

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2020-060
November 2019

**MADISON COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2018-19 fiscal year, Shirley Joseph served as interim Superintendent of the Madison County Schools from 5-1-19, Dr. Karen Pickles served as Superintendent before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Susie Williamson, Chair through 11-19-18	1
Carol Gibson, Chair from 11-20-18, Vice Chair through 11-19-18	2
Surretta Bell from 11-20-18	3
VeEtta L. Hagan through 11-19-18	3
Reginald Daniels, Vice Chair from 11-20-18	4
Bart Alford	5

The team leader was Tiffany R. Stewart, CPA, and the audit was supervised by Glenda K. Hart, CPA.

Please address inquiries regarding this report to Micah E. Rodgers, CPA, Audit Manager, by e-mail at micahrodgers@aud.state.fl.us or by telephone at (850)412-2905.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

Printed copies of our reports may be requested by contacting us at:

State of Florida Auditor General

Claude Pepper Building, Suite G74 • 111 West Madison Street • Tallahassee, FL 32399-1450 • (850) 412-2722

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. 2017-146. Our operational audit disclosed the following:

Finding 1: The District did not conduct the required facility safety inspections for any District facility during the 2018-19 fiscal year. In addition, District records did not evidence that one of the District's two charter schools obtained the required facility safety inspections during the 2018-19 fiscal year. Also, the District's five relocatable classrooms were not inspected during the 2017-18 fiscal year.

Finding 2: District controls over emergency drills and related school safety procedures need improvement.

Finding 3: District records did not demonstrate that the District conducted required searches of the names of prospective volunteers against the applicable registration information regarding sexual predators and sexual offenders.

Finding 4: The District disbursed a total of \$14,619 for Florida Best and Brightest Teacher Scholarship Program awards to 13 recipients who did not meet the statutory definition of classroom teacher and, therefore, were not eligible for the awards.

Finding 5: Absent specific legal authority, the District disbursed scholarship awards totaling \$24,000 to four principals. In addition, the District disbursed to another principal a \$6,000 scholarship award, of which \$4,000 was properly funded by the Florida Best and Brightest Principal Scholarship Program and \$2,000 was funded by unrestricted General Fund resources without specific legal authority.

Finding 6: The Board had not adopted policies and procedures establishing a documented process to identify instructional personnel entitled to differentiated pay using factors prescribed in State law. A similar finding was noted in our report No. 2017-146.

Finding 7: The Board did not comply with the provisions of State law requiring the adoption of performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and educational leadership. A similar finding was noted in our report No. 2017-146.

Finding 8: District controls over contractual services for school resource officers need enhancement.

Finding 9: Some unnecessary information technology (IT) user access privileges existed that increased the risk that unauthorized disclosure of sensitive personal information of students may occur.

Finding 10: The District did not have an IT disaster recovery plan, increasing the risk that the District may be unable to continue critical IT operations or maintain availability of information systems data and resources in the event of a disruption of IT operations.

Finding 11: District security controls related to logging and monitoring of IT system activity need improvement.

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 Schools¹ is the Executive Officer of the Board. During the 2018-19 fiscal year, the District operated six elementary, middle, high, and specialized schools; sponsored two charter schools; and reported 2,602 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Facility Inspections

State law² requires the District to provide for periodic inspection of each educational and ancillary plant at least once during each fiscal year to determine compliance with standards of sanitation and casualty safety prescribed in State Board of Education rules. Fire safety inspections are required to be performed annually by persons certified by the Division of State Fire Marshal as being eligible to conduct fire safety inspections in public and ancillary plants. Florida Department of Education (FDOE), Office of Educational Facilities (OEF) publications³ and Board policies⁴ require that the annual fire safety, casualty safety, and sanitation inspections be conducted pursuant to State law at all Board-owned, lease-purchased, leased-permanent, and relocatable buildings, and auxiliary and ancillary facilities. The resultant inspection reports are to be submitted to the Board for review and approval.

In addition, according to FDOE, OEF publications,⁵ all school district relocatable facilities designed as classrooms or spaces intended for student occupancy must be annually inspected for compliance with the standards for satisfactory buildings and inspection reports must be filed with the Board and correction plans must be adopted by the Board. Pursuant to State law,⁶ relocatable facilities that fail to meet the standards must not be reported as satisfactory in the Florida Inventory of School Houses (FISH).⁷

Also, pursuant to State law,⁸ the District's two charter schools, Madison Creative Arts Academy and James Madison Preparatory High School, are to have a fire safety inspection each fiscal year. Upon District request, the fire safety inspection report must be provided to the Board. Since State law⁹ provides that the Board may terminate a charter school if an immediate and serious danger to the health, safety,

¹ On April 30, 2019, the elected Superintendent resigned. The Board appointed an interim Superintendent effective May 1, 2019.

² Section 1013.12(2), Florida Statutes.

³ Section 5(1)(a) of the *FDOE State Requirements for Educational Facilities – 2014 (FDOE SREF)*.

⁴ Board Policy 7430.01, Environmental Health Program.

⁵ Sections 4.4(2) and 5(14) of the *FDOE SREF*.

⁶ Section 1013.20(1), Florida Statutes.

⁷ The OEF created and supports FISH, which is an electronic database that provides record keeping capabilities for all school district facilities, including relocatable facilities, and is used to allocate maintenance funds to school districts.

