

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2025-058  
November 2024

**HERNANDO COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## **Board Members and Superintendent**

During the 2023-24 fiscal year, John C. Stratton served as Superintendent of Hernando County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Mark Johnson	1
Linda K. Prescott, Chair from 11-14-23	2
Shannon Rodriguez	3
Gus Guadagnino, Chair through 11-13-23	4
Susan Duval, Vice Chair	5

The team leader was Michael D. Hess, CPA, and the audit was supervised by Anna A. McCormick, CPA.

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

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# HERNANDO COUNTY DISTRICT SCHOOL BOARD

## **SUMMARY**

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This operational audit of the Hernando County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2022-055. Our operational audit disclosed the following:

**Finding 1:** Some unnecessary or inappropriate information technology (IT) user access privileges continue to exist that increase the risk for unauthorized disclosure, modification, or destruction of critical finance and human resources information to occur.

**Finding 2:** As similarly noted in our report No. 2022-055, the District did not always promptly remove the IT user access privileges of individuals who separated from District employment.

**Finding 3:** The District needs to strengthen controls to ensure the accurate reporting of instructional contact hours for adult general education classes to the Florida Department of Education. A similar finding was noted in our report No. 2022-055.

## **BACKGROUND**

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The Hernando 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 Hernando County. The governing body of the District is the Hernando County District School Board (Board), which is composed of five elected members. The appointed Superintendent of Schools is the Executive Officer of the Board. During the 2023-24 fiscal year, the District operated 23 elementary, middle, and high schools and 2 specialized schools; sponsored 3 charter schools; and reported 25,406 unweighted full-time equivalent students.

## **FINDINGS AND RECOMMENDATIONS**

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### **Finding 1: Employee Information Technology User Access Privileges**

Access controls are intended to protect District data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls include granting user access to IT resources based on a demonstrated need to view, change, or delete data and restrict users from performing functions incompatible or inconsistent with their assigned job responsibilities. Periodic evaluations of assigned IT access privileges are necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job responsibilities. District personnel indicated that an evaluation of IT user access privileges is completed annually to detect and remove any unnecessary and inappropriate access privileges.

As part of our audit, we scanned District records supporting the access privileges of the 361 employees who had access to critical finance and human resources (HR) modules in the District accounting system

and judgmentally selected 30 employees to specifically evaluate their access privileges. We found that District controls did not restrict 13 of the 30 selected employees from performing incompatible functions. Specifically:

- 10 employees, including the HR Department Business Systems Coordinator, 7 other HR Department employees, and the Finance Department's Budget Assistant and Budget Analyst could process payroll payments in the payroll module and had incompatible access that allowed them to add and update employee information in the HR module.
- The HR Department Business Systems Coordinator and the Finance Department's Director of Finance and 2 financial analysts could add and update vendor information, create and edit purchase requisitions and purchase orders, and had incompatible access that allowed them to process invoices for payment.

Although District personnel evaluated user access privileges in December 2023, the incompatible access was not identified because evaluators misunderstood the access privileges of the 13 employees. While District controls (e.g., budget monitoring and payroll and expenditure processing controls to independently review error reports and prevent duplicate payments) mitigate some risks associated with these access control deficiencies, the existence of inappropriate IT access privileges increase the risk that unauthorized disclosure, modification, or destruction of District data may occur without timely detection. A similar finding was noted in our report No. 2022-055.

**Recommendation: The District should enhance procedures to ensure that IT access privileges are limited to those necessary for employees to perform their assigned duties. Such enhancements should include identification of potential incompatible access during periodic evaluations of IT user access privileges and timely deactivation of any unnecessary and inappropriate access privileges detected.**

## **Finding 2: Timely Deactivation of User Access Privileges**

Effective management of IT user access privileges includes the timely deactivation of IT access privileges when an employee is reassigned or separates from employment. Prompt deactivation of IT user access privileges is necessary to ensure that the privileges are not misused by a former employee or others to compromise District data or IT resources.

According to District personnel, the HR Department enters an employee's separation date into the system, which automatically generates an e-mail to the District Technology and Information Services (TIS) Department requesting deactivation of the employee's IT access privileges. To evaluate whether deactivations were timely, we examined District records for the 80 former non-instructional employees who separated from District employment during the period July 1, 2023, through April 11, 2024. We found that 15 former employees continued to have access 5 to 142 days, or an average of 30 days, after the employees' separation dates.

