

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-014
August 2025

**SANTA ROSA COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Karen Barber served as Superintendent of the Santa Rosa County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Linda K. Sanborn, Chair through 11-18-24	1
Elizabeth Hewey	2
Carol N. Boston, Chair from 11-19-24, Vice Chair through 11-18-24	3
Charles Elliott	4
Scott Peden, Vice Chair from 11-19-24	5

The Auditor General conducts 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.

The team leader was Christy L. Johnson, CPA, and the audit was supervised by Kenneth C. Danley, 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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SANTA ROSA COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Santa Rosa County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2023-042. Our operational audit disclosed the following:

Finding 1: District controls over vendor information changes need improvement.

Finding 2: District procurement card cancellations were not always made promptly upon a cardholder's separation from District employment.

Finding 3: Certain information technology user access privileges were unnecessary or inappropriate, increasing the risk of unauthorized disclosure, modification, or destruction of District information.

BACKGROUND

The Santa Rosa 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 Santa Rosa County. The governing body of the District is the Santa Rosa 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 2024-25 fiscal year, the District operated 39 elementary, middle, high, and specialized schools; sponsored 2 charter schools; and reported 31,124 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Vendor Information

State law¹ requires each school district to establish and maintain internal controls designed to, among other things, detect fraud, promote and encourage compliance with applicable contracts and best practices, and safeguard assets. Such controls should include properly documented and independently verified and authorized vendor information (e.g., address) changes before payments to vendors are made to confirm the propriety of the changes and to reduce the likelihood of fraud or errors associated with the payments.

During the period July 2024 through April 2025, the District made vendor payments totaling \$114.6 million by check² and processed 141 vendor address changes. District personnel indicated that vendors may request a vendor address change by submitting to the Purchasing Department an e-mail

¹ Section 1010.01(5), Florida Statutes.

² The District did not make any electronic vendor payments during this period.

from the contact of record for the vendor, a signed letter on company letterhead, or the notice of change added to a current invoice.

As part of our audit, we selected 7 vendor address changes, held discussions with District personnel, and found that the authenticity of the vendor address change requests were not verified and that District procedures had not been established to verify the authenticity of vendor address change requests. While we determined that the 7 vendor address change requests were valid, absent effective procedures over vendor information changes, the District cannot demonstrate that appropriate measures have been taken to reduce the risk of fraud and errors associated with vendor payments.

Recommendation: The District should establish procedures to ensure that, before changes to vendor information are made, District personnel document direct contact with designated vendor staff to verify the authenticity of the vendor information change requests.

Finding 2: Procurement Card Cancellations

The District uses procurement cards (P-cards) to expedite and simplify the purchase of selected goods and services. The District *P-card Procedures Manual* establishes the guidelines for the administration of the District's P-card program and the Purchasing Department conducts P-card training sessions during the year. According to the *Manual*, cost center/site administrators are required to notify the Purchasing Department when cardholders terminate District employment so that the applicable P-cards can be timely canceled. Timely cancellation of P-cards upon cardholder employment termination is important to avoid misuse of the cards and because the financial institution that administers the District P-card program allows only 60 days to dispute charges.

During the period July 2024 through April 2025, District P-card expenditures totaled \$7.8 million and, as of April 2025, 615 P-cards were in use. As part of our audit, we compared District P-card and personnel records for the 19 cardholders who terminated District employment during that period. We found that the District did not cancel the P-cards for 5 of the 19 cardholders until 20 to 79 days, or an average of 48 days, after the cardholders' employment termination dates. In response to our inquiries, District personnel indicated that cost center/site administrators did not always promptly notify the Purchasing Department of cardholder terminations and the Purchasing Department often based P-card cancellations on cardholder employment information noted in Board meeting agendas or minutes.

Although our examination of District records did not disclose any inappropriate P-card charges after the employment termination dates of the 5 former employees, our procedures cannot substitute for the District's responsibility to implement adequate internal controls over P-card cancellations. The untimely cancellation of P-cards increases the risk for P-cards to be misused and may limit the District's ability to satisfactorily resolve disputed charges.

