

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-126
March 2026

MADISON COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Karen Pickles served as Superintendent of the Madison County Schools from November 19, 2024, Shirley Joseph served as Superintendent before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Katie Knight	1
Carol Gibson	2
VeEtta L. Hagan, Chair through 11-18-24	3
Frankie Carroll, Chair from 11-19-24, Vice Chair through 11-18-24	4
Devin K. Tompson, Vice Chair from 11-19-24	5

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The audit was supervised by Glenda K. Hart, 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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MADISON COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Madison County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2023-004. Our operational audit disclosed the following:

Finding 1: Contrary to State law and Board policies, 99 percent of District employees and school officers did not complete ethical conduct training.

Finding 2: District records were not maintained to demonstrate that 950 students in grades 6 through 12 at three District schools received the resiliency education required by SBE rules. A similar finding was noted in our report No. 2023-004.

Finding 3: Required background screenings were not always timely obtained for District employees and contractor workers.

Finding 4: Contrary to State law and Board policies, the District did not conduct personnel performance evaluations for the District's ten school administrators or base their salary adjustments upon student performance and instructional leadership.

Finding 5: District controls over terminal pay calculations and related payments for accumulated sick leave did not always ensure compliance with State law and Board policies, resulting in overpayments totaling \$22,037.

Finding 6: The District continued to compensate a former employee over 2 months after the person separated from District employment, resulting in overpayments totaling \$10,300.

Finding 7: District employees did not reconcile health insurance bills to District health insurance records before health insurance premiums were paid, increasing the risk for inaccurate payments.

Finding 8: District records did not always demonstrate that dependents of employees and retirees participating in the District health insurance program were eligible for health insurance benefits.

Finding 9: As similarly noted in our report No. 2023-004, District capital asset subsidiary records were not accurately maintained, reducing the usefulness of the records and accountability over those assets.

Finding 10: Contrary to State law, Florida Department of Financial Services rules, and Board policies, the District did not conduct physical inventories of tangible personal property for the 2023-24 or 2024-25 fiscal years. A similar finding was noted in our report No. 2023-004.

Finding 11: District controls over purchasing card use were not always effective.

Finding 12: District controls over vendor and employee information changes need improvement.

Finding 13: The District Web site continued to lack certain fiscal transparency information, contrary to State law.

Finding 14: As similarly noted in our report No. 2023-004, certain information technology (IT) user access privileges were unnecessary, increasing the risk of unauthorized disclosure, modification, or destruction of District information.

Finding 15: The District needs to establish and test a comprehensive IT disaster recovery plan to provide for continuing critical operations in the event of a disaster.

Finding 16: District IT controls for monitoring key system activity and security events could be enhanced.

BACKGROUND

The Madison 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 Madison County. The governing body of the District is the Madison 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 five elementary, middle, and high schools; sponsored two charter schools; and reported 2,292 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Ethical Conduct Training

State law¹ requires the Board to adopt policies establishing standards of ethical conduct for educational support employees, instructional personnel, administrative personnel, and school officers, as defined in State law.² State law and Board policies³ also require those individuals to complete training on the standards and establish the duty and procedures for reporting alleged misconduct by other individuals which affects the health, safety, or welfare of a student. The District established an online ethical conduct training course that addresses District personnel and school officer responsibilities to properly report alleged misconduct by personnel; however, the District did not assign responsibility for monitoring and documenting verification that the required training was completed.

According to District records, the District had 389 District personnel and 6 school officers during the 2024-25 fiscal year. As part of our audit, we requested for examination District records supporting the ethical conduct training and received evidence that only 4 District personnel completed the required course. As such, 385 District personnel and the 6 school officers, or 99 percent of the personnel and school officers, did not complete the course. Without ethical conduct training and effective controls to ensure and document that the training is completed, the District cannot demonstrate compliance with State law and District personnel and school officers may be unaware of District ethical conduct standards and their responsibility to report alleged misconduct or abuse affecting the health, safety, or welfare of students.

¹ Section 1001.42(6), Florida Statutes.

² Section 1012.01, Florida Statutes.

³ Board Policies 0124, 1210, 3210, and 4210, *Standards of Ethical Conduct*.

Recommendation: The District should establish effective controls to ensure that all District personnel and school officers complete all required training on the standards of ethical conduct, including the responsibility to report alleged misconduct or abuse affecting the health, safety, or welfare of students. Such controls should include assigning an employee with the responsibility for monitoring ethical conduct training and documenting verification that the training is completed annually.

Finding 2: Resiliency Education

Pursuant to State law,⁴ the District received a mental health assistance allocation totaling \$232,082 for the 2024-25 fiscal year to implement a school-based mental health assistance program. SBE rules⁵ require the District to annually provide a minimum of 5 hours of data-driven instruction to students in grades 6 through 12 related to civic, character, and life skills education through resiliency education to, for example, promote resiliency to empower youth to persevere and reverse the harmful stigma of mental health by reframing the approach from mental health education to resiliency education, prevent suicide, and prevent the abuse of and addiction to alcohol, nicotine, and drugs. Failure to comply with the SBE rule requirements may result in the imposition of sanctions specified in State law.⁶

As part of our audit, we requested for examination District records supporting the 986 students in grades 6 through 12 who were required to receive resiliency education at the five District schools. However, District records did not evidence that 950 of those students in Madison County High, Madison County Central, and Greenville Elementary Schools completed that education. District personnel indicated that the required instruction was provided but, due to employee turnover and oversights, records were not maintained to evidence the instruction.