As similarly noted in our report No. 2022-055, District personnel indicated that, although notified by the HR Department, TIS Department staff did not always promptly deactivate the access privileges of former employees. In addition, District records did not evidence any discussions with TIS Department staff, such as during training, performance evaluations, or otherwise, to emphasize the need for timely access privilege deactivations. While our procedures did not identify any misuse of District resources as a result

of the untimely access privilege deactivations, without prompt removal of access privileges, the risk is increased that access privileges may be misused by former employees or others.

**Recommendation:** The District should enhance procedures to ensure that the TIS Department promptly deactivates access privileges upon a user's separation from District employment. Such enhancements may include effective oversight and monitoring of the access privilege deactivation process, training, and appropriate discussions with TIS Department staff to ensure that they understand the importance of promptly deactivating access privileges.

### **Finding 3: Adult General Education Classes**

State law<sup>1</sup> 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 Act<sup>2</sup> proviso language requires each district to report enrollment for adult general education programs in accordance with Florida Department of Education (FDOE) instructional hours reporting procedures.<sup>3</sup> State Board of Education (SBE) rules<sup>4</sup> 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. Additionally, SBE rules<sup>5</sup> require contact hours for online courses be reported based upon actual hours documented by an online software program or by an instructor.

The District reported 8,695 instructional contact hours provided to 222 students enrolled in 38 adult general education classes during the Fall 2023 Semester. As part of our audit, we examined District records for 949 hours reported for 30 students enrolled in 30 adult general education classes. We found that instructional contact hours for 4 students in online classes were overreported by 145 hours, ranging from 4 to 61 hours per student.

In response to our inquiries, District personnel indicated that the misreported hours occurred primarily from manual calculation errors. 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. A similar finding was noted in our report No. 2022-055.

**Recommendation:** The District should strengthen controls to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE. The District should also determine to what extent adult general education hours were misreported for the Fall 2023 semester and contact the FDOE for proper resolution.

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<sup>1</sup> Section 1004.02(3), Florida Statutes.

<sup>2</sup> Chapter 2023-239, Laws of Florida, Specific Appropriation 114.

<sup>3</sup> FDOE Technical Assistance Paper: *Adult General Education Instructional Hours Reporting Procedures*, dated September 2020.

<sup>4</sup> SBE Rule 6A-10.0381(5), Florida Administrative Code.

<sup>5</sup> SBE Rule 6A-10.0381(10), Florida Administrative Code.

## **PRIOR AUDIT FOLLOW-UP**

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The District had taken corrective actions for findings included in our report No. 2022-055 except as noted in the findings and shown in Table 1.

**Table 1**  
**Findings Also Noted in the Previous Audit Report**

2020-21 Fiscal Year Operational Audit Report No. 2022-055, Finding	
Finding	
1	7
2	8
3	3

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

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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 2024 through August 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. 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. 2022-055.
- 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.
- Evaluated District procedures for maintaining and reviewing employee access to information technology (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. Specifically, from the population of 361 users who had access to the finance and HR applications, we evaluated the appropriateness of access privileges granted for 30 selected Finance and HR Department employees. 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 the 80 non-instructional employees who separated from District employment during the period July 1, 2024, through April 11, 2024, to determine whether the access privileges were promptly 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 District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we reviewed access privileges of the 12 employees who had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job duties.
- 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 totaling \$22.7 million and transfers totaling \$4.7 million during the period July 1, 2023, through April 16, 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 \$5.5 million and \$3.9 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- From the population of \$891,877 total workforce education program funds expenditures for the period July 1, 2023, through April 4, 2024, selected 15 expenditures totaling \$453,220 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).
- From the population of 42 industry certifications eligible for the audit period performance funding, examined 18 selected certifications and related support to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 949 reported contact hours for 30 selected students from the population of 8,695 contact hours reported for 222 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.
- 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).
- Evaluated the District's surplus property control procedures. From the 572 tangible personal property (TPP) items surplus during the period July 2023 through April 2024, we examined District records supporting 30 selected surplus items to determine whether the District maintained documentation of TPP deletions and disposals.
- Examined documentation supporting the District's annual TPP physical inventory process to determine whether the inventory results were reconciled to the property records, appropriate follow-up was made for any missing items, and law enforcement was timely notified for any items 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.
- 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 result of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., Florida Statutes.



