

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-048
November 2025

**FLAGLER COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the audit period July 2024 through March 2025, LaShakia Moore served as Superintendent of the Flagler County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Derek Barrs from 11-19-24	1
Sally Hunt through 9-20-24 ^a	1
Will Furry, Chair	2
Janie Ruddy from 11-19-24	3
Dr. Colleen Conklin through 11-18-24	3
Christy Chong, Vice Chair	4
Lauren Ramirez from 11-19-24	5
Cheryl Massaro through 11-18-24	5

^a Member resigned 9-20-24, and 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 team leader was Nicole E. Ryals, CPA, and the audit was supervised by Keith A. Wolfe, 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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FLAGLER COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Flagler County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2023-132. Our operational audit disclosed the following:

Finding 1: As similarly noted in our report No. 2023-132, the District did not always properly expend State mental health assistance funding.

Finding 2: District records did not always demonstrate that discretionary sales surtax proceeds were used for authorized purposes, resulting in questioned costs totaling \$44,525.

Finding 3: District controls over purchasing cards (P-cards) need improvement to ensure that P-card expenditures are for a public purpose.

Finding 4: District controls over contracted services continue to need enhancement as District staff did not always document satisfactory receipt of the services prior to payment.

Finding 5: District facilities management procedures could be enhanced to better assist District management in assessing the operating effectiveness and efficiency of the District Plant Services Department.

BACKGROUND

The Flagler 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 Flagler County. The governing body of the District is the Flagler 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 11 elementary, middle, high, and specialized schools; sponsored one charter school; and reported 14,966 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Mental Health Assistance Allocation

During the 2024-25 fiscal year, the District received a \$924,157 mental health assistance allocation pursuant to State law¹ to expand school-based mental health services. District procedures require the Director of Student Services to document review and approval of proposed expenditures from the mental health assistance allocation. During the period July 2024 through March 2025, the District expended \$617,706 from the allocation, including \$567,185 to compensate 15 employees.

¹ Section 1011.62(14), Florida Statutes.

Our discussions with District personnel and examination of District records disclosed that the Director of Student Services typically documented review and approval of proposed expenditures from the mental health assistance allocation. As part of our audit, we requested for examination District records supporting the compensation of the 15 employees from the mental health assistance allocation. Our examination found that the District expended \$28,096 from the allocation for the salary and benefits of 1 of the 15 employees, a secretary in the Student Services Department, who performed duties unrelated to mental health.

According to District personnel, Human Resources staff improperly coded the secretarial services to the mental health assistance allocation and the Director of Student Services inadvertently approved the expenditures. Subsequent to our inquiry and by July 2025, the District transferred \$28,096 to the mental health allocation fund to correct the error.

Without effective controls over mental health assistance resource use, there is an increased risk that the resources may not be used for appropriate purposes. A similar finding was noted in our report No. 2023-132.

Recommendation: The District should enhance procedures to ensure that amounts expended from the mental health assistance allocation are for appropriate purposes and properly approved.

Finding 2: Discretionary Sales Surtax

State law² authorizes the Board to levy a discretionary sales surtax, pursuant to a resolution approved by a majority vote of the Flagler County electors voting in a referendum. The surtax proceeds may be used for construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of 5 or more years, and any land acquisition, land improvement, design, and engineering costs related thereto. Additionally, the proceeds may be used to retrofit and provide for technology implementation, including hardware and software, for the various sites within the District. However, State law provides that surtax proceeds may not be used for operational purposes. The District accounts for surtax activities in the Capital Projects Other – Sales Tax Fund (CPO Fund).

During the period July 2024 through March 2025, the District reported CPO Fund expenditures totaling \$5 million. As part of our audit procedures, we examined District records supporting nine selected CPO Fund expenditures totaling \$311,080 and found that the District paid salary and benefits totaling \$44,525 for a Web site designer performing work activities that were not allowable uses of the funds.

Although we requested, District personnel did not provide the authority for using CPO Fund resources for Web site designer services. Absent District records demonstrating the legal basis for such use, there is an increased risk that discretionary sales surtax proceeds may be used for unauthorized purposes. Consequently, to the extent that discretionary sales surtax resources were not used for authorized purposes, the \$44,525 represents questioned costs.

Recommendation: The District should enhance procedures to ensure that discretionary sales surtax proceeds are only used for authorized purposes and that District records demonstrate the

² Section 212.055(6), Florida Statutes.

legal basis for such use. In addition, the District should document the allowability for the sales surtax uses totaling \$44,525 or restore that amount to the CPO Fund.