Without student completion of the required resiliency education, students may miss critical educational opportunities designed to build confidence and support resiliency and, without records demonstrating each student's completion of the resiliency education, the District cannot demonstrate compliance with the SBE 5-hour requirement rule. A similar finding was noted in our report No. 2023-004.

Recommendation: The District should implement effective procedures to ensure and demonstrate that all students in grades 6 through 12 complete the required resiliency education.

Finding 3: Background Screenings

State law⁷ and Board policies⁸ require that individuals who serve in an instructional or noninstructional capacity that requires direct contact with students undergo a level 2 background screening⁹ at least once

⁴ Section 1011.62(13), Florida Statutes.

⁵ SBE Rule 6A-1.094124(4), Florida Administrative Code.

⁶ Section 1008.32, Florida Statutes.

⁷ Sections 1012.32, 1012.465, 1012.467, and 1012.56(11), Florida Statutes.

⁸ Board Policy 3121.01, *Criminal background and employment history checks*, and Board Policy 8475, *Criminal background checks for contractor access*.

⁹ Pursuant to Section 435.04, Florida Statutes, a level 2 background screening includes fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement, national criminal history records checks through the Federal Bureau of Investigation, and local criminal records checks through local law enforcement agencies. The statute also requires a security background investigation that includes a search of the sexual predator and sexual offender registries of any state in which the current or prospective employee resided during the immediate preceding 5 years.

every 5 years. Noninstructional contractors (and their workers) who are permitted access on school grounds when students are present or who have direct contact with students must undergo a level 2 background screening at least once every 5 years unless the individuals are under the direct supervision of a school district employee or contractor who has a criminal history check and meets the statutory background screening requirements.

To promote compliance with the background screening requirements, the District Human Resources (HR) Department was responsible for ensuring that applicable employees and contractor workers were properly screened. However, the District did not maintain a complete list of contractor workers, limiting the District's ability to monitor contractor worker screenings.

During the 2024-25 fiscal year, the District had 308 employees subject to level 2 background screenings. To determine whether required background screenings were performed, we requested for examination District records supporting required screenings for 20 selected employees and 10 contractor workers.¹⁰ The District did not provide records demonstrating any background screenings for 3 of the 30 individuals: an IT technician employed by the District since September 2018, and 2 contractor speech therapists who provided services for the District since July 2024.

According to District personnel, the IT technician lacked required screenings due to oversights and the 2 contractor workers were not background screened because a comprehensive list of contractor workers was not used to monitor contractor screenings. Absent effective controls over required background screenings, there is an increased risk that the District may not comply with the statutory screening requirements and persons with unsuitable backgrounds may have direct contact with students. Subsequent to our inquiries, level 2 background screenings were completed for the 3 individuals and no unsuitable backgrounds were noted.

Recommendation: The District should enhance procedures to ensure that applicable employees and contractor workers obtain the required background screenings and that appropriate decisions are made based on evaluation of the screening results. To effectively monitor contractor worker screenings, the District should maintain an up-to-date comprehensive list of contractor workers to ensure that background screenings are timely obtained.

Finding 4: Performance Evaluations and Salary Schedules – School Administrators

State law¹¹ and Board policies¹² require that a performance evaluation be conducted for each school administrator annually based upon certain criteria, including the performance of students assigned to their schools and instructional leadership. In addition, the Board-adopted salary schedules must provide annual salary adjustments for school administrators based on demonstrated performance as evaluated in accordance with the State law and Board policies.¹³

From July 2024 through March 2025, the District employed 389 persons who received compensation totaling \$12.2 million, including the 10 school administrators compensated \$711,179. As part of our audit,

¹⁰ Since records did not include a complete list of contractor workers, District Finance Department staff provided us a report of the 74 school contractors and directed us to contractor invoices, from which we selected the 10 contractor workers.

¹¹ Section 1012.34(3), Florida Statutes.

¹² Board Policy 1220, *Evaluation of Administrative Personnel*.

¹³ Board Policy 1410, *Administrative Salary*.

we requested for examination the school administrators' 2023-24 fiscal year performance evaluations supporting the 2024-25 fiscal year school administrator salary adjustments. However, performance evaluations were not conducted for the 10 school administrators. Consequently, the 2024-25 fiscal year Board-adopted salary schedules with administrator salary adjustments were not based on school administrator performance evaluations that considered the performance of students assigned at their schools and instructional leadership.

In response to our inquiries, District management indicated that they were aware of required annual school administrator performance evaluations and salary adjustment requirements but that the missing evaluations and salary adjustments not based on demonstrated performance were due to oversights. Because required annual performance evaluations were not conducted, the District cannot demonstrate compliance with State law and Board policies. As a result, salary adjustments for school administrators were not based on demonstrated performance, including student outcomes and instructional leadership. This increases the risk that administrator performance will not be properly assessed or rewarded, and that compensation decisions will not align with statutory and Board requirements.

Recommendation: The District should comply with State law and Board policies by ensuring that school administrators receive annual performance evaluations that consider, among other criteria, student performance and instructional leadership. In addition, Board-adopted salary schedules should provide annual salary adjustments for school administrators based on these evaluations.

Finding 5: Terminal Pay

State law¹⁴ and Board policies¹⁵ authorize terminal pay for accumulated sick leave accrued after June 30, 2004, to any full-time administrator (i.e., employees other than instructional staff or educational support employees) at no more than the daily rate of pay applicable at the time the sick leave was earned. For instructional staff and educational support employees, State law¹⁶ and Board policies¹⁷ authorize terminal pay for accumulated sick leave based on years of service. Board policies specify that terminal pay for educational support staff with 9 to 12 years of District service must be calculated based on their daily rate of pay multiplied by 50 percent of their accumulated sick leave days. After the 12th year of District service, the calculation is based on 100 percent of their accumulated sick leave days.

