

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2018-103  
February 2018

**LIBERTY COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2016-17 fiscal year, David H. Summers served as Superintendent of the Liberty County Schools and the following individuals served as School Board Members.

	<u>District No.</u>
James Flowers from 11-22-16	1
Logan Kever through 11-21-16	1
Tina Tharpe, Chair	2
Darrel Hayes, Vice Chair	3
Kyle Peddie	4
Roger Reddick	5

The team leader was Melissa F. Hall, CPA, and the audit was supervised by Shelly G. Curti, CPA.

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

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# LIBERTY COUNTY DISTRICT SCHOOL BOARD

## ***SUMMARY***

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This operational audit of the Liberty County School District (District) focused on selected District processes and administrative activities and included a follow-up on Finding 1 noted in our report No. 2016-103. Our operational audit disclosed the following:

**Finding 1:** The District had not established procedures to verify that applicants had the required teacher certificates before being hired to teach. Additionally, the District did not always comply with the provisions in State law that require parents be notified in writing about out-of-field teaching assignments and out-of-field teachers be reported on the District Web site.

**Finding 2:** Required background screenings were not always performed for instructional and noninstructional employees and applicable contractor workers.

**Finding 3:** Although required by State law, the District did not conduct school administrator performance evaluations for the 2015-16 fiscal year. In addition, for the 2016-17 fiscal year, the Board did not comply with the provisions of State law requiring the adoption of salary schedules that provide annual salary adjustments for school administrators based on student performance and educational leadership.

**Finding 4:** The District did not always accurately report to the Florida Department of Education the contact hours for adult general education classes.

**Finding 5:** The District did not use competitive bidding procedures, as required by State law, when procuring health, life, and other such insurance for District officers and employees.

## ***BACKGROUND***

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The Liberty 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 Liberty County. The governing body of the District is the Liberty 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 2016-17 fiscal year, the District operated eight elementary, middle, high, and specialized schools and reported 1,372 unweighted full-time equivalent students.

This operational audit of the District focused on selected processes and administrative activities and included a follow-up on Finding 1 noted in our report No. 2016-103. The results of our audit of the District's financial statements and Federal awards for the fiscal year ended June 30, 2017, will be presented in a separate report.

## ***FINDINGS AND RECOMMENDATIONS***

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### **Finding 1: Teacher Certificates**

State law<sup>1</sup> requires each educator to hold the certificate required by State law and rules of the State Board of Education for the type of service rendered. To be eligible for a teacher certificate, State law requires applicants to, for example, be at least 18 years of age, document receipt of a bachelor's degree or higher from an accredited institution, submit to a background screening, and demonstrate mastery of general and subject area knowledge by attaining passing scores on the Florida Teacher Certification Examinations in the applicable areas.

Individuals who seek teacher certificates submit applications to the Florida Department of Education (FDOE). The FDOE determines whether the individuals qualify for certificates and, if so, issues official eligibility status statements or professional or temporary certificates, which authorize individuals to teach particular subject areas and grade levels. Issued certificates are retroactively effective from the beginning of the fiscal year of issuance. The FDOE Web site displays the certificate status of individuals who apply to the FDOE for teacher certificates; however, the District had not established procedures to use the FDOE Web site, or other means, to verify that applicants have the required teacher certificates before being hired by the Board to teach.

State law<sup>2</sup> also requires, within 30 days before the beginning of each semester, the parents of students in out-of-field teaching assignments to be notified in writing of these assignments and the District must report out-of-field teachers on the District Web site. In response to our inquiries, District personnel indicated that, at the beginning of each semester, they review teacher assignments and teacher certification areas and compile for Board approval a list of teachers assigned to teach out-of-field. District procedures provide that, once approved, District personnel are to send letters to parents notifying them that their children are in a class taught by an out-of-field teacher.