⁸ Section 1013.12(5)(b), Florida Statutes.

⁹ Section 1002.33(8)(c), Florida Statutes.

or welfare of charter school students exists, it is critical for the District to request, obtain, and review inspection reports to help identify dangers associated with fire hazards at charter school facilities.

As part of our audit, we requested for examination inspection reports for District educational and ancillary plant facilities. District personnel indicated in June 2019 that the required comprehensive safety inspections were not conducted for any District facilities at the District's five educational and ancillary plant locations¹⁰ during the 2018-19 fiscal year, but provided the most recent inspection reports available, which were completed in September 2017 for the 2017-18 fiscal year. The 2017-18 fiscal year reports addressed all District facilities except the five relocatable classrooms and cited deficiencies, such as, expired, missing, or inaccessible fire extinguishers; painted sprinkler heads; and a missing smoke detector. According to District records, the deficiencies were corrected by March 2018 and the deficiencies and corrective actions were disclosed in the reports approved by the Board in April 2018.

Although required annual inspections were not performed for the District's five relocatable facilities during the 2017-18 or 2018-19 fiscal years, the District-prepared educational facilities plans,¹¹ dated November 2017 for the 2017-18 fiscal year and March 2019 for the 2018-19 fiscal year, reported to the FDOE that the five relocatable facilities used for instructional programs were satisfactory classrooms. In addition, the District recorded the relocatable facilities as satisfactory buildings in FISH. As the required inspections were not performed, the basis for reporting the facilities as satisfactory was not apparent.

We also requested fire safety inspection reports for the District's charter schools and, subsequent to our request in September 2019, the District obtained and provided a copy of the fire safety inspection report dated August 2018 for the Madison Creative Arts Academy Charter School, which did not cite any significant fire hazards. However, District records were not provided to demonstrate that the required fire safety inspection was performed for the James Madison Preparatory High Charter School for the 2018-19 fiscal year.

District personnel indicated that, due to oversights, the District did not ensure that required inspections of the District and charter school facilities were performed timely. In addition, the District had not established supervisory review and approval procedures to verify that the required inspections were completed and that the relocatable inspection results were accurately reported in the District educational facilities plans and FISH.

Timely facility inspections, consideration of facility inspection reports, and prompt correction of deficiencies cited in inspection reports are critical to reduce risks to the occupants' health and safety and to avoid higher future facility maintenance and repair costs. In addition, when relocatable facilities are not inspected to evaluate whether the facilities meet the standards for satisfactory buildings, there is an increased risk that the facilities may not meet the standards, be incorrectly reported in the District's educational facilities plans and FISH, and not be properly maintained due to insufficient maintenance funding.

Recommendation: District personnel should ensure that all required inspections are timely performed for all District educational and ancillary facilities, including relocatable classrooms,

¹⁰ The District operated six schools, including the Madison County Excel Alternative Education Center which is located at Madison County High School, in facilities at five locations.

¹¹ Section 1013.35(2), Florida Statutes, requires the District to annually prepare an educational facilities plan that includes information about the relocatable facilities used for conducting District instructional programs.

and charter schools. The inspection results should be considered for District action and approved by the Board in accordance with State law, the SREF, and Board policies. The District should also establish supervisory review and approval procedures to verify that the required safety inspections are completed for all District public schools, including charter schools, and that the relocatable inspection results are accurately reported in the District’s educational facilities plans and FISH.

Finding 2: School Safety – Emergency Drills

State law¹² requires the Board to formulate and prescribe policies and procedures for emergency drills at all public schools in the District associated with active shooter and hostage situations and the drills must be conducted at least as often as other emergency drills. Pursuant to the Florida Fire Prevention Code (Fire Code)¹³ and Board policies,¹⁴ fire emergency drills must generally be conducted every month the facility is in session. While Board policies¹⁵ require the Superintendent to develop, and revise as necessary, a school safety plan to provide a system of emergency preparedness and accompanying procedures that provide for the required drills, the District had not established procedures for supervisory review and approval of records supporting the results of emergency drills to ensure compliance with State law and the Fire Code.

To determine whether the required 10 active shooter and hostage situation and 10 fire emergency drills were documented for each of the five District schools and two charter schools during the 2018-19 fiscal year, we requested for examination District records supporting 140 drills for these schools. As summarized in Table 1, we found that 85 of the 140 required drills were not documented.

**Table 1
District and Charter School
Undocumented Emergency Drills
For the Period August 2018 through May 2019**

School	Active Shooter and Hostage Situations	Fire Emergency
Madison Creative Arts Academy	10	10
James Madison Preparatory	10	10
Madison County Central	10	4
Pinetta Elementary	10	2
Madison County High	9	3
Greenville Elementary	7	-
Total Number of Undocumented Drills	<u>56</u>	<u>29</u>

Source: District records.

In response to our inquiry, District personnel indicated that the required drills were held monthly at each public school; however, District records were not always maintained to evidence that the drills were

¹² Section 1006.07(4), Florida Statutes, as amended by Chapter 2018-3, Laws of Florida (The Marjory Stoneman Douglas High School Public Safety Act).

¹³ Section 20.2.4.2.3 of the Florida Fire Prevention Code, 6th Edition (2017).

¹⁴ Board Policy 8420, *Emergency Management, Emergency Preparedness, and Emergency Response Agencies* (Adopted September 20, 2016).