During July 2024 through August 2025, the District made terminal leave payments totaling \$346,936 to 43 employees. Our examination of District records supporting terminal leave payments totaling \$254,795 to 19 selected employees disclosed that:

- 2 former administrators received terminal pay totaling \$121,893 for accumulated sick leave; however, the payments were calculated using each administrator's current rate of pay for the 2024-25 fiscal year instead of the pay rates in effect when the leave was earned. As a result, the 2 individuals were overpaid a total of \$18,294.
- 1 former educational support employee received terminal pay totaling \$7,485 for accumulated sick leave calculated at 100 percent of the employee's accumulated sick leave days. While the

¹⁴ Section 1012.61(2)(a)5., Florida Statutes.

¹⁵ Board Policy 1430.03, *Sick Leave*.

¹⁶ Section 1012.61(2)(a)4., Florida Statutes.

¹⁷ Board Policy 4430.03, *Sick Leave*.

employee had more than 12 total years of service, the employee only had 12 years of District service, requiring terminal pay to be calculated at 50 percent of the accumulated sick leave days. As a result, the former employee was overpaid \$3,743.

District personnel agreed with our calculations and indicated that the overpayments occurred due to personnel turnover and the lack of appropriate training, and because the pay calculations were not independently verified. Without a sufficient understanding of the terminal leave pay requirements and independent verifications of pay calculations, there is an increased risk for statutory and policy noncompliance and for terminal pay miscalculations and overpayments to occur.

Recommendation: The District should enhance procedures to ensure that terminal leave pay is calculated and paid in accordance with State law and Board policies. Such enhancements should include appropriate staff training and documented independent review and approval of terminal pay calculations before payments are processed. In addition, appropriate action should be taken to remedy the terminal sick leave overpayments totaling \$22,037.

Finding 6: Employment Resignations and Final Compensation Payments

The District pays salaried employees on a payroll-by-exception basis whereby employees are paid a fixed authorized gross amount for each payroll cycle unless the amount is altered. A payroll-by-exception methodology assumes, absent any payroll action to the contrary, that an employee worked or used available accumulated leave for the required number of hours in the pay period.

Board policies¹⁸ require instructional staff wishing to resign to submit a written resignation addressed to the Superintendent at least 2 weeks in advance of the desired resignation effective date. According to District personnel, to support the District payroll process, including final compensation amounts paid for persons who have separated from District employment, school principals and cost center administrators are responsible for verifying and certifying their cost center employee lists, identifying subordinate work attendance, and promptly submitting the lists and resignation letters to the District (HR) Office.

During the 2024-25 fiscal year, 67 employees separated from District employment. Our inquiry with District personnel and examination of District records disclosed that 1 of the 67 employees was a teacher who submitted a resignation letter effective November 6, 2024. The letter was signed by the teacher, the school principal, and the Superintendent.¹⁹ However, the school principal inadvertently certified that the teacher continued teaching through November 2024, December 2024, and January 2025. As a result, the District overpaid the former teacher a total of \$10,330 before the error was detected in February 2025 by the HR Coordinator.

Although District personnel records contained the former teacher's resignation letter, the records did not identify when the District HR Office received the letter and, according to District personnel, the letter was not promptly submitted to the HR Office. Additionally, District personnel did not examine cost center employee lists to detect whether a substitute or replacement teacher and the former teacher were concurrently listed for the same services, which could have prevented the overpayment. According to

¹⁸ Board Policy 3150, *Resignation*.

¹⁹ The resignation letter was dated October 22, 2024, and the letter was signed by the school principal and the Superintendent on October 22, 2024, and October 23, 2024, respectively.

District management, as of December 2025, the District had notified the former teacher of the excess compensation amounts, but the amounts had not been recovered.

We expanded our procedures to scan District records supporting the final compensation payments of the other 66 employees who separated from District employment and determined that final compensation calculations and related payments were accurate and reasonably supported. However, absent consistent compliance with controls over employment separations, there is limited assurance that final compensation payments are properly documented and accurately calculated, payroll errors will be promptly detected and corrected, and District records contain sufficient details in the event of a salary or terminal leave payment dispute.

Recommendation: District management should enhance and ensure consistent compliance with payroll and employee separation controls. Specifically, District management should ensure that:

- **Supervisors consistently and accurately certify subordinate workdays, including clearly documented final work dates for employees discontinuing District employment.**
- **Documented examinations of cost center employee lists to detect potential duplicate or overlapping assignments, such as a separating employee and a replacement, are consistently performed.**
- **Resignation letters are promptly submitted to the HR Office with HR-documented receipt and verification of effective resignation dates for use in calculating final compensation payments.**

Additionally, the District should continue appropriate action to recover excess compensation payments.

Finding 7: Health Insurance

Pursuant to State law²⁰ and Board-adopted collective bargaining agreements for the 2024-25 fiscal year, the District provided a health insurance program for applicable employees, retirees, and dependents and the health insurance premium costs totaled \$2.1 million. To help ensure the accuracy of those costs and applicable insurance benefits, it is important for District personnel to periodically reconcile insurance provider bills to District health insurance records supporting enrollment, premiums, Board and retiree contributions, and employee deductions.

