

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2019-099  
January 2019

**LEVY COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2017-18 fiscal year, Jeffery R. Edison served as Superintendent of the Levy County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Cameron A. Asbell, Chair from 11-28-17, Vice Chair through 11-27-17	1
Christopher A. Cowart, Chair through 11-27-17	2
Brad Etheridge, Vice Chair from 11-28-17	3
Paige Brookins	4
Rick Turner	5

The team leader was Debra L. Hulse, CPA, and the audit was supervised by Denita K. Tyre, 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.

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

[FLAuditor.gov](http://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**

# LEVY COUNTY DISTRICT SCHOOL BOARD

## ***SUMMARY***

---

This operational audit of the Levy County School District (District) focused on selected District processes and administrative activities and included a follow-up on applicable findings noted in our report No. 2016-106. Our operational audit disclosed the following:

**Finding 1:** The Board transferred ownership of a District facility and related land to a former direct-support organization of the District without a documented determination that the transfer was in the best interests of the public.

**Finding 2:** District personnel did not compare construction management entity (CME) pay requests to the CME guaranteed maximum price contract and applicable subcontractor contracts for the Williston Middle High School (WMHS) Project totaling \$28.3 million. From the inception of the WMHS Project construction phase through the 2017-18 fiscal year, District payments to the CME for subcontractor services totaled \$15.5 million.

**Finding 3:** District construction administration monitoring procedures for the WMHS Project did not include documented comparisons of the selected subcontractor bids to the CME subcontractor contracts to verify that the CME used a competitive selection process to select subcontractors and that the selected bid and contract amounts agreed.

**Finding 4:** The District did not verify subcontractor licenses before the subcontractors commenced work on the WMHS Project.

**Finding 5:** The District needs to enhance controls over negotiating, monitoring, and documenting the reasonableness of CME general conditions costs.

**Finding 6:** The District needs to improve controls over payments for lobbying and athletic training services.

**Finding 7:** Contrary to State law, the Board-adopted salary schedules for the 2014-15 through 2017-18 fiscal years did not provide annual salary adjustments for school administrators based, in part, on student performance and instructional leadership.

**Finding 8:** The District disbursed Florida Best and Brightest Teacher Scholarship Program awards totaling \$25,848 to 21 recipients who did not meet the eligibility requirements for the awards. In addition, the District did not always base teacher eligibility for the awards on reliable and authentic records of college entrance examination scores.

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

**Finding 10:** The District had not developed a comprehensive, written IT risk assessment.

## **BACKGROUND**

---

The Levy 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 Levy County. The governing body of the District is the Levy 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 2017-18 fiscal year, the District operated 9 elementary, middle-high, and combination schools; sponsored 2 charter schools; and reported 5,500 unweighted full-time equivalent students.

## **FINDINGS AND RECOMMENDATIONS**

---

### **Finding 1: Real Property Disposal**

State law<sup>1</sup> provides that the District may dispose of any land or real property to which the Board holds title which is, by resolution of the Board, determined to be unnecessary for educational purposes as recommended in an educational plant survey, and shall take diligent measures to dispose of educational property only in the best interests of the public. However, appraisals may be obtained by the Board prior to or simultaneously with the receipt of bids.

To evidence the Board's determination that the disposition of educational property by transfer or donation is in the best interests of the public, it is necessary to document in the Board's public records the facts and circumstances considered in the determination. Also, according to the Florida Department of Education (FDOE) requirements,<sup>2</sup> upon disposal of any land or real property, funds received shall be deposited into a depository account and credited to the fund source used for the original acquisition. If the original fund source cannot be determined, proceeds of the sale shall be expended only on capital outlay projects.

Our discussions with District personnel and examination of District records related to the transfer of a District facility and related land to the Levy County Schools Foundation, Inc. (Foundation), a former direct-support organization (DSO)<sup>3</sup> of the Board, disclosed the following:

- In March 2013, the Foundation requested to rescind its DSO status and transition to an independent local education foundation. The Board approved the request in April 2013.
- In February 2017, the Board approved the Superintendent's request to declare the old Williston Middle School (WMS) property as surplus to be surveyed and advertised for sale.
- In April 2018, District personnel contacted three organizations that had previously indicated interest in acquiring the WMS property and requested proposals regarding their intended use for the property. The three organizations submitted proposals to the District and the Superintendent

---

<sup>1</sup> Section 1013.28(1)(a), Florida Statutes.

<sup>2</sup> FDOE, Office of Educational Facilities, publication (2014) *State Requirements for Educational Facilities (SREF)* Section 1.4(4).

<sup>3</sup> Section 1001.453(1)(a)3., Florida Statutes, provides that a district school board DSO is an organization organized and operated exclusively to receive, hold, invest, and administer property and make expenditures to, and for the benefit of, public kindergarten through 12th grade education and adult career and community education programs. Section 1001.453(2), Florida Statutes, authorizes the Board to permit a DSO to use District property, facilities, and personal services, subject to the provisions in State law.

designated five employees to meet as a committee to score and rank the proposals. The committee score sheets stated that “the recommendation shall be made by the committee for the proposal that is determined to be in the best interest of the public (1013.28, Florida Statutes).” However, no criteria was established for the committee members to evaluate how each proposal benefitted the public.