During the period July 1, 2014, through June 30, 2017, 38 teachers were hired by the Board and the number of District teacher positions ranged from 109 to 118. We requested for examination District records supporting 20 of the 38 teachers hired during that period to determine whether the selected teachers held the required certificates before they were hired and, for any out-of-field teaching assignments, whether the District notified parents and reported the out-of-field teachers on the District Web site. We found that:

- During the 2014-15 fiscal year, 1 teacher was hired 37 days before receipt of a required temporary certificate. In this instance, the District did not verify that the applicant had the required certificate.
- 1 teacher, hired during the 2015-16 fiscal year, had a temporary certificate that expired on June 30, 2016; however, the teacher continued to teach for the 2016-17 fiscal year without a required certificate. According to District personnel, an oversight caused this teacher's expired certificate to go unnoticed.
- During the 2016-17 fiscal year, 1 teacher was hired 24 days before the FDOE issued a statement that the teacher was ineligible for a temporary certificate. District personnel indicated that this

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<sup>1</sup> Sections 1012.55(1) and 1012.56, Florida Statutes.

<sup>2</sup> Section 1012.42, Florida Statutes.

teacher was not rehired for the 2017-18 fiscal year; however, for 2016-17 fiscal year, the District allowed the individual to teach without the required certificate.

- During the 2016-17 fiscal year, 3 teachers were hired 120, 132, and 297 days before receipt of their respective temporary certificates. In addition, the temporary certificates did not authorize the teachers to teach the particular subject areas and grade levels that they taught. Although these 3 teachers were teaching students out of field, the District did not notify the students' parents or report these teachers as out-of-field teachers on the District Web site.

According to District personnel, the 3 teachers were not included on the list of out-of-field teachers presented to the Board because the teachers had applied for teacher certificates in the fields they planned to teach, however, temporary certificates were not obtained to authorize the individuals to teach the subject areas and grade levels they taught. Similar findings were noted in our attestation examination report No. 2018-057, *Liberty County District School Board Florida Education Finance Program Full-Time Equivalent Student Enrollment and Student Transportation for the Fiscal Year Ended June 30, 2016*.

Absent documented verifications that applicants have the required teacher certificates before being hired by the Board to teach, applicable parental notifications of out-of-field teaching assignments, and complete lists of out-of-field teachers on the District Web site, District records do not demonstrate compliance with State law. Verification of teacher certificates is necessary to ensure that teachers are qualified to teach District students. Additionally, timely written parental notifications and completed lists of out-of-field teachers reported on the District Web site, provide parents the opportunity to provide input to the Board regarding the out-of-field teaching assignments or to request their children be relocated to other classes.

**Recommendation: To promote compliance with State law, the District should establish procedures to verify that applicants have the required teacher certificate before being hired by the Board to teach. The District should also enhance procedures to ensure that parents are timely notified in writing about out-of-field teaching assignments and that all out-of-field teachers are reported on the District Web site.**

## **Finding 2: Background Screenings**

State law<sup>3</sup> requires that each person hired or contracted to serve in an instructional or noninstructional capacity 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<sup>4</sup> at least once every 5 years. State law<sup>5</sup> also provides that noninstructional contractors may be exempt from the background screening requirements if the contractors are under the direct supervision of a school district employee or contractor who has had a criminal history check and meets the statutory background screening requirements. Additionally, for noninstructional contractors, State law<sup>6</sup> requires the District to verify the results of the contractor's background screening using the shared system implemented by the Florida Department of Law Enforcement (FDLE).

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<sup>3</sup> Sections 1012.32, 1012.56(10), and 1012.465, Florida Statutes.

<sup>4</sup> 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.

<sup>5</sup> Section 1012.468, Florida Statutes.

<sup>6</sup> Sections 1012.467(2)(f), Florida Statutes.

According to District personnel, the Payroll Department is responsible for ensuring that employees and contractor workers who have access to school grounds undergo required background screenings at least once every 5 years. The District issues all employees a District badge that includes the employee's picture, clearance level, and date of fingerprinting. The District also maintains a master list that identifies when employees are required to have their fingerprints renewed. However, the District had not developed written procedures to establish responsibility for monitoring and ensuring that required background screenings are timely performed.

