

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2025-084
January 2025

**CITRUS COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2023-24 fiscal year, Sandra Himmel served as Superintendent of the Citrus County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Thomas Kennedy, Chair from 11-14-23, Vice Chair through 11-13-23	1
Virginia G. Bryant	2
Douglas A. Dodd, Chair through 11-13-23	3
Sandy Counts, Vice Chair from 11-14-23	4
Joseph C. Faherty	5

The team leader was M. Cecilia Brown, 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 or by telephone at (850) 412-2887.

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CITRUS COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Citrus County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2022-028. Our operational audit disclosed the following:

Finding 1: District records did not always evidence that ad valorem tax levy proceeds were used for authorized purposes, resulting in questioned costs totaling \$37,463.

Finding 2: The District did not comply with State law by posting on its Web site all required budget information for the 2023-24 fiscal year.

Finding 3: Some unnecessary information technology user access privileges to sensitive personal information of students continued to exist, increasing the risk of fraud using that information.

BACKGROUND

The Citrus 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 Citrus County. The governing body of the District is the Citrus 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 21 elementary, middle, high, and specialized schools; sponsored 1 charter school; and reported 16,218 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Ad Valorem Taxation

State law¹ allows the District to levy ad valorem taxes for capital outlay purposes with specified millage rates subject to certain precedent conditions. Allowable uses of ad valorem tax levy proceeds include, among other things, funding new construction and remodeling projects and maintenance, renovation, and repair of existing school plants. State law² provides a definition of maintenance and repair that specifically excludes custodial and groundskeeping functions.

The District accounts for ad valorem tax levy proceeds and uses in Capital Projects – Local Capital Improvement Tax Fund (LCI Fund). During the period July 2023 through May 2024, District LCI Fund transfers and expenditures totaled \$14.8 million and \$7.3 million, respectively. To determine the propriety of those transfers and expenditures, we interviewed District personnel and examined District job

¹ Section 1011.71, Florida Statutes.

² Section 1013.01(12), Florida Statutes.

descriptions, vendor invoices, and other District records supporting selected LCI Fund transfers and expenditures totaling \$5.7 million and \$2 million, respectively.

We found that the District used LCI Fund resources totaling \$183,112 to partially fund the compensation of six employees for the 9-month period July 2023 through March 2024.³ The six employees were responsible for performing certain work activities eligible for tax levy funding and other activities such as custodial, landscaping, and risk management services that were not allowable for that funding. Although we requested, District records were not maintained to evidence the amount of time that the six employees spent on allowable tax levy-related services.

The District used LCI Fund resources to fund, on average, 83 percent of the six employees' compensation; however, our interviews with District personnel disclosed that, on average, the employees only devoted 69 percent of their time on activities that were authorized for tax levy funding.⁴ Consequently, to the extent that tax levy resources were not used for authorized purposes, tax levy uses totaling \$37,463 represent questioned costs. Absent District records evidencing that tax levy uses are only for authorized purposes, there is an increased risk for the tax levy restrictions to be violated.

Recommendation: The District should enhance procedures to ensure that ad valorem tax levy uses are only for authorized purposes. Such enhancements should include the maintenance of employee time records, identifying the percent of time employees devote to allowable tax levy purposes, to support tax levy uses. In addition, the District should document the basis for the tax levy uses totaling \$37,463 or restore that amount to the LCI Fund from unrestricted resources.

Finding 2: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,⁵ the District must post on its Web site, for each public school within the District and for the District, certain graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years. The District is also required to post on its Web site a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public.

At the time of our review in May 2024, the District had posted to its Web site all required graphical representations and its official budget for the 2023-24 fiscal year. However, neither the proposed nor tentative budget for that fiscal year had been posted. In response to our inquiries, District personnel indicated that the proposed and tentative budgets were not posted because District efforts focused on formatting documents to assist individuals with disabilities to access that information. Subsequent to our inquiry, in June 2024, the District updated the Web site to include the missing budget information formatted to assist individuals with disabilities in accessing the information.

³ The six employees included a lead facilities specialist, facilities specialist, maintenance helper, maintenance worker, planning and growth management technician, and the Director of Risk Management and Employee Relations.

⁴ District records indicated that the six employees' compensation was funded 24 to 95 percent from LCI Fund resources. However, our interviews disclosed that one employee performed no activities authorized for tax levy funding and the other five employees spent 10 to 90 percent of their time for tax levy purposes.

⁵ Section 1011.035(2), Florida Statutes.

Providing required budget information on the District Web site enhances citizen involvement and the ability to analyze, monitor, and evaluate budget outcomes.

Recommendation: The District should continue efforts to comply with statutory transparency requirements by timely posting all required budget information on the District Web site.

Finding 3: Information Technology User Access Privileges to Sensitive Student Information

The Legislature has recognized in State law⁶ that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining such information. Effective controls restrict individuals from accessing information unnecessary for their assigned duties and provide for documented, periodic evaluations of information technology (IT) user access privileges to help prevent individuals from accessing sensitive personal information inconsistent with their responsibilities.

Board policies⁷ allow designated District school personnel access to student records to perform administrative, supervisory, or instructional responsibilities that should serve a legitimate educational purpose in accordance with applicable requirements in State and Federal laws and State Board of Education rules. To help ensure employee accountability over access privilege assignments, District employees are required to certify that they will comply with these requirements.

The District student information system (SIS) provides for student records data processing and the District maintains student information, including SSNs, in the District SIS. Additionally, the District uses a document imaging system (DIS) to electronically store documents that are part of a student's cumulative record. The documents may include, for example, registration forms and court papers, that could include a student's SSN. Moreover, the District uses the Florida Automated System for Transferring Educational Records (FASTER), maintained by the Florida Department of Education, to exchange transcripts and other student records electronically. FASTER allows authorized personnel to view student SSNs for their assigned school when transcripts are generated.