¹⁵ Board Policy 8405, *School Safety and Security*.

conducted. Without effective procedures to document the timely conduct of emergency drills, the District cannot demonstrate compliance with State law and the Fire Code or that appropriate measures have been taken to promote student and staff safety.

Recommendation: The District should establish effective procedures to ensure the conduct and documentation of required emergency drills at District and charter schools at the frequencies required by State Law and the Fire Code. In addition, supervisory review and approval of records supporting the results of emergency drills should be documented to ensure that the drills were appropriately conducted.

Finding 3: School Volunteers

State law¹⁶ requires, before making any decision to appoint a person to work as a volunteer where children regularly congregate, a search of that person's name or other identifying information be conducted against the registration information regarding sexual predators and sexual offenders through the Dru Sjodin National Sexual Offender Public Web site (NSOPW) maintained by the United States Department of Justice. If that site is not available, a search of the registration information regarding sexual predators and sexual offenders (i.e., Florida Sexual Offenders and Predators Registry) maintained by the Florida Department of Law Enforcement (FDLE) is required. State law also provides that the search does not apply to positions or appointments for which a level 2 background screening¹⁷ is conducted.

Board policies¹⁸ require that all volunteers be subject to a background screening by the District. In addition, District procedures require that all unsupervised volunteers and chaperones on any school-sponsored trip are required to pass a level 2 background screening. According to District personnel, during the 2018-19 school year, school volunteers were required to complete an application form and submit the form to the District Personnel Specialist. The Personnel Specialist conducted background screenings by searching the applicant's name against the FDLE Web site showing criminal history records. After searching those records, volunteer applications with acceptable results were submitted to the Board for approval. After Board approval, the Personnel Specialist prepared an approved volunteer listing and sent the listing to the school principals and the volunteers began providing services.

Our examination disclosed that the District maintained level 2 background screening records to support unsupervised volunteers and chaperones. However, contrary to State law, neither Board policies nor District procedures required the identifying information of other volunteers be subjected to a search against the registration information through the NSOPW or the Florida Sexual Offenders and Predators Registry. Consequently, District records did not evidence that the District had searched the names of the 656 school volunteers as of April 1, 2019, who were not subjected to level 2 background screenings, against NSOPW information. Subsequent to our audit procedures in April 2019, the District began

¹⁶ Section 943.04351, Florida Statutes.

¹⁷ A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the FDLE and national criminal history records checks through the Federal Bureau of Investigation.

¹⁸ Board Policy 2.430.01, *Special Programs by Community Volunteers*.

searching the names of volunteers, who were not subjected to the level 2 screening, against the NSOPW information.

Although searches of the FDLE Web site showing criminal history records provide some assurances, that data is not as extensive as the registration information provided by the NSOPW. In response to our inquiry, District personnel indicated that they were unaware of the requirement to complete a search against the NSOPW information for volunteer applicants. NSOPW searches would provide greater assurance as to the suitability of the backgrounds of individuals and are essential given the risks associated with allowing individuals access to places where children regularly congregate.

As part of our audit, we extended our procedures to perform a search of the names of 30 selected volunteers against the NSOPW information and none of those volunteers were listed as a sexual predator or sexual offender. However, our procedures cannot substitute for management's responsibility to ensure, and document, that District schools perform the appropriate NSOPW searches of volunteer names and information in accordance with State law. Absent effective controls to ensure that searches of the names of prospective school volunteers are performed in accordance with State law, there is an increased risk that volunteers with unsuitable backgrounds may have direct contact with students.

Recommendation: For those school volunteers not subjected to level 2 background screenings, the District should take immediate action to search the volunteers' names or other identifying information against the NSOPW registration information. The District should evaluate and make appropriate decisions based on the search results. In addition, Board policies should be revised to require that, before making a decision to appoint a person who has not obtained a level 2 background screening to work as a volunteer where children regularly congregate, a search of that person's name or other identifying information be conducted against the NSOPW information and records be maintained to evidence the results of the search.

Finding 4: Best and Brightest Teacher Scholarships

The Florida Legislature established the Florida Best and Brightest Teacher Scholarship Program¹⁹ to reward classroom teachers²⁰ who achieved high academic standards during their own education. Pursuant to State law,²¹ once a classroom teacher was deemed eligible for a scholarship award by the District, the teacher remained eligible as long as he or she remained employed by the District as a classroom teacher and received an annual performance evaluation rating of highly effective.

District personnel were responsible for determining teacher eligibility for the scholarships and annually submitting the number of eligible teachers to the Florida Department of Education (FDOE). The FDOE then disbursed scholarship funds to the District for each eligible classroom teacher to receive a scholarship as provided in State law.

During the 2018-19 fiscal year, the District awarded scholarships totaling \$134,029 to 106 District recipients, and scholarships totaling \$44,951 to 29 charter school recipients. To determine whether the

¹⁹ Section 1012.731, Florida Statutes (2018). Chapter 2019-23, Laws of Florida, renamed the Program the Florida Best and Brightest Teacher Program and substantially revised the award process effective July 1, 2019.

²⁰ Section 1012.01(2), Florida Statutes, defines classroom teachers as K-12 staff members assigned the professional activity of instructing students in courses in classroom situations, including basic instruction, exceptional student education, career education, and adult education, including substitute teachers.

