

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-051
November 2025

PASCO COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2024-25 fiscal year, Dr. John Legg served as Superintendent of the Pasco County Schools from November 19, 2024, Kurt S. Browning served as Superintendent before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Al Hernandez	1
Colleen Beaudoin, Vice Chair from 11-19-24	2
Cynthia Armstrong, Chair from 11-19-24	3
Jessica Wright from 11-19-24	4
Alison Crumbley through 11-18-24, Vice Chair	4
Megan Harding, Chair through 11-18-24	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 Saleemah R. Reshamwala, CPA, and the audit was supervised by Anna A. McCormick, CPA.

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

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PASCO COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Pasco County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2023-068. Our operational audit disclosed the following:

Finding 1: District personnel made vendor address changes and a vendor bank account change, without direct communication with designated vendor staff confirming the propriety of the changes and without documented, independent approval of the changes or other records supporting the changes.

Finding 2: District controls over purchasing card limits and cancellations were not always effective.

Finding 3: The District needs to strengthen controls to ensure the accurate reporting of instructional contact hours for adult general education classes to the Florida Department of Education.

Finding 4: The District incurred salary and benefit expenditures totaling \$201,887 from workforce education program resources for two instructors who did not provide services for the program.

Finding 5: The District continued to lack records demonstrating performance of a Districtwide comprehensive risk assessment at least once in the past 5 years, contrary to State law.

BACKGROUND

The Pasco 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 Pasco County. The governing body of the District is the Pasco 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 87 elementary, middle, high, and specialized schools; sponsored 14 charter schools; and reported 91,921 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Vendor information Changes

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 and bank account) 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 payments.

¹ Section 1010.01(5), Florida Statutes.

During the period July 2024 through April 2025, the District made vendor payments totaling \$439 million² and processed 65 vendor information changes, including 64 address changes and a bank account change. District personnel indicated that the Purchasing Department updated automated records for vendor information changes based on requests from the Finance Department or Cost Center managers.

As part of our audit, we examined District records supporting 13 selected vendor address changes and one bank account change and inquired of District personnel regarding the changes. We found that the 13 vendor address changes were made without direct communication with designated vendor staff to confirm the propriety of the changes. Additionally, we found that the bank account change was fraudulently initiated in August 2024 due to a compromise of the vendor's e-mail system. The issue was promptly identified when vendor staff contacted District personnel, and the vendor information was immediately corrected. No District payments were made to the fraudulent bank account.

We also found that District procedures did not require documented, independent approval of vendor information changes or other records to support the changes. We extended our procedures to confirm 10 of the 13 vendor address changes using other available vendor address information and determined that the change requests were valid. However, our procedures do not substitute for District management's responsibility to implement adequate internal controls over vendor information changes. Absent effective policies and procedures over vendor changes, the District cannot demonstrate that appropriate measures have been taken to reduce the risk of vendor payment fraud and errors.

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

Finding 2: Purchasing Cards

The District uses purchasing cards (P-cards) to improve efficiency in processing purchases of selected goods and services. Board policies³ and the *P-card Program Procedures Guide (Guide)* require cost center administrators to assign staff purchasing limits using the P-card application; however, the District had not established a range of limits or required periodic evaluations of the limits.

The *Guide* requires, upon a cardholder's separation from District employment, cost center administrators to submit a cancellation form to the Purchasing Services Department to promptly cancel the P-card. Timely cancellation of P-cards upon cardholder separation from District employment 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.

As part of our audit, we evaluated controls over P-card monthly expenditure limits and P-card cancellations and found that the controls could be improved. Specifically:

- During the 10-month period July 2024 through April 2025, District P-card expenditures totaled \$26 million, 1,255 P-cards were in use, and P-card monthly expenditure limits ranged from \$500 to \$500,000. We selected 34 of the P-cards with expenditures totaling \$7 million and found that

² The District made \$328 million by check and \$111 million by electronic vendor payments.