District personnel indicated that each location supervisor is responsible for requesting the appropriate system access privileges for their staff from the Educational Technology Department. District personnel also indicated that a staff member from that department performs monthly evaluations of access privileges to the sensitive personal information of students. However, the monthly evaluation excluded access privileges for the DIS and FASTER.

As of April 2024, the District maintained records for 270,000 former and 17,000 current students and certain employees had access to student SSNs in those records, including 238 users with access to the DIS, 46 users with access to the SIS, and 41 users with access to FASTER. As part of our audit, we examined District records supporting the access privileges for selected users, including 55 of the 238 DIS users, 9 of the 46 SIS users, and all 41 FASTER users.

⁶ Section 119.071(5)(a), Florida Statutes.

⁷ Board Policy 5.70, *Student Records*.

We found that the access privileges for 19 DIS users and 2 FASTER users, which included, for example, teachers, a career advisor, and a payroll analyst, were unnecessary to perform the users' job functions. In response to our inquiry, District personnel indicated that these users had primarily been granted access because they were in a District administrative position or the access had been required for a previous position. As of November 2024, and subsequent to our inquiry, District personnel had removed the unnecessary access for the 21 users.

Inappropriately assigned access privileges and the lack of periodic evaluations of those privileges increase the risk for unauthorized disclosure of sensitive personal information and the information to be used to commit a fraud. Similar findings were noted in our report Nos. 2022-028 and 2019-069.

Recommendation: The District should continue efforts to ensure access privileges to sensitive personal student information are properly assigned and establish procedures to require periodic evaluations of DIS and FASTER user access privileges and promptly remove any inappropriate or unnecessary access privileges detected.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2022-028 except that Finding 3 was also noted in that report as Finding 1 and in our report No. 2019-069 as Finding 4.

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 November 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. 2022-028.
- 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 256 users as of April 2024, we examined District records supporting user access privileges for 30 selected users who had access to the finance and HR applications. 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 30 of the 181 employees who separated from District employment during the period July 1, 2023, through April 4, 2024, to determine whether the access privileges were promptly deactivated.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, from the population of 261 users who had access to sensitive personal student information, we examined the access privileges of 105 selected users 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 \$7.3 million and transfers totaling \$14.8 million during the period July 2023 through May 2024 from nonvoted capital outlay tax levy proceeds, examined documentation supporting selected expenditures and transfers totaling \$2 million and \$5.6 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 \$2.6 million total workforce education program funds expenditures for the period July 2023 through May 2024, selected 30 payroll expenditures totaling \$64,374 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 301 industry certifications eligible for the audit period performance funding, examined 30 selected certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 918 reported contact hours for 30 selected students from the population of 12,493 contact hours reported for 109 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).
- Examined documentation supporting the District's annual tangible personal property physical inventory process for the audit period to determine whether the inventory results were reconciled to the property records, appropriate follow-up was made for any missing items, and law enforcement was timely notified for any items that could not be located and considered stolen.
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules Chapter 69I-73, Florida Administrative Code.
- Evaluated the effectiveness of District compliance with Section 1001.42(7)(b)3., Florida Statutes, for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and notifying the FDOE of the investigation results.

- 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.
- 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 1006.041, 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 \$5.1 million during the period July 2023 through March 2024, examined documentation supporting 30 selected transactions totaling \$71,853 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 six cardholders who separated from District employment during the period July 2023 through March 2024.
- Examined District records for the audit period to determine whether District procedures ensured that vendor information changes, such as address and bank information changes, were properly authorized, documented, and verified.
- Examined District records to determine whether District procedures were effective for timely distributing the correct amount of local capital improvement funds to eligible charter schools by February 1, 2024, pursuant to Section 1013.62(3), Florida Statutes.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

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



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



DR. SCOTT HEBERT – SUPERINTENDENT OF SCHOOLS

*"Where Learning is the Expectation
And Caring is a Commitment"*

THOMAS KENNEDY
DISTRICT 1

KENNETH FRINK
DISTRICT 2

DOUGLAS A. DODD
DISTRICT 3

SANDRA COUNTS
DISTRICT 4

JOSEPH C. FAHERTY
DISTRICT 5

January 8, 2025

Sherrill F Norman, Auditor General
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman,

In connection with your operational audit, we have reviewed the preliminary and tentative findings and recommendations for the fiscal year ended June 30, 2024 and our responses are listed below.

Finding 1: Ad Valorem Taxation

District records did not always evidence that ad valorem tax levy proceeds were used for authorized purposes, resulting in questioned costs totaling \$37,463.

CCSB Respons

The District adjusted the salaries of the job types questioned and refunded \$83,532 to the LCI fund in June 2024. Adjustments to the positions salaries were made to ensure that in future years, the amount of time spent on tax-related services was comparable to the amount of LCI Funds transferred.

Finding 2: Fiscal Transparency

The District did not comply with State law by posting on its Web site all required budget information for the 2023-24 fiscal year.

CCSB Response

The District will continue to timely update the website with ADA compliant Tentative and Final budgets to comply with statutory transparency requirements.

Finding 3: Information Technology user Access Privileges to Sensitive Student Information.

Some unnecessary information technology user access privileges to sensitive personal information of students continued to exist, increasing the risk of fraud using that information.

CCSB Response:

The District updated security access groups within its student information system to eliminate risk. The Director of Technology will continue efforts to ensure access privileges to sensitive personal student information are assigned properly.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Hebert', is written over a light blue horizontal line.

Dr. Scott Hebert
Superintendent

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