3.8 million paid to the CME for subcontractor services and we determined that the payments were generally consistent with the GMP and subcontractor contracts. However, our procedures cannot substitute for management's responsibility to implement adequate controls over construction payments. Absent effective monitoring of CME payment processes, there is an increased risk that subcontractor services may not be obtained at the lowest cost consistent with acceptable quality, that CME pay requests may include inaccurate subcontractor costs, and that the maximum cost savings may not be achieved under the GMP contract process.

⁹ Section 287.055, Florida Statutes.

Recommendation: To ensure that the District realizes maximum cost savings under a GMP contract, the District should verify that, before CME payments are made, CME pay requests are consistent with the GMP and subcontractor contracts.

Finding 5: Subcontractor Selection

The GMP construction contract for the Fort White Project required the CME to solicit subcontractor bids and award subcontracts. Good business practice dictates that District personnel monitor the subcontractor selection process to ensure that services are obtained at the lowest cost consistent with acceptable quality and to realize cost savings under the GMP contract.

According to District personnel, the CME solicited subcontractor bids, held bid openings that District personnel attended, and discussed with District personnel the subcontractors that would be awarded contracts. However, District procedures did not require and District personnel did not document attendance at the subcontractor bid openings or comparisons of subcontractor bid awards to the CME's subcontractor contracts to ensure that subcontractors were competitively selected or that subcontractor bid award and contract amounts agreed.

As part of our audit, we requested and District personnel obtained from the CME the 31 subcontracts totaling \$7.1 million for the Fort White Project. We compared the bid awards listed on the bid tabulation sheets to the subcontractor bids and confirmed that the subcontractors were competitively selected and the bid award amounts agreed with the GMP and subcontractor contract amounts. However, our procedures cannot substitute for the District's responsibility to document verification that the CME subcontractor selection and related contracting processes were appropriate.

Without District procedures requiring documented verification that CMEs use a competitive process for selecting subcontractors, and comparisons of bid awards and GMP and subcontractor contracts, there is an increased risk that subcontractor services may not be obtained at the lowest cost consistent with acceptable quality and the District may not realize maximum cost savings under a GMP contract.

Recommendation: The District should establish procedures to require that District personnel document attendance at subcontractor bid openings and comparisons of subcontractor bid awards to the GMP and subcontractor contracts to verify that the CME uses a competitive selection process to select subcontractors and that the subcontractor bid award and contract amounts agree.

Finding 6: Subcontractor Licenses

State law¹⁰ provides that a CME must consist of, or contract with, licensed or registered professionals for the specific fields or areas of construction to be performed. State law¹¹ also establishes certain certification requirements for persons engaged in construction contracting, including licensing requirements for specialty contractors such as electrical, air conditioning, plumbing, and roofing contractors. However, according to District personnel, the District has not established procedures

¹⁰ Section 1013.45(1)(c), Florida Statutes.

¹¹ Chapter 489, Florida Statutes.

requiring that verifications of subcontractor licenses be performed and documented before subcontractors commence work on District facilities.

For the Fort White Project, the District's CME contracted with only five subcontractors required to be licensed under State law and the contracted costs totaled \$3.8 million. According to District personnel, they reviewed the Department of Business and Professional Regulation Web site to confirm that the five subcontractors were properly licensed; however, District records were not maintained to evidence the confirmations.

Subsequent to our inquiry, District personnel obtained from the CME and provided for our review confirmations that the five subcontractors were properly licensed. Absent timely documented confirmations that subcontractors are appropriately licensed, District records do not demonstrate compliance with State law or that the subcontractors working on District facilities meet the qualifications to perform the work for which they are engaged.

Recommendation: The District should establish procedures to require documentation of confirmations that subcontractors are appropriately licensed before they commence work on District facilities.