³ Board Policy 6423, *Use of Credit Cards*.

the limits for 21 of those P-cards did not appear reasonable or effectively monitored based on P-card monthly expenditures. For example, while the average monthly expenditures for 6 of the 21 P-cards ranged from \$0 to \$99,982, the P-cards had monthly limits of \$200,000 or more, and District records did not demonstrate the basis for the expenditure limits or monitoring efforts to adjust the limits based on P-card user needs or actual use. In response to our inquiries, District personnel indicated that they were not aware when P-card limits were last evaluated.

- During the 11-month period July 2024 through May 2025, 60 cardholders separated from District employment. Our examination of District records for 14 selected cardholders disclosed that 6 P-cards were not canceled until 16 to 141 days, or an average of 61 days after the cardholder separation dates. According to District staff, the delays occurred because cost center managers did not always promptly submit cancellation forms to the Purchasing Services Department. While our extended procedures disclosed that the 6 individuals did not use the P-cards after separating from District employment, responsibility for monitoring P-card use and prompt cancellation of P-cards ultimately rests with the District.

Required, documented periodic evaluations of P-card expenditure limits are necessary to verify that limits remain consistent with cardholder responsibilities and use, ensure that applicable adjustments are made to the limits based on the evaluation results, and reduce the risk of P-card fraud or errors without timely detection. Additionally, 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 ensure that controls are effectively employed for P-cards. Such controls should include:

- **The required maintenance of records demonstrating the basis for monthly P-card expenditure limits, periodic evaluations of the limits for reasonableness based on cardholder job responsibilities and actual P-card use, and appropriate adjustments to the limits based on the results of the periodic evaluations.**
- **Effective, documented communication to cost center managers emphasizing the importance of promptly submitting cancellation forms to the Purchasing Services Department to ensure P-cards are promptly canceled upon a cardholder's separation from District employment.**

Finding 3: Adult General Education

State law⁴ defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The District received State funding for adult general education, and General Appropriations Act⁵ proviso language requires each district to report enrollment for adult general education programs in accordance with Florida Department of Education (FDOE) instructional hours reporting procedures.⁶ State Board of Education (SBE) rules⁷ require the District to collect and maintain enrollment and attendance information on students based on minimum enrollment requirements for funding and mandatory withdrawal procedures for students for non-attendance.

⁴ Section 1004.02(3), Florida Statutes.

⁵ Chapter 2024-231, Laws of Florida, Specific Appropriation 119.

⁶ FDOE Technical Assistance Paper: *Adult General Education Instructional Hours Reporting Procedures*, dated September 2020.

⁷ SBE Rule 6A-10.038(5), Florida Administrative Code.

The District reported 36,078 instructional contact hours provided to 476 students enrolled in 72 adult general education classes during the Fall 2024 Semester. As part of our audit, we examined District records supporting 3,806 contact hours reported for 45 selected students enrolled in 44 adult general education classes. We found that the instructional contact hours for 5 students were over reported by 91 hours, ranging from 8 to 28 hours, and another 6 students were under reported by 67 hours, ranging from 2 to 27 hours.

In response to our inquiry, District personnel indicated that the misreported hours and errors occurred due primarily to programming errors. Since adult general education funding is based, in part, on enrollment data reported to the FDOE, it is important that the District report and maintain accurate data.

Recommendation: The District should strengthen controls to ensure that instructional contact hours for adult general classes are adequately documented and accurately reported to the FDOE. Such controls should include effective training or other efforts to minimize the risk of programming errors. The District should also determine to what extent that adult general education hours were misreported and contact the FDOE for proper resolution.

Finding 4: Workforce Education Program Expenditures

Pursuant to State law,⁸ the District receives funding for a workforce education program. General Appropriations Act⁹ proviso language provides that workforce education program funds shall not be used to support K-12 programs or District K-12 administrative indirect costs. The District uses workforce education program funds and adult education tuition and fees to provide adult education programs at various postsecondary career technical centers and adult general education locations. For the 2024-25 fiscal year, the Legislature appropriated workforce education program funds totaling \$3,678,659 to the District and the District fully expended that amount.