- Notwithstanding Board action in February 2017 to advertise the WMS property for sale, the Board approved the committee’s recommendation to dispose of the WMS by donating the WMS to the Foundation in April 2018. Although the Board indicated that the donation was in the best interests of the public, the Board did not disclose, of record, the basis for that conclusion. The Foundation proposed purchasing the property for a nominal amount of \$10, then re-selling the property with net proceeds to benefit various school-related projects as funds are available.
- Two Board members declared voting conflicts in accordance with State law<sup>4</sup> and subsequently abstained from voting on the committee’s recommendation due to their relationships with the Foundation. One of the two Board members was also a member of the Foundation’s Board of Directors.
- The property was transferred to the Foundation for \$10 in June 2018 and, as of August 2018, the WMS property was listed for sale at \$750,000.

In response to our inquiry, District personnel indicated that they attempted to sell the property and were unable to finalize a sale. District personnel also indicated that they were concerned with the continuing cost of maintaining and insuring the facilities. Notwithstanding this response, District records did not evidence how the property transfer was in the best interest of the public.

Absent a documented determination of the basis for the property transfer, there is an increased risk that the transfer was not in the best interests of the public. Also, absent records documenting that the transfer was in the public’s best interests, the appropriate disposition of any proceeds from the Foundation’s sale of the property is not apparent and may be subject to FDOE direction.

**Recommendation:** To evidence the Board’s determination that the property ownership transfer was in the best interests of the public, the Board should document in the Board’s public records by resolution the facts and circumstances considered in the determination. In addition, the District should:

- Establish procedures to ensure that, before future property transfers or donations are made, District records evidence that such actions are in the best interests of the public.
- Contact the FDOE to determine the propriety of the property transfer to the former DSO and, if the property is sold by the Foundation, request and timely follow FDOE direction regarding the appropriate disposition of the proceeds from the sale.

## **Finding 2: Monitoring Construction Pay Requests**

Under the construction management entity (CME) process, contractor profit and overhead are contractually agreed upon, and the CME is responsible for all scheduling and coordination in both the design and construction phases and is generally responsible for the successful, timely, and economical completion of the construction project. The CME may be required to offer a guaranteed maximum price (GMP), which allows for the difference between the actual cost of the project and the GMP amount, or the net cost savings, to be returned to the District. To ensure potential savings in material and labor

<sup>4</sup> Section 112.3143, Florida Statutes.

costs and prevent cost overruns or other impediments to successful completion of GMP contracts, it is important that District personnel verify that CME pay requests agree with supporting documentation such as applicable subcontractor contracts and invoices.

The Board approved a construction contract in February 2015 with a CME for the Williston Middle High School Project (WMHS Project) and, in May 2015, the Board amended the contract to establish a GMP of \$28.3 million for the construction phase. For the 2015-16 through 2017-18 fiscal years, the WMHS Project was the only significant District construction project and, during that period, the District paid \$18.6 million to the WMHS Project CME, including \$15.5 million for subcontractor services. To evaluate District monitoring controls over CME pay requests we inquired of District personnel and requested for examination District records supporting 13 selected payments totaling \$10.7 million during that period, including \$9 million paid to the CME for subcontractor services.

In response to our inquiries, District personnel indicated that, upon receipt of a CME payment request, District personnel compared cost lines on the CME pay request schedule of values to subcontractor invoices, verified the mathematical accuracy of the request, and also verified that prior payments were properly accumulated. However, District personnel did not verify that the applicable amounts billed on the CME pay requests agreed with the GMP contract and applicable subcontractor contracts. Additionally, as further discussed in Findings 3 and 5, District personnel did not verify that subcontractors were competitively selected, subcontractor bid and contract amounts agreed, or that general conditions cost invoices agreed with the GMP contract amounts.

We requested, and in August 2018 the District obtained from the CME, subcontractor contracts supporting seven subcontractor services totaling \$9.5 million. We examined payments totaling \$5.5 million and found that the selected CME pay requests were consistent with the GMP contract and applicable subcontractor contracts; however, our procedures cannot substitute for the District's responsibility to properly monitor CME pay requests. Absent a documented reconciliation of each line in the schedule of values for each pay request to supporting documentation, there is an increased risk that the District may overpay for services and not realize maximum cost savings under GMP contracts.

**Recommendation: The District should enhance procedures for monitoring CME pay requests to include a documented comparison of the cost items in the CME pay requests to GMP contract and applicable subcontractor contracts, before payment is made to the CME.**

### **Finding 3: Subcontractor Selection**

The CME construction contract for the WMHS Project required the CME to solicit bids and award subcontracts, as necessary. Good business practice dictates that District personnel monitor the subcontractor selection process to ensure services are obtained at the lowest cost consistent with acceptable quality and to realize maximum cost savings under the GMP contract.

District personnel attended the subcontractor bid openings and documented attendance by signing the bid tabulation sheets. Although the CME was required to solicit bids for subcontractor services, District procedures did not require, and District personnel did not verify that, the CME selected, and contracted with, the subcontractors with the lowest bids consistent with acceptable quality or confirm that the CME selected subcontractors and awarded contracts with amounts that agreed with subcontractor bids.

District personnel documented verifications that applicable cost lines on the CME pay request schedule of values agreed with subcontractor invoices and relied on the CME for the subcontractor selection process. However, District reliance on the CME subcontractor selection process provides limited assurance absent District efforts to evaluate the effectiveness of that process.