- Evaluated the effectiveness of Board policies and District procedures for reporting to the FDOE personnel subject to the disqualification list in accordance with SBE Rule 6A-10.084, Florida Administrative Code.
- From the three significant construction projects with expenditures totaling \$6.5 million, selected one construction management project with a guaranteed maximum price contract totaling \$8.5 million and examined documentation for selected project expenditures totaling \$1.1 million 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 manager was properly selected pursuant to Section 255.103, Florida Statutes.
  - District personnel properly monitored subcontractor selections 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 was sufficient and complied with the contract provisions.
  - The District made use of its sales tax exemption to make direct purchases of materials or documented its justification for not doing so.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2023 cost of construction reports of District student station costs. From the population of four construction projects completed during the 2023 calendar year, we examined District records for two selected projects 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, 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 \$3.4 million for the period July 2023 through April 2024, examined documentation supporting 30 selected transactions totaling \$99,172 to determine whether P-cards were administered in accordance with Board policies and District procedures. We also determined whether the District timely canceled the P-cards for the four cardholders who separated from District employment during the audit period.
- 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 eligible charter schools, pursuant to Section 1013.62(3), Florida Statutes.
- 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.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs.

- 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**

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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

## The School District of Hernando County, Florida

Office of the Superintendent  
919 N. Broad Street  
Brooksville, FL 34601  
Phone: (352) 797-7000  
Fax: (352) 797-7101



Learn it. Love it. Live it.

Superintendent: Ray Pinder  
Board Chairperson: Linda K. Prescott  
Vice Chairperson: Susan Duval  
Board Members:  
Gus Guadagnino  
Mark Johnson  
Shannon Rodriguez

November 12, 2024

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

Re: Hernando County District School Board Preliminary and Tentative Audit Findings for the Fiscal Year Ended June 30, 2024

Dear Mrs. Norman,

Pursuant to the list of Preliminary and Tentative Audit Findings and Recommendations for the Hernando County District School Board for the Fiscal Year ended June 30, 2024, please accept the following written response as requested.

**Audit Finding 2024-01: – Employee Information Technology User Access Privileges**

The district will continue to perform periodic reviews of user access privileges with management to ensure user access privileges align with job requirements.

**Audit Finding 2024-02: – Timely Deactivation of User Access Privileges**

The district has implemented an automated system known as One Sync. to improve the deactivation of IT access privileges for employees, minimizing human error and streamlining the process. One Sync. works with the district's ERP software, Skyward which exports employee information multiple times daily. This integration ensures that updates made to the employee status in Human Resources, such as terminations, will deactivate IT user access privileges automatically in a timely manner. District technology staff will review reports generated from One Sync. to confirm access deactivations are properly documented and recorded. Human Resources will continue to send documentation for access changes to the designated IT employees for additional cross checks or status changes. Once Sync. will create and maintain logs of account activations, changes and disabling/deactivations for quality assurance and audit purposes.

**Audit Finding 2024-03: – Adult Education Classes**

The district has updated the course structure in Skyward (the district's ERP software) for adult education classes, by transitioning from full-year courses to semester courses. This change allows for a clear distinction of which semester a course is taken, ensuring that credit hours are accurately attributed.

To support this update, the district will implement regular audits and reviews of enrollment data to identify and correct any discrepancies before submission. Additionally, staff responsible for data input will also receive ongoing training to ensure they are well-versed in reporting procedures and data accuracy standards.

The district accepts your comments and recommendations with regard to the 2023-2024 fiscal year audit report. The district has put processes in place to support compliance with law. If you have any questions, please contact Joyce McIntyre, Chief Financial Officer at (352) 797-7004.

Sincerely,

Mr. Ray Pinder, Superintendent of Schools

Cc: School Board Members

Barbara Kidder, Assistant Superintendent of Business & Support Services  
Gina Michalicka, Assistant Superintendent of Teaching & Learning  
Lisa Cropley, Executive Director of Student Support Programs  
Steve Crognale, Executive Director of Support Operations

*It is the policy of the Hernando County School District not to illegally discriminate or allow its employees to illegally discriminate on the basis of race, color, religion, national origin, age, sex, marital status, disability or GINA in its educational programs or employment practices.*