

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-033
October 2025

OSCEOLA COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Mark Shanoff served as Superintendent of the Osceola County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Teresa "Terry" Castillo, Vice Chair	1
Bethzaida Garcia from 11-19-24	2
Julius Melendez through 11-18-24	2
Anthony Cook from 11-19-24	3
Jon Arguello through 11-18-24	3
Heather Kahoun, Chair	4
Paula Bronson from 11-19-24 ^a	5

^a Position vacant through 11-18-24.

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 audit was supervised by Mark A. Arroyo, 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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OSCEOLA COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Osceola County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2023-024. Our operational audit disclosed the following:

Finding 1: Required background screenings were not always timely obtained for District personnel.

Finding 2: District controls over safe-school officer services continue to need improvement.

Finding 3: The District did not always promptly cancel the purchasing cards of individuals who separated from District employment.

BACKGROUND

The Osceola 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 Osceola County. The governing body of the District is the Osceola 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 2024-25 fiscal year, the District operated 56 elementary, middle, high, and specialized schools; sponsored 27 charter schools; and reported 82,333 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Background Screenings

State law¹ and Board rules² require that individuals who serve in an instructional or noninstructional capacity that requires direct contact with students undergo a level 2 background screening³ at least once every 5 years. State law also requires the Florida Department of Law Enforcement (FDLE) to perform the fingerprint searches associated with the background screenings and establish procedures for retaining the fingerprints and disseminating search results. The District uses the FDLE shared system for monitoring required screenings and paid a \$6 per person annual fee to the FDLE to retain the screenings.

According to District personnel, the Human Resource (HR) Department is responsible for ensuring that new hires who have direct contact with students undergo required background screenings. The Chief Officer of Human Resources monthly generates and reviews an FDLE shared system report to determine

¹ Sections 1012.32, 1012.465, 1012.467, and 1012.56(11), Florida Statutes.

² Board Rule 6.17, *Appointment or Employment Requirements*.

³ Pursuant to Section 435.04, Florida Statutes, a level 2 background screening includes fingerprinting for Statewide criminal history records checks through the FDLE, national criminal history records checks through the Federal Bureau of Investigation, and local criminal records checks through local law enforcement agencies.

which employees were due for screening. The HR Department is also responsible for comparing the monthly shared system report to District employment records and removing from the FDLE shared system the names of individuals no longer employed by the District; however, records are not maintained to demonstrate these procedures.

As part of our audit, we examined District records as of April 2025 and found that the District and District charter schools employed a total of 10,168 instructional and noninstructional personnel. However, as of that date, the FDLE shared system comprehensive report of District and District charter school personnel included 8,199 more names than in District employment records. District personnel indicated that the difference occurred mainly because the District did not always purge from the FDLE shared system the names of employees who had separated from District employment. As a result, the District may have incurred unnecessary annual costs totaling \$49,194 for FDLE services to retain screening results for former District employees.

We obtained the FDLE April 2025 shared system report and selected 30 employees, with direct contact to students, listed on the report as not screened in the last 5 years as of April 18, 2025. Our examination of District records for the selected employees found that screenings for 29 of the employees were last completed 1 to 3 years or an average of 2 years after the required 5-year period had elapsed.

In response to our inquiry, District personnel indicated that the screening delays were because the FDLE shared system sometimes generated inaccurate monthly reports. As a result, individuals requiring screening did not always appear on those reports, and some employees in need of screenings were not properly identified. Subsequent to our inquiry, screenings were completed for the 28 employees still employed and no unsuitable backgrounds were noted.

Absent effective controls to ensure that required level 2 background screenings are timely obtained and evaluated, there is an increased risk that the District will not comply with State law and employ individuals with unsuitable backgrounds.

Recommendation: The District should establish effective controls to ensure that the FDLE shared system of District personnel is up-to-date and properly used to monitor required background screenings. Such controls could include:

- **Documented, periodic comparisons of District employment records to the FDLE shared system comprehensive report.**
- **Appropriate adjustments to the FDLE shared system based on the comparison results to ensure that the names of all employees required to undergo background screenings are included and individuals no longer employed by the District are removed. The adjustments would help avoid unnecessary FDLE service costs to retain screening results for individuals no longer employed by the District.**
- **Identification of the employees who have not obtained the required background screenings, prompt screenings of those employees, evaluation of screening results, and appropriate personnel decisions based on the screening evaluation results.**

Finding 2: Safe-School Officer Services

State law⁴ requires the Board and Superintendent to partner with local law enforcement agencies to assign one or more safe-school officers, such as school resource officers (SROs) or school security guards, at each school facility. SROs are to 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. School security guards must satisfactorily complete training requirements, including a 144-hour training program, and the Sheriff's Office is required to certify that the school security guards complete the required training.⁵ Effective school safety measures include ensuring that safe-school officers have received required training.