From the inception of the WMHS Project construction phase through the 2017-18 fiscal year, 17 subcontractors provided services totaling \$15.5 million for the WMHS Project. As part of our procedures, we requested for examination, and District personnel obtained from the CME, documentation related to subcontractor contracts totaling \$9.5 million for seven selected subcontractors. We examined the bid information listed on the bid tabulation sheets and in the subcontractor contracts to determine whether the selected subcontractors and related bid amounts listed on the tabulation sheets agreed with the subcontractor contracts. Although the documentation we examined evidenced that the subcontractors were competitively selected and that the bid and contract amounts generally agreed, we also noted that:

- For concrete subcontractor services totaling \$2.1 million, the subcontractor selected by the CME was not the lowest bidder listed on the bid tabulation sheet and District records did not evidence the CME's basis for selecting other than the lowest bidder. In response to our inquiry, District personnel obtained an explanation from the CME that the bid proposal forms allowed for concrete and masonry subcontractors to submit individual or combined bids. Two subcontractors submitted bids for both concrete and masonry and the lowest combined bid was accepted.
- For plumbing subcontractor services totaling \$1.4 million, the subcontractor selected by the CME was not the lowest bidder listed on the bid tabulation sheet and District records did not evidence the CME's basis for selecting other than the lowest bidder. In response to our inquiry, District personnel obtained an explanation from the CME that value engineering<sup>5</sup> items and associated credits were included in the bid documents and factored into determining the final low bidder. Through these explanations, we were able to determine that the final accepted bid was the lowest.

Based on the documented explanations obtained from the CME, District personnel believed that the CME exercised due diligence on behalf of the District. However, without District procedures requiring and ensuring documented verification that CMEs use a competitive process for selecting subcontractors and a documented confirmation that subcontractor bid and contract amounts agree, the risk increases that subcontractor services may not be obtained at the lowest cost consistent with acceptable quality and the District may not realize maximum cost savings under a GMP contract.

**Recommendation: The District should establish procedures that require and ensure that District personnel document verification that CMEs select, and contract with, the subcontractor with the lowest bid consistent with acceptable quality and confirmation that selected subcontractor bid amounts agree with subcontractor contract amounts.**

#### **Finding 4: Subcontractor Licenses**

State law<sup>6</sup> provides that a CME must consist of, or contract with, licensed or registered professionals for the specific fields or areas of construction to be performed. State law<sup>7</sup> also establishes certain

<sup>5</sup> Value engineering promotes the substitution of materials and methods with less expensive alternatives without sacrificing functionality.

<sup>6</sup> Section 1013.45(1)(c), Florida Statutes.

<sup>7</sup> Chapter 489, Florida Statutes.

certification requirements for persons engaged in construction contracting, including licensing requirements for specialty contractors such as electrical, air conditioning, plumbing, and roofing contractors.

The District had not established procedures requiring that verifications of subcontractor licenses be performed and documented before the subcontractors commence work on District facilities. In response to our inquiry, District personnel indicated that they relied on the CME license verification process to ensure subcontractors that performed services for the WMHS Project were properly licensed. However, District reliance on the CME subcontractor license verification process provides limited assurance absent District efforts to evaluate the effectiveness of that process.

Timely documented verifications that subcontractors are appropriately licensed provides the District assurance that the subcontractors who will be working on District facilities meet the qualifications to perform the work for which they are engaged. As part of our audit procedures, we selected five subcontractors paid a total of \$8.9 million for services on the WMHS project and determined through online licensing searches that the subcontractors were properly licensed. However, our procedures do not substitute for the District's responsibility to implement adequate internal controls over subcontractor services.

**Recommendation: The District should establish procedures to require and ensure that documentation is retained to demonstrate the verification of subcontractor licenses before the subcontractors commence work on District facilities.**

#### **Finding 5: General Conditions Costs**

GMP contracts typically include provisions for general conditions costs that are not directly associated with a particular activity and may include costs relating to labor supervision, temporary offices and utilities, travel expenses, fencing, and surveying. Established policies and procedures that provide appropriate guidance for effectively negotiating, monitoring, and documenting the reasonableness of general conditions costs are essential to ensure that potential cost savings are realized under GMP contracts. For contracts that include general conditions costs, appropriate policies and procedures include, for example:

- Comparing proposed general conditions costs to those of similar projects, including similar projects at other school districts.
- Negotiating with the CME to determine a reasonable amount for total budgeted general conditions costs.
- Confirming that general conditions costs comply with the CME GMP contract.

The CME GMP contract amendment for the WMHS Project included provisions for general conditions costs totaling \$1 million and CME pay requests referenced these costs as they were incurred. District personnel indicated, and District records evidenced, that the CME provided detailed documentation, such as CME payroll records and copies of CME-paid invoices, to the District to support the propriety of the general conditions costs billed. However, based on our discussion with District personnel, the District had not established policies or procedures for negotiating, monitoring, and documenting the reasonableness of general conditions costs. For example, District records did not document the

methodology used and factors considered during the negotiation process to establish the reasonableness of the WMHS Project's general conditions costs. In addition, CME pay requests did not accumulate general conditions costs by line item and District personnel only verified that the individual pay requests for general conditions costs did not exceed the total general conditions costs set forth in the GMP contract.

Absent appropriate policies and procedures, the District may be limited in its ability to monitor the reasonableness of general conditions costs, determine the propriety of pay requests for general conditions costs, and realize cost savings associated with general conditions costs in GMP contracts.