According to District personnel, the Finance Department collaborates annually with the Career and Technical Education Director and Chief of Staff to review positions funded by the workforce education program to help ensure that instructor compensation allocations are accurately coded based on job classifications and assigned schedules to instruct adult education students. Although we requested, District records were not provided to demonstrate independent approval of workforce education program compensation expenditures to ensure that the expenditures were appropriate and properly supported.

As part of our audit, we examined District records to evaluate the propriety of 30 selected program expenditures¹⁰ totaling \$124,000 and found 2 compensation expenditures totaling \$8,300 for 2 instructors who taught K-12 students and did not provide any services related to the program. We extended our evaluation of the compensation for the 2 instructors, identifying compensation totaling \$201,887 for the 2024-25 fiscal year, resulting in questioned costs of that amount. In response to our inquiries, District personnel indicated that the questioned costs occurred due to coding errors.

⁸ Section 1011.80, Florida Statutes.

⁹ Chapter 2024-231, Laws of Florida, Specific Appropriations 7 and 119.

¹⁰ The selected expenditures included 25 compensation expenditures and 5 non-compensation expenditures.

Without effective controls to monitor the coding and use of workforce education program funding, there is an increased risk that the District will violate program restrictions. Subsequent to our inquiry, in August 2025 the District restored the questioned costs to the workforce education program.

Recommendation: The District should continue efforts to ensure that workforce education program expenditures are limited to authorized purposes. Such efforts should include effective monitoring to ensure that compensation expenditures are properly coded and documented, and independent approval to ensure that expenditures are limited to services for adult education students.

Finding 5: Internal Audit Function

State law¹¹ requires that school districts receiving annual Federal, State, and local funds in excess of \$500 million employ an internal auditor. Pursuant to State law, the internal auditor must perform a comprehensive risk assessment of all areas of the school system every 5 years and other audits and reviews as the Board directs. During the 2024-25 fiscal year, the District received over \$1.4 billion in Federal, State, and local funds and had an Internal Audit Department (Department). Board policies¹² specify that, in addition to the comprehensive risk assessment, the Director of Internal Audit will make annual audit plans and present them to the Superintendent and the Board for final approval.

District personnel responses to our inquiries disclosed that the District developed annual comprehensive audit plans by assessing risks for District programs and activities through the conduct of fraud inquiries with school principals, bookkeepers, and athletic directors, and surveys of school support organizations (e.g., booster clubs and parent-teacher-student associations) and the Superintendent and Board approved the audit plans. However, although we requested documentation in May 2025, the District did not provide records demonstrating that the Department performed a comprehensive risk assessment of all District areas in the past 5 years. According to District personnel, a comprehensive risk assessment was not completed in the past 5 years due to employee turnover and statutory misinterpretations.

Without a documented comprehensive risk assessment at least every 5 years to assess risks and documented Board and Superintendent approval, District records do not demonstrate compliance with the State law and Board policies. Preparation and Board approval of such documents could help inspire public confidence in the internal audit function and serve as a basis for operational improvements. On August 19, 2025, the Department submitted a 5-year comprehensive risk assessment to the Board with documented approval by the Superintendent and the Board approved the risk assessment. A similar finding was noted in our report No. 2023-068.

Recommendation: The District should continue efforts to demonstrate compliance with statutory requirements for the Internal Audit Department. Such efforts should include a documented comprehensive risk assessment of all areas of the District at least every 5 years and maintenance of records demonstrating how the risk assessment supports the selection of school programs included in the annual comprehensive internal audit plan. In addition, Department procedures should ensure that the comprehensive risk assessment is presented to the Superintendent and Board for approval as required by Board policies.

¹¹ Section 1001.42(12)(l), Florida Statutes.

¹² Board Policy 6835, *Internal Audit Department*.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2023-068, except that Finding 5 was also noted in that report as Finding 3.