Finding 7: Tangible Personal Property Inventories

Provisions in State law,¹² SBE rules,¹³ Florida Department of Financial Services (FDFS) rules,¹⁴ and Board policies¹⁵ require the District to maintain adequate records of tangible personal property (TPP), such as furniture, fixtures, and equipment and motor vehicles. Those provisions also require that a complete physical inventory be taken annually, the results of the physical inventory be compared to the property records, and any differences be researched and resolved. All TPP items found during the inventory must be included in the property records, which must identify the inventory date and individual attesting to the items' existence. Items not located during the physical inventory must be investigated and, if the investigation determines that the item was stolen, the District is required to file a report with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

At June 30, 2023, District records identified TPP with costs totaling \$16.3 million at 22 cost centers. As part of our audit, we requested for examination District records supporting the TPP physical inventory during the 2022-23 fiscal year. District records supported the proper inventory of TPP at 14 cost centers; however, District records did not evidence TPP physical inventories at 3 cost centers¹⁶ and, for 5 other cost centers,¹⁷ a significant number of items were unlocated without a documented investigation to determine if the items were stolen. We also noted that, for 1 (Maintenance Department) of the 5 cost

¹² Chapter 274, Florida Statutes.

¹³ SBE Rule 6A-1.001, Florida Administrative Code.

¹⁴ FDFS Rules 69I-73, Florida Administration Code.

¹⁵ Board Policy 7.08, *Inventories and Property Records*.

¹⁶ District records did not evidence a TPP inventory at Five Points Elementary School, Westside Elementary School, or Pathways Academy.

¹⁷ District records did not demonstrate appropriate follow-up for TPP unlocated at Columbia High School, Lake City Middle School, Niblack Elementary School, Pinemount Elementary School, and the Maintenance Department.

centers, no one attested by signature or otherwise to the existence of the TPP items or the date that the physical inventory occurred.

District personnel indicated that the missing or incomplete TPP inventories were due to high turnover in the positions responsible for the TPP physical inventory process. Absent effective annual physical inventory procedures, the District cannot demonstrate compliance with State law, SBE rules, FDFS rules, and Board policies; accountability over TPP is diminished; and there is an increased risk that any loss or theft of District property will not be timely detected, reported to the appropriate parties, or correctly reflected in District property and accounting records.

Recommendation: The District should enhance procedures to ensure compliance with TPP requirements, including the conduct of a documented physical inventory of TPP each year with a thorough investigation and resolution of TPP items not located. If the investigation determines that an item was stolen, the District should file a report with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

Finding 8: Contracted Services

Effective contract management ensures that contract provisions establish required deliverables and related service times for contracted services and ensures that records are maintained to evidence satisfactory receipt of contracted services by personnel with direct knowledge of the services prior to payment. The Board, as contracting agent for the District, routinely enters into contracts for services and internal controls have been designed and implemented that generally ensure payments are consistent with contract terms and conditions.

For the period July 2023 through March 2024, District payments for contracted services totaled \$3.3 million. As part of our audit, we requested for examination District records supporting ten selected payments totaling \$409,766 and found that District controls over contracted services could be improved. Specifically, for four payments totaling \$184,601 we found that the District paid:

- \$97,135 to a vendor that provided afterschool program workers, school nurses, and tutoring services during January 2024 and February 2024 although the vendor's contract ended on June 30, 2023. While the payment was consistent with the terms of the expired contract for those services, the Board took no action to authorize services and payments subsequent to the contract end date.
- \$34,116 for tutoring services during August and September 2023 for students at private schools that participated in a District Federal awards program. The contract stipulated that the tutors would perform services for \$74 per hour and that the monthly invoice be supported by a detailed authentication of instructional hours delivered by tutors, signed and dated by an instructional supervisor or superior. While the service rates billed on the company invoices agreed with the respective contract terms, District records did not demonstrate that anyone confirmed receipt of the contracted services.
- \$30,392 to a company for student psychological services at the 14 District schools during November 2023. The contract with the company stipulated that the therapists would perform services for \$60 to \$150 per hour based on the service type and limited work from home to 5 hours per week for certain therapists. We found that District records confirmed receipt of certain services billed at the correct hourly rate and supported payments totaling \$16,474; however, the District was also billed and paid for:

- 50 hours in excess of the 5-hour per week contract limit for work from home for three therapists. The District paid \$6,961 for these 50 hours.
- 84 hours for services by 5 therapists with rates of \$60 and \$150 an hour and school personnel did not document confirmation of the contracted services at the appropriate rates. The District paid \$6,957 for these 84 hours of services.
- \$22,958 to another company for student psychological services at the 14 District schools during October 2023. The contract with the company stipulated that the therapists would perform services for \$59 to \$142 per hour based on the service type. District records demonstrated confirmed receipt of services at the appropriate hourly rate for 198 billed hours totaling \$17,335. However, although we requested, District records were not provided to demonstrate confirmed receipt of services at the appropriate hourly rate for 67 billed hours totaling \$5,623.