**Recommendation: The District should establish policies and procedures for negotiating, monitoring, and documenting the reasonableness of general conditions costs. Such policies and procedures should require documentation of the methodology used and factors considered in negotiating general conditions costs and that the cumulative general conditions costs included in CME pay requests be verified of record to the GMP contract.**

### **Finding 6: Contract Management**

Effective contract management requires and ensures that contract provisions establish required service times and costs and that records are maintained to evidence satisfactory receipt of contracted services by personnel with direct knowledge of the services before payments are made. State law<sup>8</sup> provides that the Board is the contracting agent for the District and the Board routinely enters into contracts for services.

For the period July 2017 through March 2018, the District paid \$2.4 million for various contractual services related to 83 contracts. To determine the propriety of these payments, we examined District records supporting 15 selected payments totaling \$680,250 related to 15 contracts. We found that the District had designed and implemented internal controls that generally ensure payments are consistent with contract terms and conditions. However, we also found that policies and procedures for monitoring consultant lobbying and athletic training services could be enhanced. Specifically, we found that:

- The Board entered into a 1-year contract with a registered lobbying firm for consulting services for the period November 2017 through October 2018. While the contract required the District to pay the firm \$5,000 per month during that period and out-of-pocket costs such as travel and other expenses, the contract did not establish the service deliverables for the monthly payment.

During the 2017-18 fiscal year, the District made payments totaling \$40,506 to the firm for consulting services and out-of-pocket expenses. Our examination of District records supporting a \$10,506 selected payment disclosed that the records did not identify the services provided. In response to our inquiry, District personnel indicated that the firm provided the District assistance for obtaining a special facilities funding request but could not specify what services were received for the \$10,506 payment. In August 2018, District personnel indicated that they would request the firm to start providing monthly logs of activities performed on behalf of the District so the District could verify that the services received were as expected.

- The Board entered into a contract with an athletic training service provider for the 2017-18 fiscal year. The contract established required weekly work hours for the service provider that varied by school and required the District to reimburse the provider for travel expenses. The contractor requested payment for one-half the contracted amount in September 2017 and the remainder of the contract amount in January 2018, and periodically requested reimbursement for travel

---

<sup>8</sup> Section 1001.41(4), Florida Statutes.

expenses during the fiscal year. The District made 7 payments totaling \$71,883 to the service provider.

We requested for examination District records supporting a \$28,854 selected payment in February 2018 for services rendered in January and February 2018 and projected services through May 2018. However, records were not provided to evidence that District personnel with direct knowledge of the services documented satisfactory receipt of the services and \$17,312 of this payment was for services that had not yet been provided at the time of payment. Subsequent to our inquiry, District personnel indicated they would establish a log for high school athletic directors to document whether the trainers worked the required weekly hours. District personnel also indicated that the contract would be modified so that payment is made only after services are rendered.

Absent effective procedures for ensuring that service deliverables and related costs are specified in contracts and documenting prior to payment the satisfactory receipt of contracted services by personnel with direct knowledge of the services, there is an increased risk that the District may overpay for such services, 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 ensure that service deliverables and related costs are specified in District contracts. In addition, District contract management procedures should be enhanced to ensure and document, prior to payment, the satisfactory receipt of services by personnel who have direct knowledge of the services.**

**Finding 7: Performance Salary Schedule**

Although State law<sup>9</sup> requires the Board to adopt salary schedules that provide annual salary adjustments for school administrators based on student performance and instructional leadership, the Board did not adopt an appropriate salary schedule based on these two considerations for school administrators for each of the 2014-15, 2015-16, 2016-17, and 2017-18 fiscal years. Similarly, as of November 2018, an appropriate salary schedule based on these considerations for school administrators had not been adopted by the Board for the 2018-19 fiscal year. Accordingly, the Board was not in compliance with State law for the 2014-15 through 2018-19 fiscal years.

Table 1 shows the number of school administrator positions compensated and total compensation for those positions for the 2014-15 through 2017-18 fiscal years.

**Table 1  
Number of School Administrator Positions and Related Compensation  
For the 2014-15 Through 2017-18 Fiscal Years**

Source	2014-15	2015-16	2016-17	2017-18
Number of School Administrator Positions Compensated	21	20	20	20
Total School Administrators’ Compensation (in Millions)	\$1.37	\$1.34	\$1.36	\$1.36

Source: District records.

<sup>9</sup> Sections 1012.22(1), and 1012.34(3)(a)3., Florida Statutes.

In response to our inquiries, District personnel indicated that the salary schedules were not adopted due to oversights.

**Recommendation:** 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.

### **Finding 8: Florida Best and Brightest Teacher Scholarships**

The Florida Legislature established the Florida Best and Brightest Teacher Scholarship Program<sup>10</sup> to reward classroom teachers<sup>11</sup> who achieved high academic standards during their own education. Classroom teachers eligible for a \$6,000 scholarship are those who scored at or above the 80th percentile on a college entrance examination based on the national percentile ranks in effect when the teacher took the assessment and have been evaluated as highly effective pursuant to State law<sup>12</sup> in the school year immediately preceding the year in which the scholarship will be awarded or, if the teacher is a first-year teacher who has not been evaluated pursuant to State law, must have scored at or above the 80th percentile on a college entrance examination based on the national percentile ranks in effect when the teacher took the assessment. In addition, State law provides for a \$1,200 or \$800 scholarship for a classroom teacher who was evaluated as highly effective or effective, respectively, pursuant to State law in the school year immediately preceding the year in which the scholarship will be awarded.