Finding 3: Purchasing Cards

District purchasing card (P-card) procedures provide that the intent of P-cards is to improve purchasing efficiency by allowing schools and departments the flexibility to purchase goods and services from vendors without use of purchase orders. P-card users must timely provide support for P-card expenditures to their respective bookkeepers, and the bookkeepers are responsible for verifying receipt of goods and services made on P-cards and verifying that purchases were fully supported by invoices or receipts. The principal or department head is responsible for documenting secondary review and approval of the P-card expenditures and resolving any questionable purchases with applicable P-card users.

During the period July 1, 2024, through June 9, 2025, the District incurred P-card expenditures totaling \$2.2 million and had 95 P-cards in use. To evaluate controls over P-cards, we requested for examination District records supporting 31 P-card expenditures totaling \$29,809. We found that, for 3 P-card expenditures totaling \$1,798, District records did not identify the public purpose for the expenditures, including an expenditure of \$1,092 for staff appreciation, an expenditure of \$466 for coffee and coffee equipment, and an expenditure of \$240 for a television.

According to District personnel, the deficiencies were due to employee turnover. Without effective controls over P-cards, there is an increased risk of P-card errors, fraud, waste, or abuse.

Recommendation: The District should ensure effective controls are employed for P-cards, including maintenance of records supporting the public purpose for P-card expenditures.

Finding 4: Contracted Services

Effective contract management ensures that, prior to payment, District personnel document satisfactory receipt of contracted services and that vendor invoice costs agree with contract terms and related District records. The Board, as contracting agent for the District,³ routinely enters into contracts for services and the District designed and established procedures that, if adhered to, would promote payments consistent with contract terms and conditions.

For the period July 2024 through March 2025, District payments for contracted services totaled \$4.9 million. As part of our audit, we focused our examination on District records supporting six selected payments totaling \$629,208 and found that District controls over contracted services could be improved. Specifically, for two payments totaling \$68,454 we found that the District paid:

- \$45,411 for occupational and physical therapy services based on a \$331,900 service agreement. The agreement stipulated that the therapists would perform services for District schools at a rate of \$62 per hour per therapist and \$48 per hour per assistant. While the service rates billed on the company invoices agreed with the respective agreement terms, District records did not demonstrate that anyone with direct knowledge confirmed receipt of the contracted services.

³ Section 1001.41, Florida Statutes.

- \$23,043 for coordinated care services based on a \$47,000 service agreement related to the District self-insured health plan. The agreement stipulated that the services would be billed at a rate of \$15.14 per member per month. Although we requested, District records were not provided to demonstrate District verification that the service rate and number of District health plan members billed on the vendor invoices agreed with the service agreement and District records supporting the number of plan members. Absent evidence of District verification, we verified this information and found no discrepancies; however, our procedures were performed after payment was made and do not substitute for the District's responsibility to document verification that the amounts billed were appropriate prior to payment.

According to District personnel, the contract monitoring deficiencies occurred primarily due to personnel turnovers and oversights. Absent effective controls over contracted services, there is an increased risk services received may not be consistent with District expectations or for overpayments to occur. Similar findings were noted in our report Nos. 2023-132 and 2020-194.

Recommendation: The District should effectively implement procedures to ensure that, prior to payment, District personnel with direct knowledge of the contracted services verify and document satisfactory receipt of the services and that self-insurance plan invoices agree with the self-insurance agreement service rate and District records supporting the number of plan members.

Finding 5: Facilities Maintenance

The Plant Services Department (Department) is responsible for ensuring District facilities are safe and suitable for their intended use. Department personnel perform heating, ventilating, and air conditioning; electrical; plumbing; and other maintenance-related jobs.

State law⁴ requires the District to have an audit conducted of the District's educational planning and construction activities not less than once every 5 years. Given the significant commitment of public funds to maintain educational facilities, it is important for the District to establish policies and procedures for evaluating the effectiveness and efficiency of facility operations at least annually using performance data and established benchmarks and establish documented processes for evaluating facilities maintenance techniques to determine the most cost-effective and efficient technique.

During the period July 2024 through March 2025, the Department employed 48 full-time employees and had operating costs totaling \$2.4 million. During that period, District expenditures for Capital Projects Fund construction and renovation projects totaled \$12.6 million and, as shown on the Board-approved District 5-Year Facilities Work Plan, the District planned to spend \$78 million on renovation, repair, and maintenance over the next 5 fiscal years. At June 30, 2024, the historical cost of the District's educational and ancillary facilities was \$297.8 million and, as shown on the FDOE Florida Inventory of School Houses data, the average age of the District permanent facilities was 28 years and the facilities included a total of 2 million square feet.