Recommendation: The District should enhance procedures to require and ensure that P-cards are promptly canceled upon a cardholder's employment termination. Such procedures should include targeted P-card training for cost center/site administrators, emphasizing the critical importance of timely notification when a cardholder separates from District employment.

Finding 3: 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 IT users access privileges to IT resources based on a demonstrated need to view, change, or delete data and restrict users from performing incompatible functions or functions outside of their areas of responsibility. In addition, periodic evaluations of assigned IT user access privileges are necessary to ensure that users can only access those IT resources appropriate and necessary to perform their assigned responsibilities.

Individuals who are granted system administrator access to the enterprise resource planning (ERP) system are granted significant abilities, including security administration, accessing sensitive or confidential information, modifying or deleting District records, and bypassing or disabling established internal controls. As part of our audit, in June 2025 we requested and District personnel provided a list of the 48 users (4 District employees and 44 ERP system vendor employees) granted ERP system administrator access. Our examination of the list and other District information found that, although the ERP system vendor employees were granted access to allow them to assist with tasks such as system testing and technical support, District records did not demonstrate the need for 30 of the 44 vendor employees to have system administrator access. Subsequent to our inquiry, in July 2025 the access privileges for the 30 vendor employees were removed.

In June 2025, we also requested and District personnel provided a list of the 11 District employees with update access to vendor master file information such as vendor addresses. We found that 5 of the 11 employees were Finance Department employees who also had the incompatible ability to process vendor invoices for payment. In response to our inquiry, District personnel indicated that the 5 employees were likely granted access to update the vendor master file during the COVID-19 pandemic to assist in processing reimbursements to parents but the access was no longer needed. District personnel also indicated in June 2025 that the vendor master file update access privileges for the 5 employees were removed.

Our audit procedures also found that the District had not established procedures to periodically evaluate IT user access privileges to verify that the access privileges continued to be appropriate and necessary based on the IT user's assigned responsibilities. While other District controls (e.g., budget monitoring and expenditure processing controls) mitigate some risks associated with these access control deficiencies, the existence of unnecessary or inappropriate IT access privileges increases the risk that unauthorized disclosure, modification, or destruction of District data and IT resources may occur and not be timely detected.

Recommendation: The District should continue efforts to ensure that IT resource access privileges are limited to those necessary for the performance of the user's assigned responsibilities. Such efforts should include documented periodic evaluations of user access privileges and the prompt removal of any unnecessary or inappropriate access privileges identified.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2023-042.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from April 2025 through July 2025 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. 2023-042.
- 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 2024-25 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 State laws, State Board of Education (SBE) 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 District procedures to determine whether the procedures addressed certain important information technology (IT) control functions, such as security, logging and monitoring, 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) applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether the access privileges prevented the performance of incompatible duties. Specifically, we tested the:
 - 48 IT users granted system administrator privileges to the District ERP system.
 - 25 IT users granted update access privileges to selected critical finance and human resource applications within the ERP system.
 - 17 IT users granted access to student social security numbers.
- Determined whether the District had established a comprehensive IT risk assessment to document the District's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- Inquired and examined District records to determine 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.
- 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.

- 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 and appropriate follow-up was made for any missing items.
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- For the significant construction project with expenditures totaling \$41.5 million for the period July 2024 through March 2025, examined documentation to determine compliance with Board policies, District procedures, and applicable provisions of State law and rules. Specifically, we examined District records to determine whether:
 - Plans and specifications were properly reviewed and approved in accordance with Sections 1013.37(2) and 1013.38, Florida Statutes.
 - The construction contractor was competitively selected in accordance with Sections 1013.45 and 1013.46, Florida Statutes.
 - The construction contractor furnished a performance and payment bond in accordance with Section 1013.47, Florida Statutes.
 - Change orders were properly approved in accordance with Section 1013.48, Florida Statutes.
 - Documentation supporting selected payments totaling \$26.8 million was sufficient and complied with the contract provisions.
- 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 1012.584, and 1011.62(13), Florida Statutes, and SBE Rule 6A-1.094124, Florida Administrative Code.
- From the population of expenditures and transfers totaling \$58.3 million during the period July 2024 through April 2025 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 \$38.4 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.
- 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.
- From the population of \$1.6 million in total expenditures from workforce education program funds for the period July 2024 through March 2025, selected expenditures totaling \$1.5 million 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 K-12 administrative costs).
- From the population of 309 industry certifications eligible for the audit period performance funding, examined 30 selected certifications and related support to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 2,654 reported contact hours for 30 selected students from the population of 24,322 contact hours reported for 314 adult general education instructional students during the Fall 2024 Semester to determine whether the District reported the instructional contact hours in accordance with SBE Rule 6A-10.0381, Florida Administrative Code.