²¹ Section 1012.731(3)(b), Florida Statutes (2018).

recipients met the eligibility requirements for the scholarships, we requested for examination District records supporting the eligibility of the 106 District and 18 selected charter school scholarship recipients awarded a total of \$169,214. Our audit procedures disclosed that 13 District scholarship recipients, awarded scholarships totaling \$14,619, were not eligible to receive the scholarships because they did not meet the statutory definition of a classroom teacher. These recipients included pre-kindergarten teachers²² and three employees who performed student personnel services (i.e., a counselor, a speech therapist, and a media specialist).²³

In response to our inquiries, District personnel indicated that procedures would be revised to enhance controls for defining eligible classroom teachers but that they initially interpreted State law to authorize prekindergarten teachers for these scholarships. Specifically, since prekindergarten teachers were required to be coded as classroom teachers for accounting and payroll purposes and worked under the K-20 education code like adult education teachers, who were eligible for a scholarship, prekindergarten teachers were considered eligible for the scholarship by District personnel. Notwithstanding this response, State law does not include prekindergarten teachers or student personnel services employees in the definition of classroom teachers, limits the definition of classroom teachers to K-12 personnel, and separately defines prekindergarten instructors and employees who perform student personnel services. Consequently, the awards totaling \$14,619 were made to ineligible scholarship recipients. Absent effective procedures to limit scholarships to statutory defined classroom teachers, there is an increased risk that scholarships will be awarded to ineligible recipients.

Recommendation: To ensure that scholarships are awarded only to eligible recipients, the District should appropriately train employees responsible for administering Florida Best and Brightest Teacher Program awards. In addition, the District should take appropriate actions to remedy the ineligible awards totaling \$14,619.

Finding 5: Best and Brightest Principal Scholarships

The Florida Legislature established the Florida Best and Brightest Principal Scholarship Program²⁴ to reward school principals who had been principals at their schools for 2 consecutive years, and recruited and retained a high percentage²⁵ of classroom teachers designated as Florida’s best and brightest teacher scholars pursuant to State law.²⁶ School districts are required to submit to the FDOE information, such as school principal names and the number of classroom teachers designated as teacher scholars at each school, including charter schools, necessary to determine eligibility for the scholarships. After the eligibility determinations, the FDOE disbursed applicable amounts to the respective school districts

²² Section 1002.51(6), Florida Statutes, defines prekindergarten instructors to include teachers who provide instruction to students in a prekindergarten program.

²³ Section 1012.01(2)(b), Florida Statutes, defines student personnel services as staff members responsible for advising students with regard to their abilities and aptitudes, educational and occupational opportunities, and personal and social adjustments, providing placement services, performing educational evaluation, and similar functions.

²⁴ Section 1012.732, Florida Statutes (2018).

²⁵ The percentage is defined as “a ratio of best and brightest teachers to other classroom teachers that was at the 80th percentile or higher for schools within the same grade group, Statewide, including elementary schools, middle schools, high schools, and schools with a combination of grade levels.”

²⁶ Section 1012.731, Florida Statutes (2018).

to make the scholarship awards. Other than the Program scholarship awards, no specific legal authority exists for scholarship awards to principals.

In December 2018, District personnel submitted to the FDOE information for the five school principals who had been principals for 2 years. However, the FDOE determined that four of the principals were not eligible for an award as they did not have the required percentage of classroom teacher scholars at their schools. Accordingly, the FDOE disbursed a Florida Best and Brightest Principal Scholarship Program award of \$4,000 to the District for the one eligible principal.

During the 2018-19 fiscal year, absent specific legal authority, the District awarded \$6,000 to each of the four principals determined by the FDOE to be ineligible. Additionally, the District awarded \$6,000 to the principal the FDOE deemed eligible, using the \$4,000 disbursed by the FDOE for a scholarship award and \$2,000 funded by unrestricted resources in the General Fund. According to District personnel, the Board did not approve any of the awards that were not funded by the Florida Best and Brightest Principal Scholarship Program.

In response to our inquiries, District personnel indicated that, although they submitted the required information to the FDOE, they were unaware that the FDOE made eligibility determinations and misunderstood the award amounts. Absent specific legal authority, the awards totaling \$24,000 to the four principals who were determined ineligible for Florida Best and Brightest Principal Scholarship Program awards and the \$2,000 unauthorized additional payment to the one eligible principal were made contrary to State law.

Recommendation: The District should take appropriate actions to recover from the five principals the unauthorized award amounts totaling \$26,000. For future Florida Best and Brightest Principal Scholarship Program awards, the District should follow FDOE guidance and use Program funds to pay scholarship awards to principals determined eligible by the FDOE.

Finding 6: Compensation and Salary Schedules

State law²⁷ requires the Board to designate positions to be filled, prescribe qualifications for those positions, and provide for the appointment, compensation, promotion, suspension, and dismissal of employees. State law²⁸ also provides that, for instructional personnel, the Board must provide differentiated pay based on District-determined factors including, but not limited to, additional responsibilities, school demographics, critical shortage areas, and level of job performance difficulties.

While instructional personnel compensation is typically subject to collective bargaining, the Board had not implemented policies and procedures establishing a documented process to identify instructional personnel entitled to differentiated pay using the factors prescribed in State law. Such a documented process could specify the factors to be used as the basis for determining differentiated pay, the process for applying the factors, and the individuals responsible for making such determinations.

During the 2018-19 fiscal year, the District paid 59 instructional personnel compensation totaling \$3.6 million. Our examination of the District's instructional salary schedule disclosed that the District

²⁷ Section 1012.22(1), Florida Statutes.