For the period July 2024 through May 2025, the District did not reconcile any health insurance provider bills to District health insurance records. As part of our audit, we examined District records supporting the May 2025 insurance provider bill and related District payment and other District health insurance records, such as the insurance program documents and employee and retiree insurance participation lists, and identified various exceptions. For example, we noted that three retirees underpaid their respective insurance premiums by a total of \$1,284 and another retiree paid the \$737 monthly health insurance premium but the insurance provider bill did not evidence that the retiree had insurance.

According to District personnel, because of personnel turnover, the health insurance bills were not reconciled to District records. Absent effective reconciliation procedures, there is an increased risk for

²⁰ Section 112.0801, Florida Statutes.

inaccurate insurance premium payments, ineligible persons to receive health insurance benefits, and for persons to pay for insurance that has been discontinued.

Recommendation: The District should establish effective procedures to ensure the accuracy of health insurance payments and related benefits. Such procedures should include:

- Immediate action to reconcile the May 2025 health insurance provider bill to District health insurance records, including appropriate resolution of the underpaid premiums totaling \$1,284 and the \$737 retiree premium payment without evidence of insurance.
- Documented periodic reconciliations of the health insurance bills to District health insurance records supporting participant enrollments, premiums, Board and retiree contributions, and employee deductions, before the related health insurance payment is made.
- Prompt contact with the health insurance provider for appropriate resolution of any exceptions identified during the reconciliation process.

Finding 8: Employee Insurance Dependent Eligibility

As discussed in Finding 7, the District provided a health insurance program for applicable employees, retirees, and dependents. Enrollment in the program may occur upon initial employment, during open enrollment periods, or for qualifying life events such as marriage and birth or adoption of dependents. Similarly, removal from program participation may occur upon employment separation, during open enrollment, and for qualifying life events. Among other things, effective health insurance program participation controls include receipt and verification of documentation supporting dependent initial and continued eligibility to participate.

According to District records, the District health insurance program provided health insurance benefits for 75 dependents of employees and retirees as of June 2025. As part of our audit, we requested for examination District records supporting eligibility for the 19 dependents of 11 selected District employees and retirees. However, District records supporting the dependent eligibility for 10 of the 19 dependents were not provided. We also noted that the District had not established procedures to evaluate and verify dependent eligibility information. According to District personnel, the missing eligibility records were due to staff turnover and errors, and the eligibility of all participating dependents would be reverified or insurance benefits would be discontinued, as appropriate.

Absent documentation supporting the initial and continuing eligibility of dependents, there is an increased risk that individuals receiving insurance benefits may not be eligible for those benefits, increasing premium costs paid by the District, District employees, and participating retirees.

Recommendation: The District should enhance procedures to ensure and demonstrate that dependents participating in the District health insurance plan are eligible. Such enhancements should include procedures to document verifications of the eligibility of all dependents upon initial enrollment in the District health insurance plan, along with documented, periodic verifications of the dependents' continued eligibility.

Finding 9: Capital Asset Subsidiary Records

Effective accountability over capital assets includes the maintenance of subsidiary records with control accounts for each capital asset category that provide the basis for determining amounts to be reported on the District financial statements. To ensure accuracy and completeness, it is important that the subsidiary records be sufficiently detailed, regularly updated for changes, and periodically reconciled to the amounts reported for each capital asset category.

In our report No. 2023-004, we noted that the capital asset amounts reported at June 30, 2021, were not always supported by District capital asset subsidiary records. Our audit of capital assets reported at June 30, 2024, and the related subsidiary records disclosed that District capital asset subsidiary records continued to lack appropriate support for reported capital assets. Specifically:

- In response to report No. 2023-004, District management responded that procedures had been enhanced to reconcile subsidiary records to capital asset records annually. Notwithstanding, we found that the Madison County High School Renovation Project omissions totaling \$10.7 million at June 30, 2021, continued to be excluded from District building subsidiary records at June 30, 2024.
- At June 30, 2024, the District reported \$4.2 million for motor vehicles while District subsidiary records listed \$2.7 million as the total costs of those assets, or \$1.5 million less. Our expanded procedures disclosed that the difference was primarily because motor vehicle additions were not posted to the subsidiary records for the 2021-22 through 2023-24 fiscal years.

Consequently, District capital asset subsidiary records at June 30, 2024, continued to lack appropriate support for reported capital assets as the reported assets were \$14.4 million more than the amounts recorded in the capital asset subsidiary records, including \$12.2 million in discrepancies identified through our audit procedures.

According to District personnel, to determine the balances to report for capital assets, District personnel added the 2023-24 fiscal year capital outlay expenditures to the balances reported on the financial statements at June 30, 2023. While this procedure may result in materially correct balances in the District's financial statements, the procedure did not ensure that the District's capital asset categories and individual capital assets were supported by accurate and complete subsidiary records.

In response to our inquiry, District personnel indicated that controls over capital asset records were not effective because of personnel turnover and because staff were not properly trained to understand how to record subsidiary property record entries into the District ERP System. Absent sufficiently detailed capital asset subsidiary records and controls to ensure the accuracy and completeness of such records, the District has limited assurance that proper accountability is established for these assets.

Recommendation: We recommend that the District provide appropriate staff training for recording subsidiary property record entries and ensure that District subsidiary records appropriately support the accuracy of capital asset information included on the District annual financial report.

Finding 10: Tangible Personal Property Inventory

State law, Florida Department of Financial Services (DFS) rules, and Board policies²¹ require the District to maintain adequate records of tangible personal property (i.e., furniture, fixtures, and equipment and motor vehicles) in its custody. Those provisions also require that a complete physical inventory be taken annually, the results of the physical inventory be compared to the property records, and any differences be researched and resolved.