District personnel are responsible for determining teacher eligibility for the scholarships and annually submitting the number of eligible teachers to the FDOE. The FDOE then disburses scholarship funds to the District for each eligible classroom teacher to receive a scholarship as provided in State law. To demonstrate eligibility for a \$6,000 scholarship, District teachers are required to submit to the District an official record of his or her college entrance examination score demonstrating that the teacher scored at or above the 80th percentile based on the national percentile ranks in effect when the teacher took the assessment. District personnel determine whether District teachers were evaluated as highly effective or effective based on prior school year performance assessments. Pursuant to State law,<sup>13</sup> once a classroom teacher is deemed eligible for this award by the District, the teacher shall remain eligible as long as he or she remains employed by the District as a classroom teacher at the time of the award and receives an annual performance evaluation rating of highly effective.

During the 2017-18 fiscal year, the District awarded teacher scholarships totaling \$366,244 for 273 District employees, and no charter school employees received a scholarship award. To determine whether the recipients met the eligibility requirements for the scholarships, we requested for examination District records supporting the eligibility of 33 scholarship recipients awarded a total of \$73,965. Our examination found that the District awarded some scholarships to ineligible recipients. We expanded our

---

<sup>10</sup> Section 1012.731, Florida Statutes.

<sup>11</sup> 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.

<sup>12</sup> Section 1012.34, Florida Statutes. Section 1012.34(3)(a), Florida Statutes, requires the evaluation to include consideration of student performance.

<sup>13</sup> Section 1012.731(3)(b), Florida Statutes.

audit procedures to examine the job descriptions for all 273 recipients and District records supporting scholarship awards to an additional 11 recipients. Our audit procedures disclosed that:

- 20 recipients who received scholarship awards totaling \$19,883 did not meet the statutory definition of a classroom teacher. These recipients included 13 guidance counselors, 2 social workers, 2 deans, an assistant principal, a media specialist, and a behavior specialist who provided student personnel services.<sup>14</sup> District personnel indicated that the titles given to these employees did not always reflect their roles nor their responsibilities related to student growth and instruction. However, although we requested, District records were not provided to evidence that the 20 employees qualified for the scholarship awards, resulting in questioned costs of \$19,883.
- The District awarded 1 recipient a \$5,965 scholarship based on the recipient's self-calculated highest score achieved on three separate examination dates without a qualifying composite score on any individual exam. In response to our inquiry, District personnel indicated that, prior to awarding the scholarship, input was solicited from the FDOE, and the FDOE indicated that the scoring calculation methodology was a District decision. Notwithstanding, District records did not demonstrate that the recipient achieved the requisite 80th percentile on a college entrance examination, resulting in questioned costs of \$5,965.
- The awards for 5 scholarship recipients who received \$29,825 were based on a temporary college entrance examination report from the examination provider instead of reliable and authentic records. District personnel indicated that the temporary score reports were sent directly to the District from the examination provider and the District had no reason to doubt the authenticity of the scores. Notwithstanding, the temporary nature of the reports do not represent the most reliable and authentic records to support the college entrance examination scores.

In response to our inquiries, District personnel indicated that, for the 2018-19 fiscal year scholarships, additional procedures and a new application form would clearly define eligible classroom teachers. Absent effective scholarship eligibility determinations based on reliable and authentic records, there is an increased risk that scholarships will be awarded to ineligible recipients.

**Recommendation: The District should continue efforts to ensure that scholarships are only awarded to classroom teachers, as defined in State law, and that recipient eligibility is determined based on qualifying college entrance examination scores reported on reliable and authentic records. In addition, the District should document the scholarship eligibility of the 20 recipients who were not classroom teachers and the 1 teacher who did not achieve a qualifying score on an individual college entrance exam or refund the FDOE for the awards totaling \$25,848 and take appropriate action to recover from those recipients the improper payments.**

## **Finding 9: Information Technology User Access Privileges**

The Legislature has recognized in State law<sup>15</sup> 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 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 responsibilities and provide for documented,

<sup>14</sup> 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.

<sup>15</sup> Section 119.071(5)(a), Florida Statutes.

periodic evaluations of employee access privileges to help prevent personnel from accessing sensitive personal information inconsistent with their responsibilities.

Pursuant to State law,<sup>16</sup> the District identified each student using a Florida education identification number obtained from the FDOE. However, student SSNs are maintained within the District management information system (MIS).<sup>17</sup> Student SSNs are maintained in the District MIS to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure and provide student transcripts to colleges, universities, and potential employers based on student-authorized requests. Board policies<sup>18</sup> 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 employees who intentionally violate Board policies are subject to discipline, up to and including termination. District personnel indicated that access privileges were updated based on notifications from Human Resources (HR), and an annual evaluation of information technology (IT) user access privileges to student information was not performed to help monitor these privileges. Subsequent to our inquiry in June 2018, the District indicated that they would perform and document an evaluation of IT user access privileges.

As of June 2018, the District MIS contained the sensitive personal information of 38,800 former and 6,030 current District students and 231 users, including District and charter school employees, North East Florida Educational Consortium (NEFEC) employees, and health department employees, had access to this information. The users had access to profile screens that contained student information, such as SSNs, and an “Alias” field that generally displayed student SSNs followed by the letter “X.”