²⁸ Section 1012.34, Florida Statutes.

provided for differentiated pay based on additional responsibilities, such as salary supplements for additional activities instructional personnel performed beyond the standard workday, including supplements for athletic coaches and band directors. However, District records did not evidence instructional personnel differentiated pay based on the factors of school demographics, critical shortage areas, or level of job performance difficulties.

In response to our inquiry, District personnel indicated that salary schedule revisions to comply with differentiated pay requirements were delayed for several years due to turnover in key administrative positions, including the Chief Human Capital Officer, Chief Finance Officer, and Superintendent. Notwithstanding this response, without a Board-established documented process for determining and applying differentiated pay considering the factors prescribed in State law, the District’s ability to demonstrate the consistent application of the differentiated pay and compliance with State law is limited. Similar findings were noted in our report Nos. 2017-146 and 2016-132.

Recommendation: The Board should establish a documented process for determining and applying differentiated pay considering the factors prescribed in State law.

Finding 7: Performance Salary Schedule

Although State²⁹ law requires the Board to adopt performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and instructional leadership, the Board-adopted salary schedules for each of the 2014-15, 2015-16, 2016-17, and 2017-18 fiscal years did not provide for such annual adjustments based upon these two considerations. Similarly, as of June 2019, the Board-adopted salary schedule for the 2018-19 fiscal year did not provide for annual salary adjustments for school administrators based upon student performance and instructional leadership. Accordingly, the Board was not in compliance with State law for the 2014-15 through 2018-19 fiscal years.

Table 2 shows the number of school administrator positions and the total compensation for those positions for the 2014-15 through 2018-19 fiscal years.

**Table 2
Number of School Administrator Positions and Related Compensation
For the 2014-15 Through 2018-19 Fiscal Years**

	2014-15	2015-16	2016-17	2017-18	2018-19
Number of School Administrator Positions	11	12	13	14	12
Total School Administrator Compensation (in Thousands)	\$629	\$779	\$820	\$715	\$682

Source: District Records

In response to our inquiries, District personnel indicated that salary schedule revisions to comply with performance pay requirements for administrators were delayed due to turnover in key positions. Notwithstanding this response, State law does not provide an exemption that allows grandfathered salary

²⁹ Sections 1012.22(1) and 1012.34(3)(a)1. and 3., Florida Statutes.

schedules to exclude consideration of employee and student performance for school administrator salary adjustments. A similar finding was noted in our report No. 2017-146.

Recommendation: The Board should comply with State law by adopting performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and instructional leadership.

Finding 8: Contractual Services

Effective contract management requires and ensures that records are maintained to evidence satisfactory receipt of contractual services by personnel with direct knowledge of the services received before payments are made. For the period July 1, 2018, through March 31, 2019, the District paid \$3.6 million for contractual services.

As part of our audit procedures, we examined District records supporting 30 selected payments totaling \$520,312 related to 29 contracts. While District records indicated that the District designed and implemented internal controls that generally ensure payments are consistent with contract terms and provisions, we identified certain control deficiencies for contracting and monitoring a payment of \$77,500 relating to a school resource officer (SRO) services contract. We expanded our procedures to evaluate District records supporting all payments associated with this contract for the 2018-19 fiscal year.

Pursuant to State law,³⁰ the Board approved a contract with the Madison County Sheriff's Office (MCSO) to provide a full-time SRO on the same calendar as school employees at each of the five District school facilities. The contract required the District to pay \$310,000 annually for the contract period and the District made periodic payments for the services based on MCSO invoices. However, District procedures had not been established to require and ensure that school personnel with direct knowledge of the SRO services verified and documented satisfactory receipt of the services prior to payment. In response to our inquiry, District personnel indicated that the District relied on the MCSO to maintain time records for the SRO services. Notwithstanding, District reliance on the MCSO procedures provides limited assurance that SRO services were received as expected.

Absent established procedures that require verification and documentation of the satisfactory receipt of contractual services by personnel with direct knowledge of the services prior to payment, there is an increased risk that the District may overpay for such services, the services may not be received consistent with the Board's expectations, and any overpayments that occur may not be timely detected or recovered.

Recommendation: The District should establish procedures to require and ensure that school personnel with direct knowledge of SRO services verify and document receipt of the services before payments are made.

Finding 9: Information Technology User Access Privileges

The Legislature has recognized in State law³¹ that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals, or cause

³⁰ Section 1006.12, Florida Statutes.

³¹ Section 119.071(5)(a), Florida Statutes.

other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict employees from accessing information unnecessary for their assigned job duties and provide for documented, periodic evaluations of information technology (IT) access privileges to help prevent employees from accessing sensitive personal information of students inconsistent with their duties.

Pursuant to State law,³² the District identifies each student using a Florida education identification number obtained from the Florida Department of Education (FDOE). Student SSNs are maintained within the District management information system (MIS) to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure. Student SSNs are also maintained so the District can provide student transcripts to colleges, universities, and potential employers based on student-authorized requests. Board policies³³ allow designated District school personnel access to student records to perform administrative, supervisory, or instructional responsibilities that serve a legitimate educational purpose in accordance with applicable Florida statutes, State Board of Education rules, and Federal laws and District employees are required to certify that they will comply with these requirements. According to District personnel, periodic evaluations of IT access privileges to student information were performed informally and documentation of the evaluations was not maintained.