According to District personnel, the contracting and monitoring deficiencies occurred primarily due to personnel turnover and oversights. Absent effective contracted services procedures, there is an increased risk that services received may not be consistent with District expectations or for overpayments to occur. A similar finding was noted in our audit report No. 2022-029.

Recommendation: The District should enhance procedures to ensure that Board action is taken to authorize contracted services and that documented confirmation is maintained to demonstrate that, prior to payment, services were satisfactorily received and billed at rates consistent with the contract terms.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2022-029 except as noted in Findings 1, 2, and 8 and shown in Table 1.

Table 1
Findings Also Noted in Previous Audit Reports

| Finding | 2020-21 Fiscal Year | 2017-18 Fiscal Year |
|---------|-----------------------|-----------------------|
| | Audit Report | Audit Report |
| | No. 2022-029, Finding | No. 2019-087, Finding |
| 1 | 3 | Not Applicable |
| 2 | 6 | Not Applicable |
| 8 | 4 | 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 March 2024 through September 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected District processes and administrative activities, including, but not limited to, District information technology resources and related controls, school safety, fiscal transparency, compensation, and other expenses. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2022-029.
- 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 2023-24 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, logging and monitoring, 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 (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 evaluated the update access privileges to critical ERP systems for finance and HR application functions resulting in the review of the appropriateness of access privileges granted for the 18 accounts. 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.
- Evaluated District procedures to prohibit former employee access to electronic data files. Specifically, we examined District records supporting selected user access privileges for 11 of the 88 employees who separated from District employment during the period July 2023 through March 2024 to determine whether the 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.
- 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 audit period.
- From the population of expenditures and transfers totaling \$5.3 million during the period July 2023 through February 2024 from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$3.9 million to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- For the workforce development funds expenditures totaling \$402,848 during the audit period, 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 6,376 reported contact hours for 30 selected students from the population of 15,071 contact hours reported for 213 adult general education instructional students during the Fall 2023 Semester to determine whether the District reported the instructional contact hours in accordance with State Board of Education (SBE) Rule 6A-10.0381, Florida Administrative Code.
- Evaluated District controls over District childcare program fee collections totaling \$581,918 during the audit period. Specifically, we selected childcare programs at two schools, Columbia City Elementary School and Westside Elementary School, with fee collections totaling \$238,593 to determine whether program fees were properly assessed, recorded in student account ledgers,

agreed to attendance records, collected in advance of the services provided or assessed the \$5 weekly late fee, and timely deposited.

- Examined the District Web site to determine whether the proposed, tentative, and official budgets for the audit period 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 whether the sales surtax resolution described the capital outlay projects to be funded and whether surtax revenues shared with the charter school based on its proportionate share of the total District enrollment pursuant to Section 212.055(6), Florida Statutes.
- Examined documentation supporting the District's annual tangible personal property physical inventory process for the 2022-23 fiscal year 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 unlocated and considered stolen.
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- Reviewed Board policies and District procedures related to identifying potential conflicts of interest during the audit period. For the eight District administrators and five Board members, we reviewed Florida Department of State, Division of Corporation, records and District records to identify any potential relationships with District vendors that represent a potential conflict of interest.
- Examined District records for the audit period to determine whether District procedures were effective for timely distributing the correct amount of local capital improvement funds to the eligible charter school, pursuant to Section 1013.62(3), Florida Statutes.
- From the compensation payments totaling \$47.4 million to 1,486 employees for the period July 2023 through March 2024, examined District records supporting compensation payments totaling \$77,974 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.
- Evaluated the effectiveness of Board policies and District procedures for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and notifying the result of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., Florida Statutes.
- Evaluated Board policies and District procedures to ensure that health insurance was provided only to eligible dependents.
- From the population of 96 contracts for services for the period of July 2023 to March 2024, selected 32 contract workers from 16 contracts to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- For the significant construction management project with a guaranteed maximum price totaling \$8.8 million, examined documentation supporting the project expenditures totaling \$5 million during the period July 2023 through March 2024 to determine compliance with Board policies, District procedures, and applicable provisions of State law and rules. Specifically, we examined District records to determine whether:
 - The construction management entity (CME) was properly selected pursuant to Section 255.103, Florida Statutes.
 - District personnel properly monitored subcontractor selections and licenses.