During the 2024-25 school year, the Board and District charter schools contracted with the Osceola County Sheriff's Office, Kissimmee Police Department, and St. Cloud Police Department, to provide 66 SROs for 53 District schools and 1 SRO for 1 charter school. The charter schools contracted with a private security agency to provide 24 school security guards for 23 other charter schools.⁶

As part of our audit, we requested for examination District records to verify that 17 selected SROs completed the required mental health crisis intervention training and 7 selected school security guards completed the required 144-hour training program. However, District records were not provided to evidence that 7 SROs and 3 security guards completed the required training. According to the contracts, the law enforcement agencies were not required to provide evidence of the training to the District and District procedures did not require verification that the training was completed.

In response to our inquiry, District personnel indicated that they relied on the law enforcement agencies to ensure that the required training was completed; however, such reliance provides limited assurance that the training was completed. Absent effective procedures to ensure that safe-school officers have completed required training, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety.

Subsequent to our inquiry, in July 2025 District personnel provided records evidencing that 2 of the 7 SROs completed the required mental health crisis intervention training but did not provide records evidencing that the remaining 8 safe-school officers completed required training. A similar finding was noted in our report No. 2023-024.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with State school safety laws. Such enhancements should include, in each applicable contract, provisions requiring evidence that each SRO and security guard completed the required training. In addition, the enhanced procedures should require and ensure that District personnel document verification of the required training.

⁴ Section 1006.12, Florida Statutes.

⁵ Pursuant to Section 30.15(1)(k)2.b., Florida Statutes, the 144-hour training program consists of 12 hours of knowledge and skills necessary to respond to and de-escalate incidents on school premises and 132 total hours of comprehensive firearm safety and proficiency training conducted by Criminal Justice Standards and Training Commission-certified instructors.

⁶ Safe-school officers were not required at 3 District specialized schools and 2 charter schools that conducted classes virtually or were an adult school. Additionally, one safe-school officer was onsite for 2 charter schools at the same location.

Finding 3: Purchasing Cards

The District uses purchasing cards (P-cards) to expedite and simplify the purchase of selected goods and services. According to the District *P-card Manual* (Manual), the purchasing card administrator must train purchasing cardholders, department heads, and principals on a regular basis and department heads or principals must immediately notify the Purchasing Card Administrator when cardholders terminate District employment. Appropriate limits and timely cancellation of P-cards upon employment termination is important to reduce the risk of P-card misuse 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, there were 313 P-cards in use and District P-card expenditures totaled \$30.2 million. As part of our audit, we examined District records for that period supporting P-card cancellations for the 17 cardholders who separated from District employment and found that 6 P-cards were not canceled until 11 to 121 days or an average of 44 days after the cardholders' employment termination dates. According to District personnel, the untimely P-card cancellations occurred because department heads or principals did not always promptly notify P-card administrators about cardholder employment terminations.

Although our examination of District records did not disclose any inappropriate expenditures, the undocumented limit increases and untimely cancellation of P-card privileges increases the risk for P-card misuse and may limit the District's ability to satisfactorily resolve disputed charges.

Recommendation: The District should enhance procedures to ensure the prompt cancellation of P-cards for cardholders who separate from District employment. Such procedures should include specific training for the department heads and principals, emphasizing the critical importance of timely notification when a cardholder separates from District employment.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2023-024, except that Finding 2 was also noted in that report as Finding 1.

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 2025 through August 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. 2023-024.
- 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 Board information technology (IT) policies and District procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, network configuration management, 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 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 2,907 user accounts as of April 16, 2025, we evaluated 30 selected user accounts that were allowed view, add, change, or delete access privileges to selected critical IT system finance and HR application functions to determine the appropriateness of access privileges granted.
 - 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 642 employees who separated from District employment during the period July 1, 2024, through April 11, 2025, 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.
- 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 to evaluate the reasonableness of District actions.
- From the population of expenditures totaling \$105.8 million and transfers totaling \$24.4 million during the period July 2024 through February 2025 from nonvoted capital outlay tax levy proceeds and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$19.2 million and \$14.1 million, respectively, to evaluate 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 \$8.2 million total expenditures from workforce education program funds for the audit period, selected 29 expenditures totaling \$1.7 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 District K-12 administrative costs).
- From the population of 169 industry certifications eligible for the audit period performance funding, examined 26 selected certifications and related support to determine whether the District maintained documentation for student attainment of the industry certifications.