The Panhandle Area Educational Consortium (PAEC) provides student records data processing services for the District and maintains sensitive personal information of students, including SSNs, in the District MIS. As of July 2019, the District MIS maintained the SSNs of 22,092 former and 1,310 current District students and 27 District employees had IT user access privileges to the sensitive personal information of students. As part of our audit procedures, we observed various MIS reports showing District employee access privileges and requested District personnel to confirm that the 27 employees with user access privileges to the sensitive personal information of students had a demonstrated need for continuous access to perform their assigned responsibilities. However, our observations and District personnel responses disclosed that 8 of the 27 employees did not need continuous access to the information. The 8 employees with unnecessary IT access privileges included District administrators, guidance counselors, and support staff. Subsequent to our procedures, in June 2019 District personnel performed an evaluation of IT user access privileges and removed the access privileges for the 8 employees.

In response to our inquiries, District personnel indicated the remaining 19 employees with access to SSNs required continuous access to both current and former student information. However, we found that the employees who had continuous access to both current and former student information did not always have a demonstrated need for such access and the MIS did not have a mechanism to differentiate access privileges to the information of current students from that of former students. The existence of unnecessary IT user access privileges increases the risk of unauthorized disclosure of sensitive personal information of students and the possibility that sensitive personal information may be used to commit a fraud against District students or others.

Recommendation: The District should continue efforts to ensure that only employees with a demonstrated need to access sensitive personal information, including SSNs, have such access. Such efforts should include documented periodic evaluations of IT user access privileges to the

³² Section 1008.386, Florida Statutes.

³³ Board Policy 8310, Student Records.

District MIS to ensure that access privileges to the sensitive personal information of students are granted only to those users whose job duties require such access and only when necessary. The District should also consult with PAEC to upgrade the District MIS to differentiate access privileges to current student information from access privileges to former student information.

Finding 10: Information Technology – Disaster Recovery

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 include step-by-step procedures for recovery. In addition, plan elements should be tested periodically to disclose any areas not addressed and to facilitate proper conduct during an actual disruption of IT operations.

As of June 2019, the District had not established a comprehensive, written disaster recovery plan. A disaster recovery plan should contain the following critical elements and details:

- Identify and prioritize the District’s critical data, processes, and applications. The District should identify such data, processes, and applications for restoration in priority order given the timing of the disaster and the estimated prolonged outage. For example, District management may identify critical applications such as finance, human resources, student records, and other necessary applications for priority restoration.
- Provide detailed backup procedures or schedules of critical data. Detailed instructions should include identification of critical data sets to be backed up, frequency of backups, storage location, and how data will be accessed during a disaster.
- Detail specific procedures to be followed when the hosting center, Panhandle Area Education Consortium (PAEC), is inoperable or other events interrupt District operations and affect the recovery and restoration of finance, human resources, and other critical applications. Procedures may include, but are not limited to, detailed instructions for connection to a PAEC recovery site should PAEC become inoperable, and identification of any critical infrastructure components, software, or supplies necessary for a recovery and the applicable vendor contacts.

In response to our inquiry, District personnel indicated that, while the District did not have a formal disaster recovery plan, the District’s critical data is hosted externally through PAEC and, as such, the systems are covered by the disaster recovery plan of the hosting center. Notwithstanding this response, without an established comprehensive disaster recovery plan, and annual testing of the plan, there is an increased risk that the District may be unable to continue critical IT operations, or maintain availability of information systems data and resources, in the event of a disruption of IT operations.

Recommendation: The District should establish a comprehensive IT disaster recovery plan that identifies the District’s key recovery personnel and critical data, processes, and applications; provides for backups of critical data sets; and includes step-by-step procedures for recovery. In addition, once developed, the District should test the plan at least annually.

Finding 11: Information Technology – Logging and Monitoring of System Activity

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed that certain District IT security controls related to logging and monitoring of IT system activity need improvement. We are not disclosing specific details of the issues

in this report to avoid the possibility of compromising District data and IT resources. However, we have notified appropriate District management of the specific issues.

Without adequate security controls related to logging and monitoring of IT system activity, the risk is increased that the confidentiality, integrity, and availability of District data and IT resources may be compromised.

Recommendation: To ensure the continued confidentiality, integrity, and availability of District data and IT resources, the District should improve security controls related to logging and monitoring of IT system activity.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2017-146, except that Findings 6 and 7 were also noted in report No. 2017-146, as Findings 5 and 6.

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 2019 to September 2019 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.

The objectives of this operational audit 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. 2017-146.
- 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 programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls, 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; 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 transactions, as well as events and conditions, occurring during the 2018-19 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:

- Evaluated District procedures for maintaining and reviewing employee access to information technology (IT) data and resources. We examined selected access privileges to the District's enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access based on employees' job duties and user account functions and whether the access prevented the performance of incompatible duties. We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the network and applications to determine whether these accounts had been appropriately assigned and managed. Specifically, we:
 - Tested the 9 roles that allowed update access privileges to selected critical ERP system finance application functions resulting in the review of the appropriateness of access privileges granted for 7 accounts.
 - Tested the 12 roles that allowed update access privileges to selected critical ERP system HR application functions resulting in the review of the appropriateness of access privileges granted for 10 accounts.
- Reviewed District procedures to prohibit former employee access to electronic data files. We also reviewed selected access user privileges for 19 of the 44 employees who separated from District employment during the period July 1, 2018, through March 28, 2019, to determine whether the access privileges had been timely deactivated.
- Determined whether a comprehensive IT disaster recovery plan was in place, designed properly, operating effectively, and had been recently tested.

