

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2027-028
October 2026

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2025-26 fiscal year, Dylan Tedders served as Superintendent of the Okeechobee County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Dr. Christine Bishop, Vice Chair	1
Malissa Morgan	2
Melisa Jahner	3
Amanda Riedel	4
Jill Holcomb, Chair	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 Mark D. Kenny, CPA, and the audit was supervised by Clare Waters, 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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OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Okeechobee County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2024-060. Our operational audit disclosed the following:

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

Finding 2: Certain employees had information technology user access privileges that were incompatible or inconsistent with their assigned job functions, increasing the risk of fraud and errors.

BACKGROUND

The Okeechobee 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 Okeechobee County. The governing body of the District is the Okeechobee County District School Board (Board), which is composed of five elected members. The appointed Superintendent of Schools is the Executive Officer of the Board. During the 2025-26 fiscal year, the District operated ten elementary, middle, high, and specialized schools; and reported 6,294 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 best practices, and safeguard assets. Those controls should include properly documented, independently verified, and authorized changes to vendor information (such as addresses and bank account details) before payments to vendors are made. This verification helps ensure the legitimacy of requested changes and reduces the risk of fraud or errors.

According to District personnel, vendor address changes are routinely initiated through telephone calls, e-mails, or updated invoice information, while vendor bank account changes are generally submitted through electronic funds transfer authorization forms or correspondence from the vendor or the vendor's bank. However, District procedures did not require documentation demonstrating that these change requests were independently verified, appropriately authorized, and reviewed.

For the period July 2025 through May 2026, District records identified 64 vendor information changes, including 54 address changes and 10 banking account changes. As part of our audit, we requested documentation to verify the propriety of those changes. Despite our request, District records were not provided to demonstrate that District personnel contacted vendor representatives to verify and

¹ Section 1010.01(5), Florida Statutes.

independently review and approve the authenticity of the 54 address changes and 8 of the 10 bank account changes.

We extended our procedures to compare selected vendor address changes in District records to the addresses listed on vendor Web sites and evaluate selected vendor payments and did not identify any inappropriate changes or payments; however, our procedures do not replace District management's responsibility to implement effective controls over requested changes and vendor payments. Without such controls, the District cannot demonstrate that appropriate measures have been taken to reduce the risk of fraud or errors.

Recommendation: The District should establish effective controls to ensure that, before vendor information is changed, District personnel document direct contact with designated vendor staff to verify the authenticity of the request and obtain independent review and approval for each change.

Finding 2: Information Technology User Access Privileges

Access controls are intended to protect District data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls provide IT users with access to IT resources based on the demonstrated need to view, change, or delete data, restrict users from performing incompatible functions or functions outside their areas of responsibility, and provide for documented periodic evaluations of IT user access privileges.

In June 2026, the District transitioned to a new enterprise resource planning (ERP) system. As part of our audit of ERP system access privileges during that month, we examined District records for the 15 IT users with update access to critical human resources (HR) and finance modules. We found that:

- The Director of Financial Services had access that allowed several incompatible duties. Specifically, the Director could perform security administrator functions, such as the ability to create, modify, and delete IT user access privileges. The Director could also create District vendors in the system, authorize vendor payments, and record the payments in the accounting records; and modify employee records and adjust payroll amounts.
- 7 IT users were granted access that was inconsistent with their job duties as:
 - 5 users including the Director of HR, a teacher on special assignment in the HR Department, an HR program specialist, and two HR secretaries, could update employee direct deposit accounts.
 - A finance program specialist could add employees and change employee addresses.
 - An accounts payable administrative assistant could add a vendor and record payments in the accounting records.
- 5 IT users including the Director of HR, a finance program specialist, a finance program assistant, an accounts payable administrative assistant, and a payroll administrative assistant could impersonate other users. This feature enabled the users to temporarily assume the role of another user within the ERP system, allowing them access to the same permissions and perform all actions the impersonated user was authorized to perform.

In response to our inquiry, District personnel indicated that access privileges were granted to the 5 IT users with impersonate access for training purposes but a time frame for removing that access had not been established. Additionally, the other privileges were granted without customizing the privileges

based on each user's needs and, as of September 2026, an evaluation to identify and deactivate any unnecessary access privileges had not been conducted. While other District controls (e.g., budget monitoring and payroll and expenditure processing controls to independently review error reports) mitigated some risks associated with the access control deficiencies, access privileges that are incompatible or inconsistent with assigned job functions increase the risk of fraud or errors.