- From the population of procurement card (P-card) expenditures totaling \$7.8 million during the period July 2024 through April 2025, examined documentation supporting 30 selected expenditures totaling \$598,042 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 19 cardholders who separated from District employment during the period July 2024 through April 2025.
- Examined District records and evaluated construction planning processes for the audit period to determine whether the processes were comprehensive, considered use 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 period July 2024 through April 2025 to determine whether District procedures ensured that vendor and employee information changes, such as address and bank information changes, were properly authorized, documented, and verified before payments were made.
- 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**.

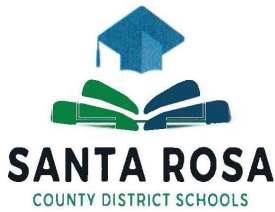
AUTHORITY

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



Mission: "To love, educate, and prepare all students for graduation and a successful future"

Dr. Karen R. Barber
Superintendent of Schools

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Phone: 850/983-5150 ext. 1026
E-mail: barberk@santarosa.k12.fl.us

August 15, 2025

Ms. Norman,

Thank you for the most recent operational audit for Santa Rosa County District Schools. We are grateful for the feedback and eager to make corrections that enhance the fidelity of our operations. I would like to thank auditors Ken Danley and Christy Johnson for their professionalism and commitment to ensuring our school district operates at the highest level.

Below, please find Santa Rosa County School District's response and corrective actions pertaining to the Operational Audit.

Audit Finding #1 Vendor Information

Although the district had required any vendor desiring changes to their vendor record to provide the requested changes be provided either in the form of an email from the contact of record for the vendor, a signed letter on company letterhead, or the notice of change added to a current invoice; the district has strengthened the established process of verifying vendors by requiring the written confirmation by email of the requested change from the contact of record as listed in the vendor record in the ERP system prior to any requested changes being made. An annotation by the Purchasing Department personnel making the change will be recorded in the "comments" box of the ERP system and a copy of the confirmation email will be saved in the "file" box of the vendor file. This new process will be updated in the procedures manual to ensure compliance, consistency and accountability.

Audit Finding and Recommendation #2 Procurement Card Cancellations

The Purchasing Department will establish a process with the Human Resources Department where a monthly roster of those employees whose employment is ending (termination, retirement, or resignation) can be reconciled with active P-Card cardholder accounts. Once the roster has been reconciled the Purchasing Department will cancel the employee's account within two billing cycles. The Purchasing Department will also update the P-Card Cardholder Agreement Form to include a statement that the employee will notify their card processor or the Purchasing Department when their employment with the district ends and the P-Card Request Form to record when the card has been cancelled and destroyed.

Audit Finding and Recommendation #3 Information Technology User Access Privileges

The District has proactively removed unnecessary IT access privileges for 30 vendor employees and 5 District employees, as these privileges were no longer required for the individuals' job responsibilities. These access terminations were completed prior to the conclusion of the operational audit.

DISTRICT 1
Linda Sanborn

DISTRICT 2
Elizabeth Hewey

DISTRICT 3
Carol Boston

DISTRICT 4
Charles Elliott

DISTRICT 5
Scott Peden

To further strengthen oversight and internal controls, the Finance Department is implementing a formal review process for all ERP system users. This review will be conducted by the appropriate supervisor at each school, center, or department. Based on the results of the review and professional judgment of Finance ITS, user access and permissions will be updated by the Finance ITS Department. This process will be governed by a documented, written procedure to ensure consistency and accountability.

Again, thank you for your feedback and recommendations. Santa Rosa County District Schools will remain vigilant in our efforts to ensure oversight, accuracy, and due diligence.

Sincerely,

A handwritten signature in blue ink that reads "Dr. Karen R. Barber". The signature is written in a cursive style.

Dr. Karen R. Barber