- Evaluated Board policies and District procedures and examined supporting documentation to determine whether audit logging and monitoring controls were configured in accordance with IT best practices.
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2019, to determine whether the total was less than 3 percent of the Fund's revenues, as specified in Section 1011.051, Florida Statutes. We also performed analytical procedures to evaluate the District's ability to make future debt service payments.
- From the population of expenditures totaling \$524,539 during the period July 1, 2018, through April 10, 2019, from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures totaling \$257,309, to determine District compliance with the restrictions imposed on the use of these resources, including Section 1011.71(2)(e), Florida Statutes.
- From the population of \$132,770 total workforce education program funds expenditures for the period July 1, 2018, through April 10, 2019, selected eight expenditures totaling \$107,537 and examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- From the population of 1,991 contact hours for 24 adult general education instructional students during the Fall 2018 Semester, examined District records supporting 361 reported contact hours for 5 selected students to determine whether the District reported the instructional contact hours in accordance with State Board of Education Rule 6A 10.0381, Florida Administrative Code.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the 27 employees who had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job responsibilities.
- Examined the District Web site to determine whether the 2018-19 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- From the population of compensation payments totaling \$12 million to 486 employees during the period July 1, 2018 through March 31, 2019, examined District records supporting compensation payments totaling \$912,437 to 30 selected employees to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked.
- Examined District records to determine whether the Board adopted a salary schedule with differentiated pay for both instructional personnel and school administrators based on District determined factors, including, but not limited to, additional responsibilities, school demographics, critical shortage areas, and level of job performance difficulties in compliance with Section 1012.22(1)(c)4.b., Florida Statutes.
- Examined District records for the audit period to determine whether the District had developed adequate performance assessment procedures for instructional personnel and school administrators based on student performance and other criteria in accordance with Section 1012.34(3), Florida Statutes, and determined whether a portion of compensation was based on performance in accordance with Section 1012.22(1)(c)4., Florida Statutes, for 11 personnel selected from the 486 individuals employed during the period July 1, 2018, through March 31, 2019.
- Examined District records for the audit period for 42 employees selected from the population of 486 employees and 24 contract workers selected from the population of 97 contractor workers to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.

- Examined Board policies, District procedures, and related records for volunteers during the audit period to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- Examined District records supporting the eligibility of:
 - 27 selected District recipients of the Florida Best and Brightest Teacher Scholarship Program awards from the population of 106 District teachers who received scholarships awards totaling \$134,029 during the audit period.
 - 18 selected charter school recipients of the awards from the population of 29 charter school teachers who received scholarships awards totaling \$44,951 during the audit period.
- Evaluated District procedures to implement the Florida Best and Brightest Principal Scholarship Program pursuant to Section 1012.732, Florida Statutes. We also examined District records to determine whether the District submitted to the Florida Department of Education (FDOE) accurate information about the number of classroom teachers and the list of principals, as required by Section 1012.731(4), Florida Statutes, and whether the District timely awarded the correct amount to each eligible principal.
- Evaluated Board policies and District procedures for ethical conduct for instructional personnel and school administrators, including reporting responsibilities of employee misconduct which affects the health, safety, or welfare of a student, to determine compliance with Section 1011.42(6), Florida Statutes.
- Evaluated Board policies and District procedures to verify 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 District's policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board approved contributions.
- Examined copies of the most recent annual fire safety, casualty safety, and sanitation inspection reports. We also examined documentation for eight reports with 105 noted deficiencies to determine whether timely action was taken to correct the 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, 1006.13, 1011.62(15) and (16), and 1012.584, Florida Statutes.
- Evaluated District procedures for allocating Title I funds to ensure compliance with Section 1011.69(5), Florida Statutes. We also examined District records to determine whether the District identified eligible schools, including charter schools, limited Title I allocations to eligible schools based on the threshold established by the District for the 2017-18 school year or the Statewide percentage of economically disadvantaged student, and distributed all remaining funds to all eligible schools in accordance with Federal law and regulations.
- Evaluated District procedures and examined District records to determine whether the procedures were effective for distributing the correct amount of local capital improvement funds to eligible charter schools by February 1, 2018, 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 deficiencies identified during inspections, and tested the work order system for appropriate tracking of maintenance jobs.

- Determined whether non-compensation expenditures were reasonable; correctly recorded; adequately documented; for a valid District purpose; properly authorized and approved; in compliance with applicable State laws, rules, contract terms, and Board policies; and applicable vendors were properly selected. From the population of non-compensation expenditures totaling \$7.7 million for the period July 1, 2018, through March 31, 2019, we examined District records supporting 30 selected payments for general expenditures totaling \$223,257.
- Evaluated District controls related to gift card purchases for the wellness program.
- From the population of 111 contracts totaling \$3.6 million during the period July 1, 2018, through March 31, 2019, examined supporting documentation for 30 selected payments totaling \$520,312 related to 29 contracts to determine whether:
 - The District complied with competitive selection requirements.
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - District records documented satisfactory receipt of deliverables before payments were made.
 - The payments complied with contract provisions.
- Evaluated the adequacy of District Virtual Instruction Program (VIP) policies and procedures.
- For the FDOE-approved VIP provider that contracted with the District for the audit period, determined whether the District obtained background screenings in accordance with Section 1012.32, Florida Statutes.
- Examined the contract documents for the FDOE-approved VIP provider to determine whether the contract contained required statutory provisions.
- 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

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

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

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

District School Board of Madison County

Shirley Joseph
Interim Superintendent
Shirley.joseph@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



November 18, 2019

Finding #1: Facility Inspections

All five public schools and two charter schools have had or are in the process of having their inspection and reports completed and turned in for the 2019-20 school year. The District set up the inspections for all schools to ensure that they were conducted. The relocatable classrooms have been scheduled to be inspected before the end of November.