Recommendation: The District should enhance procedures to ensure that IT user access privileges restrict employees from performing functions incompatible or inconsistent with their assigned job functions. Such enhancements should include periodic evaluations of user access privileges and the prompt deactivation of any unnecessary privileges.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2024-060.

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 May 2026 through September 2026 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. 2024-060.
- 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 2025-26 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.
- Evaluated District procedures for maintaining and reviewing employee access to information technology (IT) data and resources. We examined the 15 users with critical access privileges to District enterprise resource planning system finance and human resources applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether any unnecessary access privileges existed.
- Examined District records and inquired of District personnel to determine whether the District controls over public records requests were effective during the audit period and District records demonstrated compliance with Chapter 119, Florida Statutes.
- 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.
- From the population of expenditures totaling \$33.9 million during the period July 2025 through March 2026 from nonvoted capital outlay tax levy proceeds and Public Education Capital Outlay funds, examined documentation supporting selected expenditures totaling \$7.1 million to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.

- Examined the 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).
- From the employee compensation payments totaling \$27.1 million during the period July 2025 through March 2026, examined District records supporting compensation payments totaling \$62,610 to 30 selected employees to determine whether the rate of pay complied with the Board-approved salary schedule and whether supervisory personnel reviewed and approved employee reports of time worked.
- Examined District records for the audit period for the 846 employees and the 295 contractor workers to assess whether individuals who had direct contact with students were subjected to fingerprinting and background screening requirements.
- 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.
- From the annual fire safety, casualty safety, and sanitation inspection reports for the 2024-25 and 2025-26 fiscal years, selected 30 of the 190 noted deficiencies, and examined documentation to determine whether timely action was taken to correct previously cited deficiencies.
- 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.
- Examined District records and evaluated construction planning processes for the period July 2025 through May 2026 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. 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 assessed whether the work order system appropriately tracked maintenance jobs.
- 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 \$49.8 million for the period July 2025 through March 2026, we examined documentation supporting 30 selected payments for general expenditures totaling \$151,528.
- Examined District records for the period July 2025 through May 2026 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 supporting documentation for 10 of the 30 procurement contracts awarded during the period July 2025 through May 2026 to determine whether the District complied with applicable competitive selection requirements pursuant to SBE Rule 6A-1.012, Florida Administrative Code, and Board policies.
- 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



Okeechobee
County Schools

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Superintendent**
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October 1, 2026

To: Sherrill F. Norman, CPA

Re: Operational Audit 2025-26 School Year, Response Letter

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

Recommendation: The District should establish effective controls to ensure that, before vendor information is changed, District personnel document direct contact with designated vendor staff to verify the authenticity of the request and obtain independent review and approval for each change.

District Response:

The District agrees with the recommendation. The recommended controls were implemented immediately upon being brought to the District's attention. Vendor information changes now require direct verification with an authorized vendor representative and independent review and approval before processing. The District also added to the Vendor Information Form an "Internal Use Only – Information Verification" section to document the verification process.

Finding 2: Certain employees had information technology user access privileges that were incompatible or inconsistent with their assigned job functions, increasing the risk of fraud and errors.

Recommendation: The District should enhance procedures to ensure that IT user access privileges restrict employees from performing functions incompatible or inconsistent with their assigned job functions. Such enhancements should include periodic evaluations of user access privileges and the prompt deactivation of any unnecessary privileges.

District Response:

The District agrees with the recommendation. As we migrated to Skyward Qmlativ, little guidance was given on the security side of the application and what would be needed for certain positions. As we used Qmlativ more, we adjusted access based on job functions. The only user at this time that has access to impersonate a user is the Director of IT in order to help with any issues that arise. Impersonation access has been removed from all other users. The Director of Finance's access has been adjusted as well. She no longer has access except to view vendor information. She has no access to add, change or delete any vendor information. The Director of Finance no longer has access to create, modify or delete access privileges. The IT Director is the only one with this access now. The Director of Finance now only has read access under employee and can only print payroll checks as a backup if needed.

Sincerely,

Dylan Tedders
Superintendent of Schools

Jill Holcomb, Chairperson
Dr. Christine Bishop, Vice Chairperson
Melisa Jahner, Board Member
Malissa Morgan, Board Member
Amanda Riedel, Board Member

**Be known.
Be challenged.
Be empowered.**