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 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. 2023-068.
- 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, logging and monitoring, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee, and prohibiting former employee, access to IT data and resources. We examined:
 - From the population of 1,478 users who had access to the finance and human resource applications, the access privileges granted for 30 selected users and evaluated the appropriateness of the access.
 - The administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed.
 - District records supporting selected user access privileges for 30 of the 1,147 employees who separated from District employment during the period July 1, 2024, through April 4, 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.
- 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.
- Evaluated the sufficiency of District procedures to determine whether District charter schools were required to be subjected to an expedited review pursuant to Section 1002.345, Florida Statutes.

- 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).
- Reviewed organizational charts, audit plans, and audit agendas to determine whether the Board employed an internal auditor during the audit period and whether the internal auditor reported directly to the Board or its designee as required by Section 1001.42(12)(l), Florida Statutes, and performed the duties specified in that section. We also determined whether the internal auditor developed audit work plans based on annual risk assessments considering input from other finance and administrative management.
- From the population of expenditures totaling \$122 million and transfers totaling \$121 million during the period July 1, 2024, through May 8, 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 \$41 million and \$116 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- From the 22 significant construction projects with expenditures totaling \$531 million, selected 1 construction management project with expenditures totaling \$64.2 million and examined documentation for selected project expenditures totaling \$3.7 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 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.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2024 cost of construction report of District student station costs. For the construction project completed during the 2024 calendar year, we examined District records to determine whether the District accurately reported student station costs and complied with the student station cost limits established by Section 1013.64(6)(b)1., Florida Statutes.
- Examined District records 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 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 \$3.7 million total expenditures from workforce education program funds for the audit period, selected 30 expenditures totaling \$124,000 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). We then expanded our audit procedures to examine District records supporting additional compensation expenditures, resulting in examination of District records supporting program expenditures totaling \$2.3 million.
- From the population of 135 industry certifications eligible for the audit period performance funding, examined 25 selected certifications and related support to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 3,806 reported contact hours for 45 selected students from the population of 36,078 contact hours reported for 476 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 purchasing card (P-card) expenditures totaling \$26 million during period July 2024 through April 2025, examined documentation supporting 30 selected expenditures totaling \$399,919 to determine whether P-cards were administered in accordance with Board policies and District procedures. We also determined whether the District promptly canceled the P-cards for 14 of the 60 cardholders who separated from District employment for the period July 2024 through May 2025.
- Evaluated the reasonableness of the P-card expenditure limits assigned for 34 cardholders based on cardholders' job responsibilities and periodic evaluations of P-card limits.
- 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.
- Examined District records and evaluated construction planning processes for the audit period to determine whether the processes were comprehensive, included consideration of restricted resources and other alternatives to ensure the most economical and effective approach, and met District short-term and long-term needs.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs.
- 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.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Pasco County Schools

Dr. John Legg, Superintendent of Schools
7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

November 19, 2025

Ms. Sherrill F. Norman, CPA
Auditor General
Claude Denson Pepper Building, Room 476A
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Enclosed is our response to your letter dated October 21, 2025, which included a list of preliminary and tentative audit findings and recommendations that may be included in a report to be prepared regarding your operational audit of the Pasco County District School.

The District concurs with the five (5) preliminary and tentative audit findings. Below is a corrective action plan for each finding, provided by finding number. The attachments have been uploaded to the SharePoint folder provided.

Finding 1: Vendor Information Changes:

Proper controls were not in place for updating and verifying vendor information. While some verification of vendor changes was occurring, these actions were not consistently documented and applied. To ensure accuracy and accountability, Purchasing Services has revised its internal procedures to establish formal requirements for verification and documentation of all changes to vendor records.

Internal procedures regarding vendor information must be validated using reliable sources that are independent of the change request. Documentation of the verification process will be uploaded to the vendor record within the ERP system (Munis). Furthermore, an approval workflow has been implemented in Munis to govern all changes made to vendor records, ensuring compliance with established procedures.

Finding 2: Purchasing Cards:

Under current district procedures, cost center administrators are authorized to establish credit limits for assigned cardholders based on the individual's role and the operational needs of the cost center at the time of card application. Requests for credit limit increases of \$10,000 or greater must include appropriate supporting documentation.