While our examination of District records indicated that Department procedures were generally adequate, we determined certain enhancements could be made. Specifically:

- Although the Department had established short-term and long-term goals, the goals did not clearly define all measurable objectives or benchmarks for use in determining the extent to which such

⁴ Section 1013.35(2)(f), Florida Statutes.

goals were achieved. For example, the goals did not sufficiently identify cost-effectiveness or efficiency outcomes. Progress in achieving specified goals could be measured by clearly defined benchmark time frames for routine employee job assignments and accountability systems could be developed to monitor work orders for return assignments or to prompt corrective action because a job did not initially meet building code requirements, and job costs could be compared to industry standards for similar work.

- The Department did not have procedures to identify or create a staffing approach that incorporates objectives that are well-suited to the specific needs of the Department’s primary mission or provide for a credible basis or justification for existing staff positions as well as the need for new hires. As a result, the Department maintained the same staffing levels as in previous years without identifying or creating a staffing approach based on Department needs.

According to District personnel, these deficiencies occurred due to turnover in key personnel. Given the significant resources expended for facility operations and maintenance, established appropriate performance standards and clearly defined measurable objectives or benchmarks for evaluating Plant Services Department performance could assist the District in determining whether the Plant Services Department is operating effectively and efficiently.

Recommendation: The District should establish goals and objectives for the Plant Services Department that identify measurable cost-effectiveness and efficiency outcomes as well as a staffing allocation plan to ensure staffing levels are appropriate.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2023-132, except as noted in Findings 1 and 4 and shown in Table 1.

Table 1
Findings Also Noted in Previous Audit Reports

Finding	2021-22 Fiscal Year	2018-19 Fiscal Year
	Operational Audit Report No. 2023-132, Finding	Operational Audit Report No. 2020-194, Finding
1	2	Not Applicable
4	5	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 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. 2023-132.
- 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 audit period July 2024 through March 2025, 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, logging and monitoring, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access, and prohibiting former employee access, to IT data and resources. Specifically, we examined District records supporting the:
 - 12 users who had update access privileges to selected critical enterprise resource planning (ERP) system finance application functions.
 - 21 users who had update access privileges to selected critical ERP system human resource application functions.
 - 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.
 - Selected user access privileges for 30 of the 167 employees who separated from District employment during the period July 1, 2024, through March 10, 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.
- Determined whether an adequate, comprehensive IT security awareness and training program was in place.
- Evaluated the adequacy of District procedures related to security incident response and reporting.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, from the population of 34 employees who had access to sensitive personal student information, we examined the access privileges of 18 selected employees to evaluate the appropriateness and necessity of the access privileges based on each employee's assigned job duties.
- 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.
- From the population of expenditures and transfers totaling \$24.8 million for the audit period from nonvoted capital outlay tax levy proceeds (\$13.9 million), discretionary sales surtax proceeds (\$5 million), and other restricted capital project funds (\$5.9 million), examined documentation supporting 31 selected expenditures totaling \$1.5 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 the 22 industry certifications eligible for the audit period performance funding to determine whether the District maintained documentation for student attainment of the industry certifications.

- 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 (TPP) 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 unlocated and considered stolen.
- Reviewed Board policies and District procedures related to identifying potential conflicts of interest during the audit period. We reviewed Florida Department of State Division of Corporations, Florida Commission on Ethics, and District records to identify potential relationships with District vendors that represent a potential conflict of interest.
- Evaluated severance pay provisions in the two employee contracts with these provisions to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- From the population of 359 newly hired teachers and school-based administrators during the audit period, examined District records for 30 selected employees to assess whether the District verified previous employment history in accordance with Board policies.
- Examined District records to determine whether the Board adopted performance salary schedules in which a portion of instructional personnel and school administrators' pay was based on performance in compliance with Section 1012.22(1)(c)4. and 5., Florida Statutes.
- Examined District records for the audit period for 30 employees selected from the population of 2,450 employees to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined District records for the audit period for 20 contractor workers selected from three invoices supporting payments to contractors to assess whether contractor workers who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records supporting school volunteers 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. Specifically, we examined District records for the period July 2024 through March 2025 for the 25 volunteers serving as overnight chaperones selected from the population of 11 Board-approved overnight fieldtrips to determine whether the volunteers were subjected to a background screening in accordance with Board policies.
- Evaluated the effectiveness of Board policies and District procedures for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and notifying the FDOE of the investigation results 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.
- For the significant construction project with an original contract price of \$18.8 million, examined documentation supporting the project expenditures totaling \$3.9 million during the audit period 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 contractor was properly selected pursuant to Section 255.103, Florida Statutes.
- District personnel properly monitored subcontractor licenses.
- The architects were properly selected pursuant to Section 287.055, Florida Statutes, and adequately insured.
- Documentation supporting 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 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 \$2.2 million during the period July 1, 2024, through June 9, 2025, examined documentation supporting 31 selected expenditures totaling \$29,809 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 two 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 its eligible charter school, pursuant to Section 1013.62(3), Florida Statutes.
- From the compensation payments totaling \$88.6 million to 2,623 employees for the audit period, examined District records supporting compensation payments totaling \$62,084 to 30 selected employees to determine whether the rate of pay complied with the Board-approved salary schedule and whether supervisory personnel reviewed and approved employee reports of time worked.
- 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.
- Determined whether non-compensation expenditures were reasonable, correctly recorded, adequately documented, for a valid District purpose, properly authorized and approved, and in compliance with applicable State laws, SBE rules, contract terms and Board policies, and that applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures totaling \$43.3 million for the audit period, we examined documentation related to 30 selected payments for general expenditures totaling \$231,229.
- From the population of payments totaling \$4.9 million during the period July 2024 through March 2025 related to contracts for services, examined supporting documentation, including the contract documents, for six selected payments totaling \$629,208 to determine whether:
 - The District complied with applicable competitive selection requirements (e.g., SBE Rule 6A-1.012, Florida Administrative Code).