All tangible personal property (TPP) items found during the inventory must be included in the property records, which must identify the inventory date and individual attesting to the items' existence. Items not located must be promptly reported to the property custodian to cause a thorough investigation to be made. If the investigation determines that an item was stolen, the District is required to file a report with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

At June 30, 2024, the District's audited financial statements reported TPP totaling \$9.2 million, including furniture, fixtures, and equipment and motor vehicles. Although we requested, District records were not provided to demonstrate that a TPP physical inventory was conducted during the 2023-24 or 2024-25 fiscal years. According to District personnel, District procedures had been established to conduct the inventories but, due to staff shortages and personnel turnover, the District lacked adequately trained personnel to conduct the inventory procedures and reconcile the results to the District TPP records.

Absent effective annual physical inventory procedures, the District cannot demonstrate compliance with State law, DFS rules, and Board policies; accountability over TPP is diminished; and there is an increased risk that any loss or theft of District property will not be timely detected, reported to the appropriate parties, or correctly reflected in District property and accounting records. A similar finding was noted in our report No. 2023-004.

Recommendation: The District should enhance procedures to provide for proper accountability of District TPP. Such procedures should include a complete and documented physical inventory of TPP each year with thorough investigation of any items not located. Items determined stolen should be promptly reported to the appropriate law enforcement agency.

Finding 11: Purchasing Cards

The District uses purchasing cards (P-cards) to expedite authorized travel and expenses related to travel. According to Board policies, when a cardholder receives a P-card, the employee accepts responsibility for all purchases charged against the card, ensures that the P-card is used for official District purposes only, and ensures that purchased items fall within the cardholder's authorized purchasing limits and available budgeted funds.

The policies prohibit certain P-card charges, such as charges for gift cards, charges greater than \$1,000 without special preapproval, and charges for State sales tax. The policies also require cardholders to provide receipts and back-up documentation to the District Accounts Payable Clerk within 3 days from

²¹ Chapter 274, Florida Statutes; DFS Rule 69I-73, Florida Administration Code; and Board policy 7450, *Property Inventory*.

the return date of a trip and the Clerk to match receipts and related back-up documentation with District records demonstrating supervisor review, approval, and authorization for the P-card charges. However, Board policies did not require that, before receiving P-cards, employees attend mandatory training and sign an agreement acknowledging receipt of, and responsibility for, the P-cards and certifying that they understand and will comply with the P-card restrictions.

During July 2024 through March 2025, the District had 16 P-cards, including 15 employee cards and another card available to be obtained from the P-card Administrator and incurred P-card expenditures totaling \$68,754. To evaluate the propriety of P-card charges, we requested for examination District records supporting 22 selected expenditures totaling \$23,894 and found that District controls over P-card charges could be improved. Specifically, contrary to Board policies:

- Records evidencing supervisor review, approval, and authorization were not maintained for 16 P-card charges, ranging from \$229 to \$8,696, and totaling \$21,452. Without such records, it was not apparent how the District Accounts Payable Clerk performed the required match of receipts and related back-up documentation.
- 13 P-card charges totaling \$18,891 were unrelated to travel, including 11 of the 16 P-card charges without documented authorization plus 2 other P-card charges. The 13 charges were for employee gift cards, job posting fees, student testing fees, food for meetings, and District supplies. The charge for gift cards totaled \$8,696 for 300 gift cards for employee appreciation and District records identified who received 95 of the gift cards; however, District records did not identify the public purpose for the gift cards or the ultimate disposition of the remaining 205 gift cards with values totaling \$5,125.
- 5 P-card charges included State sales tax costs totaling \$457.

Additionally, we found that the District did not make three monthly payments timely to the bank that administered the P-card program, resulting in the assessment and District payment of late fees totaling \$450. In response to our inquiry, District personnel indicated that the noncompliance with P-card requirements and untimely bank payments for P-card charges were due to employee turnover. Notwithstanding, absent compliance with established P-card policies, policies requiring mandatory training and P-card agreements, and effective controls ensuring timely bank payments for P-card charges, the risk is increased for P-card waste, fraud, and abuse, and for unnecessary late fees to occur.

Recommendation: Board policies should be revised to require and ensure that employees, before receiving P-cards, attend mandatory training and sign an agreement acknowledging receipt of, and responsibility for, the P-cards and certifying that they understand and will comply with the P-card restrictions. Additionally, the District should enhance controls to ensure that:

- **District records evidencing supervisor review, approval, and authorization of P-card charges are maintained.**
- **The Accounts Payable Clerk documents verification that P-card charge receipts and related back-up documentation match supervisor review, approval, and authorization records; maintains records supporting the public purpose for each P-card charge; and rejects prohibited charges unrelated to travel.**
- **To avoid late fees, monthly payments for P-card charges are timely made to the bank.**

Finding 12: Vendor and Employee Information Changes

State law²² 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 and employee information (e.g., address) changes before payments to vendors and employees are made to confirm the propriety of the changes and to reduce the likelihood of fraud or errors associated with the payments. District procedures authorized vendor and employee address changes be initiated through telephone calls or e-mails; however, District procedures did not require change requests to be properly documented, independently verified, appropriately authorized, and reviewed.

For the 2024-25 fiscal year, District master file edit records identified 97 address changes for vendors and employees. As part of our audit, we requested for examination District records supporting 5 selected vendor address changes and 5 selected employee address changes, held discussions with District personnel. We found that the authenticity of vendor and employee change requests were not independently verified mainly because District procedures did not require verification.

Through our audit procedures, we determined that vendor and employee changes were appropriate; however, our procedures do not substitute for District management's responsibility to implement adequate controls over these changes. Absent effective controls over vendor and employee information changes, the District cannot demonstrate that appropriate measures have been taken to reduce the risk of fraud and errors associated with vendor and employee payments.