For contractor workers, the District issues a District badge unless the contractor worker was already fingerprinted in another Florida school district and issued a Florida Public School Contractors' badge that includes the contractor's picture and badge expiration date. However, the District did not maintain a comprehensive list of contractor workers to ensure that contractor worker background screenings are obtained and evaluated at least once every 5 years.

We examined District records for the period July 1, 2016, through March 31, 2017, and evaluated District background screening procedures for instructional and noninstructional employees and contractor workers and noted that:

- The District employed 120 instructional and 213 noninstructional employees. To determine whether required background screenings were performed, we requested for examination District records as of March 2017 for 50 selected employees and found that, for 3 instructional employees and 1 noninstructional employee, the required background screenings had not been performed at least once in the past 5 years.

In response to our inquiries, District personnel indicated that background screenings were not performed for these 4 employees because they were mistakenly excluded from the master list identifying when employee fingerprint renewals are due. Subsequent to our inquiry, the District obtained the required background screenings in May 2017 for the 4 employees and noted no inappropriate backgrounds. However, the screenings were dated 1 to 2.5 years after the applicable 5-year periods had elapsed. In October 2017, the District developed written procedures for monitoring background screenings and updated the master list.

- The District had 49 contractor workers who were not exempt from the background screening requirements and were permitted access on school grounds when students were present or had direct contact with students. To determine whether the required background screenings were performed, in June 2017 we requested for examination District records for 22 selected contractor workers. We found that District records did not evidence that background screenings had been performed for 3 contractor workers who provided Special Education Program student services.

In response to our inquiries, District personnel indicated that another school district's vendor badge was relied upon as evidence that the required background screenings were performed. Subsequent to our inquiry, the District searched the FDLE shared system, located 2 of the 3 contractors, noted no inappropriate backgrounds, and provided us evidence of this information. As of August 2017, the District no longer contracted with the vendor associated with these 3 contractor workers.

Absent effective controls to ensure that required background screenings are timely performed, there is an increased risk that individuals with unsuitable backgrounds may be allowed access to students.

**Recommendation: The District should take immediate action to identify employees and contractor workers who have not obtained the required background screenings, ensure the screenings are promptly obtained and evaluated, and make personnel decisions, as necessary, based on evaluations of the screening results. To help monitor and ensure that required**

**background screenings are performed at least once every 5 years, we recommend that the District continue efforts to monitor the master list identifying when employee fingerprint renewals are due and establish a comprehensive, up-to-date list of contractor workers subject to background screenings.**

### **Finding 3: School Administrator Performance Evaluations and Salary Schedule**

Performance evaluations of school administrators are important management tools that inform administrators of their accomplishments, needed improvements, and training needs, and also help management make and support personnel decisions. State law<sup>7</sup> requires that a performance evaluation must be conducted for each school administrator at least once a year, specifies certain evaluation criteria, and provides that at least one-third of the evaluation be based upon data and indicators of student performance and at least one-third be based upon instructional leadership. In addition, State law<sup>8</sup> and State Board of Education rules<sup>9</sup> require school districts to submit to the FDOE a performance evaluation system for review and approval when the system is established or changed. State law<sup>10</sup> also requires the Board to adopt salary schedules that provide annual salary adjustments for school administrators based on student performance and instructional leadership.

The FDOE requested school districts to submit applicable 2015-16 fiscal year performance evaluation systems by October 31, 2015; however, the District submitted the 2015-16 fiscal year school administrator performance evaluation system (system) to the FDOE in May 2016 or 6 months after the FDOE-requested submission date and, in September 2016, the FDOE approved the system. In response to our inquiry, District personnel indicated that the excessive workload of personnel responsible for submitting the system caused the system to be submitted late and, without the FDOE-approved system, the school administrator evaluations were not conducted.