As part of our audit, we observed various MIS computer screens and requested District personnel to confirm that the 231 users needed this access to perform their assigned duties. Our observations and the District’s response indicated that 201 users did not need access to sensitive personal student information in the “Alias” field. These users included principals and assistant principals, program coordinators, teachers, and NEFEC and health department employees. The District indicated that 27 District employees and 3 charter school employees needed continuous access to sensitive personal student information, including SSNs, to perform their job duties. Notwithstanding this response, we determined that employees who had access to both current and former student information did not always have a demonstrated need for such access, such as the data clerks at each of the four elementary schools who continued to have access to former students who were promoted to other schools. According to District personnel, the inappropriate access remained primarily because the District MIS did not have a mechanism to differentiate employee access to current student information from former student information.

In response to our inquiry, District personnel indicated that they had not previously identified that the sensitive personal information of students was unnecessarily accessible with the “Alias” field within the student profile screens. Subsequent to our inquiry, in June 2018, the District performed and documented

---

<sup>16</sup> Section 1008.386, Florida Statutes.

<sup>17</sup> NEFEC provides student records data processing services for the District and maintains student information, including student SSNs, in the District MIS.

<sup>18</sup> Board Policy 5.19, *Student Records*.

an evaluation of IT user access privileges and removed the unnecessary access to sensitive personal information of students for the 201 users.

According to District personnel, the 23 District employees and 3 charter school employees who needed access to both the information of current and former students and the 4 employees who only needed access to the information of current students had a need for continuous access to this information. District personnel provided examples of the types of student record requests users may have to address in a typical day. Notwithstanding, although we requested, District records were not provided to demonstrate that these 30 users needed continuous access to sensitive personal student information or that occasional access could not be granted only for the time needed. The existence of unnecessary access privileges increases the risk of unauthorized disclosure of sensitive personal information and the possibility that such information may be used to commit a fraud against current or former District students.

**Recommendation: To ensure access to sensitive personal student information is properly safeguarded, the District should:**

- **Establish documented, periodic evaluations of assigned IT user access privileges to determine whether such privileges are necessary and timely remove any unnecessary access privileges detected. If an individual only requires occasional access to sensitive personal student information, the privileges should be granted only for the time needed.**
- **Consult with the NEFEC to upgrade the District MIS to include a mechanism to differentiate current and former students.**

#### **Finding 10: Information Technology Risk Assessment**

Management of the risks related to IT is a key part of enterprise IT governance. Incorporating an enterprise perspective into day-to-day governance actions helps an entity understand its greatest security risk exposures and determine whether planned controls are appropriate and adequate to secure IT resources from unauthorized disclosure, modification, or destruction. IT risk assessment, including the identification of risks, the evaluation of the likelihood of threats, and the severity of threat impact, helps support management's decisions in establishing cost-effective measures to mitigate risk and, where appropriate, formally accept residual risk.

Although District personnel indicated that they had considered external and internal risks, a comprehensive, written IT risk assessment had not been developed. A comprehensive, written IT risk assessment would consider network vulnerability assessments and threats and vulnerabilities at the Districtwide, system, and application levels, and document the range of risks that the District systems and data may be subject to, including those posed by internal and external users. Absent a comprehensive, written IT risk assessment the District has limited assurance that all likely threats and vulnerabilities have been identified, the most significant risks have been addressed, and appropriate decisions have been made regarding which risks to accept and which risks to mitigate through appropriate controls.

**Recommendation: The District should develop a comprehensive, written IT risk assessment to provide a documented basis for managing IT-related risks.**

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

---

The District had taken corrective actions for applicable findings included in our report No. 2016-106.

## ***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 February 2018 to November 2018 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 applicable findings included in our report No. 2016-106.
- 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 2017-18 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed District information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, network configuration management, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to 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 appropriateness of access privileges granted to 9 of the 69 users with update access privileges to selected critical ERP system finance application functions.
  - Tested the appropriateness of access privileges granted to 17 of the 37 users with update access privileges to selected critical ERP system HR application functions.
- Reviewed District procedures to prohibit former employee access to electronic data files. We also reviewed access user privileges for the 157 employees who separated from District employment during the audit period to determine whether the access privileges had been timely deactivated.
- Evaluated Board security policies and District procedures governing the classification, management, and protection of sensitive and confidential information.
- Determined whether a comprehensive IT disaster recovery plan was in place, designed properly, operating effectively, and had been recently tested.
- Examined selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether a comprehensive, written IT risk assessment had been developed to document District risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.