Recommendation: The District should establish effective procedures to ensure that, before changes to vendor and employee information are made, the change requests are properly documented, independently verified, appropriately authorized, and reviewed.

Finding 13: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,²³ the District must post on its Web site, for each public school within the District and for the District, certain graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years. Specifically, the District Web site must show fiscal trend information for the previous 3 years on the:

- Ratio of full-time equivalent (FTE) students to FTE instructional personnel.
- Ratio of FTE students to FTE administrative personnel.
- Total operating expenditures per FTE student.
- Total instructional expenditures per FTE student.
- General administrative expenditures as a percentage of total budget.

²² Section 1010.01(5), Florida Statutes.

²³ Section 1011.035(2), Florida Statutes.

- Rate of change in the General Fund’s ending fund balance not classified as restricted.

The District Web site must also include a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE) pursuant to State law.²⁴

Although the District Web Site was required to include the graphical representations for the 2021-22, 2022-23, and 2023-24 fiscal years at the time of our review in June 2025, the District Web site lacked the required graphical representations for the 2023-24 fiscal year and a link to the Web-based fiscal transparency tool developed by the FDOE. In response to our inquiry, District personnel indicated that graphical representations and link to the fiscal transparency tool were not posted due to personnel changes and oversights. In December 2025, subsequent to our inquiries, District personnel posted the required information.

Providing the required financial efficiency data and fiscal trend information on the District Web site enhances citizen involvement and the ability to analyze, monitor, and evaluate fiscal outcomes. A similar finding was noted in our report No. 2023-004.

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

Finding 14: Information Technology User Access Privileges to the Business Application

Access controls are intended to protect District data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls include granting users access privileges to IT resources based on a demonstrated need to view, change, or delete data and restricting users from performing incompatible functions or functions outside their areas of responsibilities. These controls include assigning a security administrator responsibility for granting employee IT access privileges and limiting such IT privileges based on the employee’s job responsibilities. In addition, periodic evaluations of assigned IT access privileges are necessary to ensure that individuals can only access the IT resources that are required to perform their assigned job responsibilities.

The District ERP System includes finance and HR applications, as well as a product setup component that allows for the technical configuration and system administration of both applications. The finance application includes, for example, the ability to create and edit vendor information, create and post journal entries, and process payment transactions. The HR application includes, for example, the ability to add new employees, adjust pay rates, edit leave balances, and process payroll transactions.

As part of our audit, we examined District records supporting IT access privileges granted to the 13 users who, as of July 2025, had update access to critical finance and HR functions within the accounting system applications. We found that:

- The Director of Finance had the ability to edit employee records, assign salary, and process payroll payments within the HR applications, although such access was unnecessary for the Director’s assigned duties.

²⁴ Section 1010.20, Florida Statutes.

- A former contracted finance consultant had the ability to initiate and approve requisitions, purchase orders, and invoices, and update the accounting records within the finance application and process payroll payments within the HR application, although such access was unnecessary.
- The Superintendent had full update access to the HR application, allowing the Superintendent the unnecessary ability to add employees and modify employee salary and leave information.
- The Payroll Clerk, responsible for processing payroll, also had unnecessary update access in the HR application, allowing the Clerk to perform incompatible duties such as modification of employee records, including salary and direct deposit information, without compensating controls.

In response to our inquiry, District personnel indicated that periodic evaluations of access privileges will not be conducted until vacant positions are filled and personnel are properly trained to perform their newly assigned duties. While other District controls (e.g., budget monitoring) mitigated some of the risk associated with unnecessary access privileges, effective management and periodic evaluation of access privileges provide added assurance that District data and resources are adequately protected against unauthorized disclosure, modification, or destruction and that any unauthorized actions that may occur will be timely detected. A similar finding was noted in our report No. 2023-004.

Recommendation: The District should take appropriate action to ensure that access privileges are appropriate and limited to those necessary for individuals to perform their assigned duties. Such action should include documented periodic evaluations of user access privileges and the prompt removal of any access privileges that are unnecessary or allow the performance of incompatible duties.

Finding 15: Information Technology Disaster Recovery Plan

An important element of an effective internal control system over IT operations is a disaster recovery plan to help minimize data and asset loss in the event of a major hardware or software failure. A disaster recovery plan should identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery. In addition, plan elements should be tested periodically to disclose any areas not addressed and to facilitate proper conduct in an actual disruption of IT operations.

The District participates in the North East Florida Educational Consortium (NEFEC) and obtains from NEFEC certain IT services, such as financial management, human resources, and other critical applications. NEFEC developed an IT disaster recovery plan whereby member districts agreed to serve as alternate processing sites for each other in the event of a disaster that interrupts critical IT operations. However, although we requested, District records were not provided to demonstrate that, as of October 2025, a District disaster recovery plan existed, any testing to access and run critical applications and processes at an alternate site had occurred, or any scheduled testing had been planned. The absence of a disaster recovery plan at the District level and periodic testing may hinder District efforts to minimize the impact of, and timely recovery from, a disaster or a disruption of operations.

Recommendation: The District should establish a critical District IT disaster recovery plan with appropriate elements and details and ensure that the plan is tested at least annually.

Finding 16: Information Technology Logging and Monitoring Controls

Effective logging and monitoring of system activity provide data owners with, among other things, assurance that application data changes and security events are logged, reported, and reviewed to timely identify and resolve violations or unauthorized activity or modification. As part of our audit, we examined District records and found that District personnel logged master file edit activity in the District ERP System finance and HR applications; however, District procedures had not been established to routinely monitor critical systems activity for unauthorized or inappropriate activity.