Purchasing and Finance Services have developed a standardized schedule of monthly and single-transaction credit limits. These limits are based on position responsibilities and historical card usage data. Any request for an exception to these limits must be fully documented and verified prior to approval. Requests for exceptions designated as "permanent" will be subject to annual review to confirm continued necessity based on historical usage patterns.

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Documentation requests for new cards and credit limit exceptions are currently being revised to incorporate these changes. All adjustments will be communicated to cost centers and cardholders.

Purchasing Services maintains an established process for cost centers to request card cancellations, as outlined in the Purchasing Card Procedures Manual and reinforced through bookkeeper training sessions. Additionally, Purchasing Services reviews Board personnel recommendations to identify terminated employees who may require card cancellation. Purchasing Services will continue to emphasize the importance of timely notification of card cancellations to cost center administrators and bookkeepers. The cancellation request form is being revised to clarify procedural requirements including timing expectations to ensure compliance. Non-compliance may lead to administrative action in accordance with District policy.

Finding 3: Adult General Education:

To address the issue of multiple automated student withdrawals due to consecutive absences, the enrollment procedure has been revised. Students who are withdrawn for a second time under the automated rule for six consecutive absences will now be enrolled in a separate section.

To address discrepancies in reported attendance for online students, the following corrective actions have been taken:

- a. Transition to Automation process: The automation process was fully implemented on February 1, 2025, which now allows for more accurate and consistent attendance reporting. This automation occurs through a nightly data roll, where Edgenuity sends attendance data to ClassLink, which is then integrated into myStudent.
- b. Verifying data:

With the automation now fully operational for the 2025–2026 school year, staff have been trained to monitor and verify automated attendance data regularly to prevent future discrepancies. If any anomalies or discrepancies are identified, staff are instructed to immediately notify specified Office of Technology and Information Services (OTIS) staff and Edgenuity for prompt investigation and resolution. As recommended, we will contact FDOE regarding the validity of our data and plan the next steps to resolve the data issue.

Finding 4: Workforce Education Program Expenditures:

Based on previous audit findings, the District’s Finance Department and Career Technical and Adult Education Department performed an extensive review of the District’s Cost Report that encompassed Career and Technical Education and Adult Education (CTAE). As a result of that review several misalignments were identified. Two instructors, Automotive Service Technology and Cosmetology were coded to Fred K. Marchman Technical Colleges cost center under 8991. The programs are housed in that facility but only served secondary students in school year 2024-25. As a result of the review the coding has been changed to reflect instruction under the cost center 0128, Wendell Krinn Technical High School.

Consequently, CTAE and Finance collaborated on efforts to realign personnel to Workforce Funding or General Revenue based on courses taught by staff.

In order to monitor the appropriate coding of personnel to Workforce Funding, CTAE will meet with Finance and the Director of Marchman Technical College in October and February each

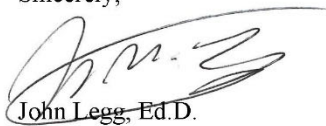
year to review the teaching assignments of those funded with workforce education resources to ensure the courses taught are eligible and appropriate for this funding source.

Finding 5: Internal Audit Function:

The Internal Audit document provided a working copy of our five-year comprehensive risk assessment to Auditor General staff during the audit; however, this document had not been presented to the Superintendent and Board for approval. As noted, on August 19, 2025, the Department submitted a 5-year comprehensive risk assessment to the Board and obtained written approval by the Superintendent and the Board. This approved document has been provided to your staff. We will continue our efforts to ensure compliance with all statutory and policy requirements for the Internal Audit Department.

We appreciate the opportunity to respond to these preliminary and tentative audit findings.

Sincerely,



John Legg, Ed.D.
Superintendent of Schools

xc: Elizabeth Kuhn, Esq. Deputy Superintendent
Monica Ilse, Ed.D., Deputy Superintendent
Tammy Taylor, Chief Finance Officer
Kevin Shibley, Kevin Shibley, Esq., Chief of Staff
Jayne Haire, Director, Finance Services
Carolyn McGriff, Director, Internal Audit