- 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.
- Evaluated the District physical access controls to the local servers to determine whether vulnerabilities existed.
- Determined whether a fire suppression system had been installed in District server rooms.
- Interviewed District personnel and reviewed supporting documentation to evaluate whether the District effectively monitored charter schools.
- Examined Board, committee, and advisory board meeting minutes to determine whether Board approval was obtained for policies and procedures in effect during the audit period and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2018, 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.
- Evaluated District procedures for protecting sensitive personal information of students such as social security numbers. Specifically, we examined District records supporting the access privileges of individuals who had access to sensitive personal student information during the audit period determine the appropriateness of and necessity for the access privileges based on the employees' assigned job responsibilities.
- Examined the District Web site to determine whether the 2017-18 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- From the population of expenditures totaling \$1.3 million and transfers totaling \$1.2 million during the audit period July 2017 through May 2018 from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting 9 selected expenditures and 7 transfers totaling \$422,990 and \$846,878, respectively, to determine compliance with the restrictions imposed on the use of these resources.
- From the compensation payments totaling \$23.5 million to 999 employees during the period July 2017 through February 2018, examined District records supporting annualized compensation payments totaling \$1 million to 30 selected employees to determine whether their rate of pay was accurate and supervisory personnel reviewed and approved their reports of time worked.
- From the population of 372 instructional personnel and 27 school administrators compensated a total of \$18.2 million during the audit period, examined supporting documentation for 49 selected employees who were compensated a total of \$2.5 million 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. We also determined whether a portion of each selected instructional employee's compensation shown on the grandfathered salary schedule was based on performance and differentiated pay factors in accordance with Section 1012.22(1)(c)4., Florida Statutes.
- From the population, during the period July 2017 through March 2018, of 999 employees and 40 contractors, selected and examined District records for 34 employees and 24 contractors to assess whether personnel 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 for 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 44 selected District recipients of the Florida Best and Brightest Teacher Scholarship Program awards from the population of 273 District teachers who received scholarships awards totaling \$366,245 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 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 to ensure 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.
- Reviewed District procedures for bidding and purchasing health insurance to determine compliance with Section 112.08, Florida Statutes. We also reviewed procedures for the reasonableness of procedures for acquiring other types of commercial insurance to determine whether the basis for selecting insurance carriers was documented in District records and conformed to good business practice.
- Examined documentation for the one significant construction project contract (guaranteed maximum price totaling \$28.3 million) with a construction management entity (CME) to determine compliance with Board policies and District procedures and provisions of State laws and rules. Also, for this project, we:
  - Evaluated District procedures for monitoring subcontractor selection and licensure and examined District records to determine whether the District ensured subcontractors were properly selected and licensed.
  - Determined whether the Board established appropriate policies and District procedures addressing negotiation and monitoring of general conditions costs.
  - Examined District records supporting 13 selected payments totaling \$10.7 million to determine whether District procedures for monitoring payments were adequate and payments were sufficiently supported.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the March 2018 reports of District student station costs. For the one construction project completed during the period January 1, 2017, through December 31, 2017, we examined District records to determine whether the March 2018 report accurately reported student station costs and complied with the student station cost limits established by Section 1013.64(6)(b)1., Florida Statutes.
- Examined copies of the 2016-17 annual fire safety, casualty safety, and sanitation inspection reports for 11 school and ancillary facilities and selected 30 deficiencies from the 192 deficiencies and compared to the 2017-18 fiscal year annual fire safety, casualty safety, and sanitation inspection reports to determine whether timely action was taken to correct the deficiencies.
- Evaluated District procedures for allocating Title I funds to ensure compliance with Section 1011.69(5), Florida Statutes. We 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 2016-17 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 regulation.

- Examined District records and evaluated District procedures to determine whether the District distributed the correct amount of local capital improvement funds to its eligible charter schools by February 1, 2018, pursuant to Section 1013.62(3), Florida Statutes.
- Examined District records and evaluated construction planning processes for the audit period to determine whether processes were comprehensive, included consideration of restricted resources and other alternatives to ensure the most economical and effective approach, and met District short-term and long-term needs.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs. We also reviewed inspection reports for compliance with Federal and State inspection requirements and evaluated District efforts to timely resolve any deficiencies identified during inspections.
- Evaluated District procedures for determining Maintenance Department staffing needs. We also determined whether such procedures included consideration of appropriate factors and performance measures that were supported by factual information.
- Determined whether non-compensation expenditures were reasonable, correctly recorded, adequately documented, for a valid District purpose, properly authorized and approved, and in compliance with applicable State laws, rules, contract terms and Board policies; and applicable vendors were properly selected. From the population of non-compensation expenditures totaling \$13.8 million for the period July 2017 through March 2018, we examined documentation relating to 30 payments for general expenditures totaling \$2.1 million.
- From the population of 83 contractual services contracts totaling \$2.4 million during the period July 2017 through March 2018, examined supporting documentation, including the contract documents, for 15 selected payments totaling \$680,250 related to 15 contracts to determine whether:
  - The District complied with competitive selection requirements.
  - The contracts clearly specified deliverables, time frames, documentation requirements, and service costs.
  - District records documented satisfactory receipt of deliverables before payments were made.
  - The payments complied with contract provisions.
- Examined 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***

---

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



## SCHOOL BOARD OF LEVY COUNTY

JEFFERY R. EDISON

Superintendent

January 7, 2019

Sherill F. Norman, Auditor General  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

CAMERON ASBELL  
District 1

CHRIS COWART  
District 2

BRAD ETHERIDGE  
District 3

PAIGE BROOKINS  
District 4

ASHLEY CLEMENZI  
District 5

480 Marshburn Dr.  
Bronson, FL 32621

PHONE 352-486-5231  
FAX 352-486-5237

An Equal  
Opportunity Employer

Dear Ms. Norman:

In connection with your operational audit, we have reviewed the preliminary and tentative audit report for the fiscal year end June 30, 2018.

Our responses to the audit findings and corrective action proposals are outlined below.

### Finding 1: Real Property Disposal

Recommendation: To evidence the Board's determination that the property ownership transfer was in the best interests of the public, the Board should document in the Board's public records by resolution the facts and circumstances considered in the determination. In addition, the District should:

- Establish procedures to ensure that, before future property transfers or donations are made, District records evidence that such actions are in the best interest of the public.
- Contact the FDOE to determine the propriety of the property transfer to the former DSO and, if the property is sold by the Foundation, request and timely follow FDOE direction regarding the appropriate disposition of the proceeds from the sale.