According to District personnel, effective monitoring procedures had not been established due to staff turnover. Absent effective monitoring, the risk is increased for unauthorized or inappropriate application activity to occur without timely detection.

Recommendation: The District should establish effective monitoring procedures for key system activity and security events in the finance and HR applications. Such procedures should include assigning personnel responsibility for verifying that edit activity was appropriate and properly authorized and maintaining records of the verification process.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2023-004 except as noted in Findings 2, 9, 10, 13, and 14 and shown in Table 1.

Table 1
Findings Also Noted in Previous Audit Reports

Finding	2021-22 Fiscal Year Operational Audit Report No. 2023-004, Finding
2	1
9	3
10	4
13	6
14	7

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 December 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. 2023-004.
- 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 of system and application activity, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined selected user access privileges to District enterprise resource planning (ERP) 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, we evaluated District records supporting the access privileges to selected critical ERP System for the 13 users, including access granted to the five accounts associated with finance application and the eight accounts associated with the HR application. We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed.
- Evaluated District procedures to prohibit former employee access to electronic data files. Specifically, we examined District records supporting selected user access privileges for 23 of the 67 employees who separated from District employment during the audit period 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.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, for the 30 employees who had access to sensitive personal student information, we examined the access privileges of these employees to evaluate the appropriateness and necessity of the access privileges based on each employee's assigned job duties.
- Examined District records and inquired of District personnel to determine whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the audit period.
- Examined Board meeting minutes during the audit period to determine whether District records evidenced compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- From the population of expenditures totaling \$1.1 million and transfers totaling \$48,500 for the period July 2024 through March 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 \$742,800 and \$48,398, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- From the population of \$30,655 total expenditures from workforce education program funds for the audit period, selected expenditures totaling \$29,345 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).
- 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 District capital asset subsidiary records to determine if those records supported the capital asset balances included on the June 30, 2024, annual financial report.
- Examined documentation supporting the District annual tangible personal property physical inventory process for the 2023-24 fiscal year and the audit period to determine whether the inventory was conducted and the 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.
- Evaluated Board policies and District procedures for payments of accumulated annual and sick leave (terminal leave pay) to determine compliance with State law and Board policies. From the population of 43 former employees paid \$346,936 for terminal leave, we examined District records for 19 selected former employees paid terminal leave pay totaling \$254,795 to determine whether the terminal leave pay was calculated in compliance with Sections 1012.61 and 1012.65, Florida Statutes, and Board policies.
- From the compensation payments totaling \$12.2 million to 389 employees during the audit period, examined District records supporting compensation payments totaling \$107,714 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.
- For ten school administrators compensated a total of \$711,179 during the audit period, examined documentation to determine whether the District had developed adequate performance assessment procedures for school administrators based on student performance and other criteria in accordance with Section 1012.34(3), Florida Statutes, and determined whether a portion of each selected instructional employee's compensation was based on performance in accordance with Section 1012.22(1)(c)4. and 5., Florida Statutes.
- Examined District records for the period July 2024 through April 2025 for 20 employees and 10 contractor workers selected from the population of 308 employees and selected invoices for 74 school contractors to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Evaluated Board policies and District procedures addressing the ethical conduct of school personnel, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, and the investigation responsibilities for all reports of alleged misconduct to determine whether those policies and procedures were effective and sufficient to ensure compliance with Section 1001.42(6) and (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.
- Evaluated Board policies and District procedures to ensure that health insurance was provided only to eligible employees, retirees, and dependents and that, upon an employee's separation from District employment, insurance benefits were timely canceled as appropriate based on the Board policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board-approved contributions.
- For the significant construction project with contract amounts totaling \$4 million, examined documentation for project expenditures totaling \$1.1 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 contractor was properly selected pursuant to Section 255.103, Florida Statutes.

- The architect was properly selected pursuant to Section 287.055, Florida Statutes, and adequately insured.
- Documentation supporting the payments was sufficient and complied with the contract provisions.
- The project progressed as planned consistent with established benchmarks, and was cost effective, and the contractor performed as expected.
- Reviewed the District's 5-year facilities work plan for the audit period and determined whether the District maintained records that supported the information reported in the plan.
- 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 \$68,754 during the period July 2024 through March 2025, examined documentation supporting 27 selected expenditures totaling \$23,894 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 five cardholders who separated from District employment during the audit period.
- Reviewed Board policies and District procedures for the audit period related to identifying potential conflicts of interest. For the 5 Board members and 9 selected District employees, including the 8 required to file statements of financial interests, we reviewed Florida Department of State, Division of Corporation, records; statements of financial interests; and District records to identify any potential relationships with District vendors that represent a potential conflict of interest.
- Interviewed District personnel and reviewed supporting documentation to evaluate whether the District effectively monitored charter schools.
- 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.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs. We also compared maintenance plans with needs identified in safety inspection reports, reviewed inspection reports for compliance with Federal and State inspection requirements, evaluated District efforts to timely resolve any previous deficiencies identified during inspections, and tested the work order system for appropriate tracking of maintenance jobs.
- 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 applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures totaling \$11.9 million for the period July 2024 through April 2025, we examined documentation supporting 30 selected payments for general expenditures totaling \$837,167.