Our examination of District records for the 2016-17 fiscal year also disclosed that the Board did not adopt a performance salary schedule for school administrators. In response to our inquiries, District personnel indicated that, because performance evaluations were not completed for school administrators for the 2015-16 fiscal year, the Superintendent did not recommend school administrator performance-related pay adjustments for the 2016-17 fiscal year. Notwithstanding this response, we are unaware of any exemption from the statutory requirement to adopt salary schedules that provide annual salary adjustments for school administrators based on student performance and instructional leadership.

**Recommendation: The District should enhance procedures to ensure that school administrator performance evaluation systems are timely submitted to the FDOE for review and approval, and evaluations are performed annually in accordance with State law. In addition, the Board should comply with State law by adopting salary schedules that provide annual salary adjustments for school administrators based on student performance and instructional leadership.**

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<sup>7</sup> Section 1012.34(3), Florida Statutes.

<sup>8</sup> Section 1012.34(1), Florida Statutes.

<sup>9</sup> SBE Rule 6A-5.030(3), Florida Administrative Code.

<sup>10</sup> Section 1012.22(1), Florida Statutes.

#### **Finding 4: Adult General Education Classes**

State law<sup>11</sup> defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The District received State funding for adult general education and General Appropriations Act<sup>12</sup> proviso language required each district to report enrollment for adult general education programs in accordance with FDOE instructional hours reporting procedures.<sup>13</sup>

FDOE procedures state that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. The procedures also require school districts to develop a procedure for withdrawing students for nonattendance and provide that the standard for setting the withdrawal date be six consecutive absences from a class schedule, with the withdrawal date reported as the day after the last date of attendance. If a student withdraws and re-enrolls in the same class, the District should report the student instructional contact hours from the first date of enrollment to the final withdrawal date or the end-of-class date, whichever is sooner.

For the Fall 2016 Semester, the District reported 5,616 instructional contact hours for 7 adult general education classes provided to 45 students. As part of our audit, we examined District records for 2,698 contact hours reported for 32 students enrolled in seven adult general education classes. We found that instructional contact hours were under reported a total of 252 hours for 3 students enrolled in three adult general education classes. In response to our inquiries, District personnel indicated that the errors occurred because the 3 students had withdrawn and re-enrolled during the semester and the District did not properly report the hours between the students' initial withdrawal and re-enrollment dates.

Since future funding is based, in part, on enrollment data submitted to the FDOE, it is important that the District report accurate data.

**Recommendation: The District should strengthen controls to ensure instructional contact hours for adult general education classes are accurately reported to the FDOE. The District should also determine to what extent the adult general education hours were misreported for the 2016-17 fiscal year and contact the FDOE for proper resolution.**

#### **Finding 5: Insurance Bids**

Pursuant to State law,<sup>14</sup> before entering into any contract for life, health, accident or hospitalization insurance, or all or any kinds of such insurance, for District officers and employees, the District must advertise for competitive bids and the contract must be let upon the basis of such bids. In addition, the District is authorized to undertake simultaneous negotiations with qualified bidders during the selection process. During the 2016-17 fiscal year, District premiums for health and life insurance totaled \$642,923 and \$5,172, respectively. Employee-paid premiums for health insurance totaled \$394,375 and

<sup>11</sup> Section 1004.02(3), Florida Statutes.

<sup>12</sup> Chapter 2016-66, Laws of Florida, Specific Appropriations 10 and 122.

<sup>13</sup> FDOE-issued Memorandum No. 06-14, dated May 15, 2006, *Reporting Procedures for Adult General Education Enrollments*.

<sup>14</sup> Section 112.08(2)(a), Florida Statutes.

retiree-paid health and life insurance premiums totaled \$48,149 and \$433, respectively. For that same period, employee-paid premiums through payroll deductions for other group health insurance plans, such as such dental, vision, life and long-term disability, totaled \$80,853.