- Examined District records supporting 2,006 reported contact hours for 30 selected students from the population of 242,357 contact hours reported for 2,818 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.
- 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.
- Obtained the Florida Department of Law Enforcement April 2025 shared system report and selected 30 employees, with direct contact to students, listed on the report as not screened in the last 5 years as of April 18, 2025. For the 30 selected employees, we examined District records as of April 2025 to assess whether the employees were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records supporting school volunteers for the period July 1, 2024, through May 23, 2025, to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- From the ten significant construction projects with contract amounts totaling \$393.8 million, selected one construction management projects with guaranteed maximum price contract totaling \$161.5 million and examined documentation for selected project expenditures totaling \$11.3 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 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 the selected payments totaling \$11.3 million was sufficient and complied with the contract provisions.
 - The projects progressed as planned consistent with established benchmarks and were cost effective, and the contractors performed as expected.
 - The District made use of its sales tax exemption to make direct purchases of materials or documented justification for not doing so.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 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 purchasing card (P-card) expenditures totaling \$30.2 million during the period July 2024 through April 2025, examined documentation supporting 31 selected expenditures totaling \$1.3 million 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 17 cardholders who separated from District employment during that 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 for the audit period 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.
- Reviewed the financial records of the District self-insured health insurance program for the audit period to determine whether the program was fiscally sound.
- 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 determining Maintenance Department staffing needs. We also determined whether such procedures included consideration of appropriate factors and performance measures that were supported by factual information.
- 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

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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District 3 – Anthony Cook
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District 4 – Heather Kahoun - Chair
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District 5 – Paula Bronson
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Superintendent of Schools
Dr. Mark Shanoff

October 7, 2025

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

Dear Ms. Norman:

We appreciate the thorough review of the District's operations performed by the Auditor General's staff and the guidance they provided to us throughout the audit process. Following are management's responses to the findings and recommendations relative to our operational audit for the fiscal year ended June 30, 2025.

Finding No. 1: Background Screenings

Required background screenings were not always timely obtained for District personnel.

Recommendation:

The District should establish effective controls to ensure that the FDLE shared system of District personnel is up-to-date and properly used to monitor required background screenings. Such controls could include:

- Documented, periodic comparisons of District employment records to the FDLE shared system comprehensive report.
- Appropriate adjustments to the FDLE shared system based on the comparison results to ensure that the names of all employees required to undergo background screenings are included and individuals no longer employed by the District are removed. The adjustments would help avoid unnecessary FDLE service costs to retain screening results for individuals no longer employed by the District.
- Identification of the employees who have not obtained the required background screenings, prompt screenings of those employees, evaluation of screening results, and appropriate personnel decisions based on the screening evaluation results.

Response:

The Department of Human Resources will establish controls to ensure that the FDLE shared system of District Personnel is up-to-date and properly used to monitor required background screenings. These controls will include:

- Monthly, documented comparisons of District employment records to the FDLE shared system's comprehensive report for Osceola County School District active employees.
- Quarterly adjustments to the FDLE shared system based on the comparison results to ensure that the names of all employees required to undergo background screenings are included and individuals no longer employed by the District are removed.

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- Monthly identification of employees for background screenings, evaluation of results and the appropriate personnel decisions based on these results.

Finding No. 2: Safe-School Officer Services

District controls over safe-school officer services continue to need improvement.

Recommendation:

The District should enhance procedures to ensure and demonstrate compliance with State school safety laws. Such enhancements should include, in each applicable contract, provisions requiring evidence that each SRO and security guard completed the required training. In addition, the enhanced procedures should require and ensure that District personnel document verification of the required training.

Response:

The School District of Osceola County is developing a formal process to ensure all safe-school officers, school resource officers (SROs), and school guardians meet the training requirements outlined in Florida House Bill 1473 (2024) and Sections 1006.12 and 30.15, Florida Statutes.

Once implemented, contracted entities will be required to submit annual documentation by November 1 listing each officer or guardian's name, assigned campus, training completed, and completion date. These records will be maintained by the District Safety and Security Office for compliance and audit purposes.

Finding No. 3: Purchasing Cards

The District did not always promptly cancel the purchasing cards of individuals who separated from District employment.

Recommendation:

The District should enhance procedures to ensure the prompt cancellation of P-cards for cardholders who separate from District employment. Such procedures should include specific training for the department heads and principals, emphasizing the critical importance of timely notification when a cardholder separates from District employment.

Response:

The District has implemented enhanced processes to ensure the prompt cancellation of P-cards for employees who separate from employment. P-card personnel will:

- Review termination reports from Information Services after each check run and cross-reference with active P-cards.
- Monitor School Board-approved Personnel Agendas for resignations or terminations and cross-reference with active P-cards.
- Work with department heads and principals to conduct annual reviews of cardholders and remind them to promptly report any separations.

We would like to thank your audit staff for their assistance and technical advice during the audit and for bringing to light areas upon which the District can improve.

Sincerely,



Mark Shanoff, Ed.D.
Superintendent