### LCSB Response

The district will implement the Auditor General's recommendations and establish board policy to govern the disposal of real property to include procedures that ensure such actions are in the best interest of the public.

### Finding 2: Monitoring Construction Pay Requests

Recommendation: The District should enhance procedures for monitoring CME pay requests to include a documented comparison of the cost items in the CME pay requests to GMP contract and applicable subcontractor contracts, before payment is made to CME.

### LCSB Response

The district will implement the Auditor General's recommendations and develop procedures to better monitor CME pay requests by comparing the cost items in CME pay requests to GMP contracts before payment is made.

*Our mission is to educate all students in a safe environment and  
to graduate them ready for college and career success.*

**Finding 3: Subcontractor Selection**

Recommendation: The District should establish procedures to require and ensure that District personnel document verification that CME's select, and contract with, the subcontractor with the lowest bid consistent with acceptable quality and confirmation that selected subcontractor bid amounts agree with subcontractor contract amounts.

**LCSB Response**

The district will implement the Auditor General's recommendations to establish procedures to verify CME's select, and contract with, the subcontractor with the lowest bid consistent with acceptable quality and confirm that selected subcontractor bid amounts agree with subcontractor contract amounts.

**Finding 4: Subcontractor Selection**

Recommendation: The District should establish procedures to require and ensure that documentation is retained to demonstrate the verification of subcontractor licenses before subcontractors commence work on District facilities.

**LCSB Response**

The district will implement the Auditor General's recommendations to establish procedures to require and ensure that documentation is retained to demonstrate the verification of subcontractor licenses before subcontractors commence work on District facilities.

**Finding 5: General Conditions Costs**

Recommendation: The District should establish policies and procedures for negotiating, monitoring, and documenting the reasonableness of general condition costs. Such policies and procedures should require documentation of the methodology used and factors considered in negotiating general conditions costs and that the cumulative general conditions costs included in CME pay requests be verified of record to the GMP contact.

**LCSB Response**

The district will implement the Auditor General's recommendations to establish policies and procedures for negotiating, monitoring, and documenting the reasonableness of general condition costs.

**Finding 6: Contract Management**

Recommendation: The District should ensure that service deliverables and related costs are specified in District contracts. In addition, District contract management procedures should be enhanced to ensure and document, prior to payment, the satisfactory receipt of services by personnel who have direct knowledge of services.

**LCSB Response**

The district at this time has already enhanced procedures to ensure that service deliverables and related costs are specified in District contracts and adequate documentation is provided prior to payment for review and approval by personnel who have direct knowledge of services. Specifically, the contract for the athletic trainers has been amended to reflect payment dates that correspond with services rendered. With regard to the lobbying firm, the district is requiring documentation that outlines the services performed during the period of time indicated on the invoice to ensure service deliverables match related costs.

**Finding 7: Performance Salary Schedule**

Recommendation: 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.

**LCSB Response**

The district agrees, we need to adopt salary schedules that provide performance pay for school administrators. At this time we are discussing how best to comply with State law and reviewing our current administrative salary schedule.

**Finding 8: Florida Best and Brightest Teacher Scholarships**

Recommendation: The District should continue efforts to ensure that scholarships are awarded to classroom teachers, as defined in State law, and that recipient eligibility is determined based on qualifying college entrance examination scores reported on reliable and authentic records. In addition, the District should document the scholarship eligibility of the 20 recipients who were not classroom teachers and the 1 teacher who did not achieve a qualifying score on an individual college entrance exam or refund the FDOE for the awards totaling \$25,848 and take appropriate action to recover from those recipients the improper payments.

**LCSB Response**

The District has sought counsel and guidance on the specifications of State Statutes regarding Best and Brightest Scholarships for teachers and principals. We will continue efforts to ensure that scholarships are only awarded to classroom teachers as defined by these laws.

In addition, the District will document the scholarship eligibility of the 20 recipients who were not classroom teachers and the 1 teacher who did not achieve a qualifying score on an individual college entrance exam or consult with FDOE for guidance if documentation cannot be provided.

**Finding 9: Information Technology User Access Privileges**

Recommendation: To ensure access to sensitive personal student information is properly safeguarded, the District should:

- Establish documented, periodic evaluations of assigned IT user access privileges to determine whether such privileges are necessary and timely remove any unnecessary access privileges detected. If an individual only requires occasional access to sensitive personal student information, the privileges should be granted only for the time needed.
- Consult with the NEFEC to upgrade the District MIS to include a mechanism to differentiate current and former students.

**LCSB Response**

The district will continue efforts to ensure that only employees who have demonstrated a need are granted access privileges to sensitive personal student information. There will be documented reports and periodic evaluations of assigned IT user access privileges, which will be used to determine whether such privileges are necessary and to ensure the timely removal of any inappropriate or unnecessary user access. The district will consult with NEFEC and explore an upgrade the district MIS to differentiate access privileges to current student information from access privileges to former student information.

**Finding 10: Information Technology Risk Assessment**

Recommendation: The District should develop a comprehensive, written IT risk assessment to provide a documented basis for managing IT-related risks.

**LCSB Response**

The district will develop a comprehensive, written IT risk assessment to provide a documented basis for managing IT-related risks.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jeffery R. Edison". The signature is fluid and cursive, with the first name being the most prominent.

Jeffery R. Edison, Superintendent  
Levy County School District