- From the population of payments totaling \$2.6 million during the audit period related to contracts for services, examined supporting documentation, including the contract documents, for 21 selected payments totaling \$607,451 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 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

District School Board of Madison County

Dr. Karen Todd Pickles
Superintendent
Karen.Pickles@mcsbfl.us

210 NE Duval Avenue
Madison, Florida 32340
Main: 850/973-5022 or Fax: 850/973-5027
www.madison.k12.fl.us
An Equal Opportunity Employer



March 4, 2026

Dear Ms. Norman:

Please find management's responses to the preliminary and tentative audit findings received February 4, 2026, related to the recently completed operational audit of the Madison County District School Board.

- Finding 1:** Contrary to State law and Board policies, 99 percent of District employees and school officers did not complete ethical conduct training.
District Response: District concurs with finding and recommendation and is implementing in person training to adhere to requirements related to ethical conduct training.
- Finding 2:** District records were not maintained to demonstrate that 950 students in grades 6 through 12 at three District schools received the resiliency education required by SBE rules. A similar finding was noted in our report No. 2023.004.
District Response: District concurs with finding and recommendation and procedures have been enhanced to comply with both resiliency education requirements and recordkeeping to demonstrate such requirements.
- Finding 3:** Required background screenings were not always timely obtained for District employees and contractors.
District Response: District concurs with finding and recommendation and has developed enhanced procedures to confirm background screenings are obtained timely for District employees and District contract workers.
- Finding 4:** Contrary to State law and Board policies, the District did not conduct personnel performance evaluations for the District's ten school administrators or base their salary adjustments upon student performance and instructional leadership.
District Response: District concurs with finding and recommendation. District will perform evaluations annually for all administrators moving forward.
- Finding 5:** District controls over terminal pay calculations and related payments for accumulated sick leave did not always ensure compliance with State law and Board policies, resulting in overpayments totaling \$22,037.
District Response: District concurs with finding and recommendation and has implemented staff training and review processes to confirm terminal pay calculations are compliant with State law and Board policies. In addition, the District will work with legal counsel to evaluate the cost/benefit of further actions to recoup these overpaid funds.

Ms. Katie Knight
District 1
katie.knight@mcsbfl.us

Mrs. Carol Gibson
District 2
Carol.Gibson@mcsbfl.us

Ms. VeEtta Hagan
District 3
veetta.hagan@mcsbfl.us

Mr. Franklin Carroll
District 4
franklin.carroll@mcsbfl.us

Mrs. Devin Thompson
District 5
devin.thompson@mcsbfl.us

Finding 6: The District continued to compensate a former employee over 2 months after the person separated from District employment, resulting in overpayments totaling \$10,300.

District Response: District concurs with finding and recommendation. Procedures have been implemented to confirm all actions related to separated employees are handled timely to include removing such staff from active status in payroll. In addition, the District will continue efforts to recoup these overpayments while considering the cost/benefit of any such actions.

Finding 7: District employees did not reconcile health insurance bills to District health insurance records before health insurance premiums were paid, increasing the risk for inaccurate payments.

District Response: District concurs with finding and recommendation. Reconciliation procedures have been enacted to confirm district health insurance payments agree to the totals due per insurance provider records.

Finding 8: District records did not always demonstrate that dependents of employees and retirees participating in the District health insurance program were eligible for health insurance benefits.

District Response: District concurs with finding and recommendation. District staff have implemented steps to confirm that all beneficiaries are eligible for health coverage before initial enrollment and periodically to document continued eligibility.

Finding 9: As similarly noted in our report No. 2023-004, District capital asset subsidiary records were not accurately maintained, reducing the usefulness of the records and accountability over those assets.

District Response: District concurs with finding and recommendation. Finance staff assigned will update and maintain subsidiary property records to support the accuracy of capital assets included on the District annual financial report

Finding 10: Contrary to State law, Florida Department of Financial Services rules, and Board policies, the District did not conduct physical inventories of tangible personal property for the 2023-24 or 2024-25 fiscal years. A similar finding was noted in our report No. 2023-004.


District Response: District concurs with finding and recommendation. Physical inventories of TPP will be prepared annually going forward.

Finding 11: District controls over purchasing card use were not always effective.

District Response: District concurs with finding and recommendations. Board policies are being revised to require and document that staff receiving or utilizing P-cards receive training and acknowledge their understanding of P-card restrictions. The District is also implementing processes to confirm the required documentation, review and approval of P-card charges.

- Finding 12:** District controls over vendor and employee information changes need improvement.
District Response: District concurs with finding and recommendation. Internal processes are being implemented to ensure that changes to vendor and employee information are reviewed and approved before being made by designated staff.
- Finding 13:** The District web site continued to lack certain fiscal transparency information, contrary to state law.
District Response: District concurs with finding and recommendation. The District has recently moved to a new website platform and updates to the website are underway to include all budget and related information as required under State law.
- Finding 14:** As similarly noted in our report No. 2023-004, certain information technology (IT) user access privileges were unnecessary, increasing the risk of unauthorized disclosure, modification, or destruction of District information.
District Response: District concurs with finding and recommendation. The District is continuing to review all IT user access privileges to insure access is limited and appropriate across all district platforms.
- Finding 15:** The District needs to establish and test a comprehensive IT disaster recovery plan to provide for continued critical operations in the event of a disaster.
District Response: District concurs with finding and recommendation. District leadership is working with our outsourced IT management group, Eagle Tree Technologies to ensure a comprehensive IT disaster recovery plan is updated, enacted and tested annually.
- Finding 16:** District IT controls for monitoring key system activity and security events could be enhanced.
District Response: District concurs with finding and recommendation. Processes are being enacted within the finance department to review and confirm the appropriateness of key system and security events within the finance and HR applications.

Sincerely,


Karen Pickles, Ph.D.