- 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 payments was sufficient and complied with the contract provisions.
- The project progressed as planned consistent with established benchmarks and was cost effective, and the CME and subcontractors 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.
- Reviewed the District's 5-year facilities work plan for the audit period and determined whether the District maintained records that supported the information reported in the plan.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, and 1011.62(12), Florida Statutes.
- 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 Sections 1011.62(13) and 1012.584, Florida Statutes; and SBE Rule 6A-1.094124, Florida Administrative Code.
- From the population of purchasing card (P-card) transactions totaling \$1.9 million for the period July 2023 through May 2024, examined documentation supporting 30 selected transactions totaling \$149,021 to determine whether P-cards were administered in accordance with Board policies and District procedures.
- Examined District records and evaluated construction planning processes for the audit period to determine whether the processes were comprehensive, included consideration of restricted resources and other alternatives to ensure the most economical and effective approach, and met District short-term and long-term needs.
- 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 \$28 million for the period July 2023 through March 2024, we evaluated documentation related to 30 selected payments for general expenditures totaling \$712,909.
- From the population of payments totaling \$3.3 million during the period July 2023 through March 2024, related to 95 contracts for services, examined supporting documentation, including the contract documents, for ten selected payments totaling \$409,766 to determine whether:
 - The District complied with applicable competitive selection requirements (e.g., SBE Rule 6A-1.012, Florida Administrative Code).
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - District records evidenced that services were satisfactorily received and conformed to contract terms before payment.
 - The payments complied with contract provisions.
- Examined District records for the audit period to determine whether District procedures ensured that vendor information changes were properly authorized, documented, and verified.

- 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



SUPERINTENDENT
ALEX L. CARSWELL, JR

ASSISTANT SUPERINTENDENTS
HOPE JERNIGAN
TODD WIDERGREN

372 West Duval Street
Lake City, Florida 32055-3990
(386) 755-8000

www.columbiak12.com

November 14, 2024

MEMBERS OF THE BOARD

DANA BRADY-GIDDENS
CHERIE HILL
KEITH HUDSON
HUNTER PEELER
NARRAGANSETT SMITH

Sherrill F. Norman, CPA, Auditor General
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mrs. Norman,

Columbia County School District provides the following responses to the preliminary and tentative audit findings and recommendations for the operational audit.

Finding 1 – The District will continue to work with the Columbia County Sheriff's Office to ensure the Deputy's employed to serve at the schools have the required training.

Finding 2 – Staff overseeing the after-school program will be given a copy of the current district-wide policy and fee schedule each year. Education to new after-school staff members will be given as needed.

Finding 3 – District staff will ensure all state laws and board policies are followed going forward regarding competitively negotiating architect services for all construction projects.

Finding 4 – The District will ensure proper documentation is maintained to show proof of comparison between GMP pricing and subcontract contracts.

Finding 5 – District staff will ensure minutes of meetings with the CM are maintained to show participation of district personnel attending meetings regarding competitive selection process with subcontractors and that the cost agrees.

Finding 6 – The District will ensure proper documentation is maintained to show proof of licenses for subcontractors, pulled prior to work commencing.

Finding 7 – District staff will ensure all locations complete and turn in their annual tangible personal property inventories.

Finding 8 – The District has since put in place more checks and balances between staff and contracted service vendors.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex L. Carswell, Jr.'.

Alex L. Carswell, Jr.

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