According to District personnel, the District has an insurance committee that conducts workshop meetings to discuss various insurance options and to meet with the District's agent of record<sup>15</sup> and representatives from prospective insurance companies. During the 2015-16 fiscal year, the District changed its health insurance provider and its provider for life and other group health insurance. We requested documentation to evidence that the District complied with State law by advertising for competitive bids prior to contracting for these insurance services with new providers. Such documentation was not available as, according to District personnel, the District's agent of record obtained price comparisons between the District's providers and a new provider for each type of insurance and undertook simultaneous negotiations with the new providers based on the lowest price. Although District insurance needs and related costs have varied over the years, District personnel indicated that the Board decided that direct negotiations with specific providers was in the best interest of the District.

Notwithstanding the District's response, by periodically seeking competitive bids for insurance and negotiating with qualified bidders, the District would demonstrate compliance with State law and gain additional assurance that insurance coverage was obtained at the lowest cost consistent with acceptable quality.

**Recommendation:** As required by State law, before entering into any contract for life, health or other such insurance for District officers and employees, the District should advertise for competitive bids and the insurance contract should be based on such bids.

## ***PRIOR AUDIT FOLLOW-UP***

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The District had taken corrective actions for Finding 1 in our report No. 2016-103.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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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 2017 to October 2017 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.

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<sup>15</sup> An agent of record is a company or individual who has the legal authority to represent the insured in maintaining, servicing, and purchasing insurance policies.

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 Finding 1 in our report No. 2016-103.
- 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 2016-17 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 user access to information technology resources 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 examined selected user access privileges for all 39 users who had access to the finance and human resources applications.
- Examined committee and advisory board meeting minutes and procedures in effect during the audit period for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings and properly maintained meeting minutes).
- Determined whether District controls granted access privileges to student social security numbers to only individuals with a demonstrated need.
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2017, to determine whether the total was less than 3 percent of the fund's projected revenues, as specified in Section 1011.051, Florida Statutes. We also performed analytical procedures to determine that ability of the District to make future debt service payments.
- Examined the District Web site to determine whether the 2016-17 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- Examined supporting documentation to determine whether required internal funds audits for the 2014-15 and 2015-16 fiscal years were timely performed pursuant to SBE Rule 6A-1.087, Florida Administrative Code, and Chapter 8 – School Internal Funds, *Financial and Program Cost Accounting and Reporting for Florida Schools (Red Book)*, and whether the audit reports were presented to the Board.
- From the population of expenditures totaling \$321,863 and transfers totaling \$224,000 during the audit period from nonvoted capital outlay levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$43,382 and \$224,000, respectively, to determine compliance with the restrictions imposed on the use of these resources.
- From the population of \$81,556 total workforce education program expenditures for the period July 1, 2016, through March 31, 2017, selected three expenditures totaling \$44,647, 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 5,616 contact hours reported for 45 adult general education instructional students in the Fall 2016 semester, examined District records supporting 2,698 reported contact hours for 32 selected students enrolled in seven adult general education classes to determine whether the District reported the instructional contact hours in accordance with Florida Department of Education requirements.
- From the population of compensation payments totaling \$5.8 million to 333 employees during the period July 1, 2016, through March 31, 2017, examined District records supporting compensation payments totaling \$92,299 to 32 selected employees to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked.
- From the population of compensation payments totaling \$2.2 million to 158 noninstructional and administrative employees during the period July 1, 2016, through March 31, 2017, examined District records supporting compensation payments totaling \$63,283 to 26 selected employees to determine whether supervisory personnel reviewed and approved employee reports of time worked and leave taken and whether leave records had been properly updated, if applicable.