- The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
- District records evidenced that services were satisfactorily received and conformed to contract terms before payment.
- The payments complied with contract provisions.
- Examined District records for the audit period to determine whether District procedures ensured that vendor 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



BOARD OF EDUCATION

William Furry
Chairman
District 2

Christy Chong
Vice Chairman
District 4

Janie Ruddy
Board Member
District 3

Lauren Ramirez
Board Member
District 5

Olivia Delgado
Student School Board
Member
Flagler-Palm Coast
High School

Ava Muldoon
Student School Board
Member
Matanzas High School

Kristin Bozeman
Principal of the Year
Matanzas High School

Amanda Kraverotis
Assistant Principal of the
Year
Flagler-Palm Coast
High School

Brandy Anderson
Teacher of the Year
Indian Trails Middle School

Brandie Martz
Employee of the Year
Wadsworth Elementary
School

LaShakia Moore
Superintendent

November 13, 2025

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

Dear Ms. Norman:

Please find attached our response to the Preliminary and Tentative Audit Findings for the fiscal year ended June 30, 2025. Our responses follow the order of the findings cited. Should additional information be required, please contact Patty Wormeck, Chief Financial Officer, at (386) 437-7526.

Sincerely,

LaShakia Moore
Superintendent

1769 E. Moody Blvd., Bldg. 2 Bunnell, FL 32110 * Phone (386) 437-7526 * Fax (386) 586-2641 * www.flaglerschools.com

Finding No. 1: The District did not always properly expend State mental health assistance funding.

Response: Upon an employee's return from an extended leave, they were improperly coded to an old funding code strip. The funds in question have been restored to the District's mental health assistance allocation. The District will continue to train staff on adequate and thorough review of assigning a code strip to an employee for payroll processing.

Finding No. 2: District records did not always demonstrate that discretionary sales surtax proceeds were used for authorized purposes, resulting in questioned costs totaling \$44,525.

Response: The District's Website Designer's primary function is to support the technology implementation aspect of the surtax, including designing and maintaining the core platform necessary to support the delivery of online information, which is an allowable use under Florida Statutes (i.e., retrofitting and providing for technology implementation).

The District recognizes there was not proper documentation to fully support capital versus operational tasks. Upon research of this audit finding, the District has restored 50% of the questioned costs, totaling \$22,262.50, to compensate for the potential operational tasks performed. Going forward, the District will revise this specific job description to accurately reflect the job responsibilities of this position. In addition, the District will create a work log process for this specific position to allow for accurate tracking of the time spent on operational tasks.

Finding No. 3: District controls over purchasing cards (P-cards) need improvement to ensure that P-card expenditures are for a public purpose.

Response: The District's purchase of a television for \$240 was for an authorized purchase and the television is located at the Flagler Auditorium. To prevent deficiencies in this area going forward, the District has conducted training with P-Card banking personnel as well as our NEFEC consortium to ensure our new staff are properly trained on the P-Card processes.

Finding No. 4: District controls over contracted services continue to need enhancement as District staff did not always document satisfactory receipt of the services prior to payment.

Response: To alleviate future concerns in this area, the District has begun to compare contracted timesheets with Flagler Schools timesheets on a weekly basis to ensure accuracy. In addition, the District is downloading monthly reports from its check-in/check-out application software to compare against the timesheets as well.

Finding No. 5: District facilities management procedures could be enhanced to better assist District management in assessing the operating effectiveness and efficiency of the District Plant Services Department.

Response: The District is implementing procedures to review and enhance short-term and long-term goals to incorporate quantifiable goals centered on efficiency, cost-effectiveness, and quality control. In addition, on an annual basis, the District will review its staffing levels and level of service expected as compared to the Association of Physical Plant Administrators (APPA) data, and adjust the District's staffing levels as deemed necessary.