Finding #2: School Safety – Emergency Drills

The District will get copies of all drills done during the month for each school and keep them on file. The District will also remind each school of the required drills and ensure that they are being conducted.

Finding #3 School Volunteers

In addition to the screening procedures already performed, the District will ensure that each individual who submits a volunteer form is properly screened to volunteer in the schools and around our students. The District now checks potential volunteers in the National Sex Offender Public Website (NSOPW) and FLCCIS website. A copy of the results/findings from each individual's background screening are attached to his/her volunteer form.

Finding #4 Best and Brightest Teacher Scholarships

The District has conducted a thorough review of statutory requirements regarding Florida's Best and Brightest Teacher Scholarship award program. All parties involved with disbursement of such funds have become familiar with the processes and requirements to ensure this error does not reoccur. The District has received professional development on the change's forthcoming with the new Best and Brightest program and statutory changes.

The District has coordinated a fund recovery plan with each of the employees identified by the auditors to have received the award in error. Each employee has been invoiced and provided an opportunity to coordinate repayment with the District.

Ms. Mary "Susie" Williamson
District 1
Mary.Williamson@mcsbfl.us

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

Mrs. Surretta Bell
District 3
Surretta.Bell@mcsbfl.us

Mr. Reginald Daniels
District 4
Reginald.Daniels@mcsbfl.us

Mr. Bart Alford
District 5
Bart.Alford@mcsbfl.us

District School Board of Madison County

Shirley Joseph
Interim Superintendent
Shirley.joseph@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



Finding #5 Best and Brightest Principal Scholarships

The District has coordinated a fund recovery plan with each of the principals who are employed by the District. Each principal has been invoiced the appropriate amount of funds received and provided an opportunity to coordinate recovery of the overpayment. Such invoices have been cleared as paid in full. The remaining two Principal awards were provided at each of the two charter schools within our district. One charter school principal was overpaid by \$2,000 and the other charter school principal received an award of \$6,000. Each charter school board was apprised of the overpayment once found by the auditors. Both charter school finance departments have been invoiced for the appropriate amount of overpayment.

Finding #6 Compensation and Salary Schedule

Madison County School District is in the process of Interest Based Bargaining with its instructional union, Madison County Education Association, to develop a Differentiated pay program for all staff. Once the program is developed, a Differentiated Pay Plan will be presented to Madison County School Board and Madison County Education Association for approval/agreement. Upon mutual agreement, the process will be fully implemented.

Finding #7 Performance Salary Schedule

Madison County School District is a member of Panhandle Area Education Consortium and Northeast Florida Education Consortium. MCSD Director of Personnel and Finance Officers have consulted with consortium member district to obtain approved Performance Pay Plans which neighboring districts are using. Madison County is in the process of developing an Administrative Performance Pay Plan which will fit Madison County School District.

Finding #8 Contractual Services

The District shall secure monthly timesheets from assigned School Resource Officers. Once received, the district will review and verify duties were completed according to the current contract. Once verified, time sheets will be forwarded for payment.

Ms. Mary "Susie" Williamson
District 1
Mary.Williamson@mcsbfl.us

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

Mrs. Surretta Bell
District 3
Surretta.Bell@mcsbfl.us

Mr. Reginald Daniels
District 4
Reginald.Daniels@mcsbfl.us

Mr. Bart Alford
District 5
Bart.Alford@mcsbfl.us

District School Board of Madison County



Shirley Joseph
Interim Superintendent
Shirley.joseph@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

Finding #9 Information Technology User Access Privileges

The District will conduct and document evaluations at least annually of users with access to student sensitive personal information. This will ensure only staff with a specific need to access student sensitive personal information have access to it. The District is also investigating the feasibility of segregating and differentiating access to the sensitive personal information of current and former students.

Finding #10 Information Technology – Disaster Recovery

The District is in the process of developing its IT disaster recovery plan to be a comprehensive plan that identifies the District's key recovery personnel and critical data, processes, and applications; provides for backups of critical data sets; and includes step-by-step procedures for recovery. The District will test and document its IT disaster recovery plan annually.

Finding #11 Information Technology – Logging and Monitoring of System Activity

The District will continue to improve its logging and monitoring of IT system activity by implementing new software and generating new reports. The IT department will review and monitor systems for unusual activity.

Ms. Mary "Susie" Williamson
District 1
Mary.Williamson@mcsbfl.us

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

Mrs. Surretta Bell
District 3
Surretta.Bell@mcsbfl.us

Mr. Reginald Daniels
District 4
Reginald.Daniels@mcsbfl.us

Mr. Bart Alford
District 5
Bart.Alford@mcsbfl.us