- From the population of 120 instructional personnel and 7 school administrators compensated a total of \$ 3.1 million for the period July 1, 2016, through March 31, 2017, examined District records for 26 selected employees who were paid a total of \$660,300 to determine whether the District had developed adequate performance evaluation 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 each selected employee's compensation was based on performance in accordance with Section 1012.22(1)(c)5., Florida Statutes.
- Determined whether the District hired certified teachers during the 2014-15, 2015-16, and 2016-17 fiscal years and whether the teachers taught in their area of certification or the Board approved the teachers to teach out-of-field, parents were notified of out-of-field teaching assignments, and out-of-field teachers were reported on the District Web site.
- Examined District records for contracted workers and employees to assess whether individuals who had direct contact with students were subjected to required fingerprinting and background screenings.
- Examined District policies, procedures, and related records for the audit period for school volunteers to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- Examined District records supporting the eligibility of the ten employees who received Florida Best and Brightest Teacher Scholarship awards totaling \$68,169 during the audit period.
- From the population of 1,077 non-payroll expenditures totaling \$3.3 million for the period July 1, 2016, through March 31, 2017, examined documentation relating to 30 selected transactions totaling \$660,536 to determine whether the non-payroll expenditures were reasonable, correctly recorded, adequately documented, for valid District purposes, properly authorized and approved, and in compliance with applicable State laws, rules, contract terms, and Board policies.
- From the population of 74 consultant contracts totaling \$1.2 million in effect for the period July 1, 2016, through March 31, 2017, examined District records, including contract documents, for 30 selected payments totaling \$320,784 relating to 24 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.
- Determined whether District records evidenced that the District complied with the competitive bid process for life, health, and other such insurance, required by Section 112.08(2)(a), Florida Statutes.
- Determined whether the District had adequate Virtual Instruction Program (VIP) policies and procedures.
- Evaluated District records for the audit period to determine whether the District properly informed parents and students about students' rights to participate in a VIP and the VIP enrollment periods as required by Section 1002.45(1)(b) and (10), Florida Statutes.
- 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***

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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

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## LIBERTY COUNTY SCHOOL DISTRICT DAVID H. SUMMERS, SUPERINTENDENT

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January 30, 2018

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

Dear Ms. Norman:

Pursuant to the provisions of Section 11.45(4)(d), Florida Statutes, I am responding to the findings cited in the Operational Audit of Liberty County School Board for the fiscal year ending June 30, 2017.

I would like to thank the members of your staff who conducted the audit for the efficient and courteous manner in which they did their job.

Our response are as follows:

### Finding No. 1: Teacher Certificates

1. The District has established procedures to verify that applicants have the required teacher certificate before being hired by the Board to teach. The District has enhanced procedures to ensure that parents are timely notified in writing about out-of-field teaching assignments and that all out-of-field teachers are reported on the District's Web site.

### Finding No. 2: Background Screenings

2. The District has taken immediate action to identify employees and contractor workers who have not obtained the required background screenings, ensured the screenings were promptly obtained and evaluated, and made personnel decisions, as necessary, based on evaluations of the screening results. The District will ensure that required background screenings are performed at least once every 5 years. The District will monitor the master list identifying when employee fingerprint renewals are due and establish a comprehensive, up-to-date list of contractor workers subject to background screenings.

Finding No. 3: School Administrator Performance Evaluations and Salary Schedule

3. The District will enhance procedures to ensure that school administrator performance evaluation systems are timely submitted to the FDOE for review and approval, and evaluations are performed annually in accordance with State law. The Board will comply with State law by adopting salary schedules that provide annual salary adjustments for school administrators based on student performance and instructional leadership.

Finding No. 4: Adult General Education Classes

4. The District will strengthen controls to ensure instructional contact hours for adult general education classes are accurately reported to the FDOE. The District will also determine to what extent the adult general education hours were misreported for the 2016-17 fiscal year and contact the FDOE for proper resolution.

Finding No. 5: Insurance Bids

5. As required by State law, before entering into any contract for life, health or other such insurance for District officers and employees, the District will advertise for competitive bids and the insurance contract will be based on such bids.

Again, we wish to express our appreciation to your audit staff for the professional manner in which the audit was conducted. We appreciate your recommendations and have taken action to implement them. Liberty County has been diligent in the past in attempting to conduct their affairs in a correct and efficient manner, and we plan to continue in the same manner in the future. If you need additional information, please let me know.

Sincerely,

*David H. Summers*

David H Summers, Superintendent  
Liberty County School Board  
DS/sh