

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2020-042
October 2019

**GADSDEN COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2018-19 fiscal year, Roger P. Milton served as Superintendent of the Gadsden County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Audrey D. Lewis, Vice Chair from 11-20-18	1
Steve Scott, Chair	2
Leroy McMillan from 11-20-18	3
Isaac Simmons Jr. through 11-19-18	3
Charlie D. Frost	4
Tyron D. Smith, Vice Chair through 11-19-18	5

The team leader was Shirley Dong, CPA, and the audit was supervised by Edward A. Waller, CPA.

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

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GADSDEN COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Gadsden County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2017-147. Our operational audit disclosed the following:

Finding 1: Contrary to State law, District policies and procedures had not been established that require and ensure implementation of the student crime watch program, appropriate reporting of the school security risk assessment results, and assignment of one or more qualified safe-school officers at each school.

Finding 2: The District disbursed Florida Best and Brightest Teacher Scholarship Program awards totaling \$38,955 to 175 individuals who were ineligible for awards. A similar finding was noted in our report No. 2017-147.

Finding 3: As similarly noted in our report No. 2017-147, contrary to State law, the District did not provide annual salary adjustments for instructional and administrative personnel based, in part, upon applicable student performance, instructional practice, and instructional leadership requirements.

Finding 4: The District did not utilize a competitive selection process when contracting for employee health insurance.

Finding 5: District distributions of discretionary millage to the District charter school were \$20,144 less than required by State law.

Finding 6: The District did not timely and prominently post on its Web site the required budget information for the 2018-19 fiscal year as prescribed by State law.

BACKGROUND

The Gadsden 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 Gadsden County. The governing body of the District is the Gadsden 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 2018-19 fiscal year, the District operated 12 elementary, middle, high, and specialized schools; sponsored 1 charter school; and reported 4,856 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety

State law¹ requires that the Board, by resolution, implement a student crime watch program that allows students and the community to anonymously relay information concerning unsafe and potentially harmful, dangerous, violent, or criminal activities, or threat of these activities, to appropriate safety agencies and school officials. The Superintendent is required to designate a school safety specialist who must, in collaboration with the appropriate public safety agencies,² annually conduct a school security risk assessment using the school security risk assessment tool implemented by the Florida Department of Education (FDOE) Office of Safe Schools. Pursuant to State law,³ the school safety specialist must provide findings and recommendations, based on the assessment findings, to the Board at a publicly noticed Board meeting that identify strategies and activities that the Board should implement to improve school safety and security and report the recommendations and Board action to the FDOE Office of Safe Schools within 30 days of the Board meeting.

In addition, State law⁴ requires that the Board and Superintendent partner with law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs) or school safety officers (SSOs), at each school facility. The officers must undergo criminal background checks, drug testing, and a psychological evaluation, and be certified law enforcement officers. SROs are also required to complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.

Our discussions with District personnel and examination of District records for the 2018-19 fiscal year disclosed that:

- Contrary to State law, the Board had not implemented a student crime watch program.
- The Superintendent designated a school safety specialist who collaborated with the appropriate public safety agency, conducted a school security risk assessment at each school, and prepared safety recommendations by August 1, 2018. However, although we requested, District records were not provided to evidence that the findings and recommendations were provided to the Board or that the findings, along with Board action, were reported to the FDOE Office of Safe Schools.
- During the 2018-19 fiscal year, the only safe-school officers used by the District were SROs and SSOs. For the period August 2018 through May 2019, eight SROs from the Gadsden County Sheriff's Office provided security services at 9 of the District's 12 schools. In May and June 2019, three SSOs from either the Quincy or Gretna Police Departments provided security services at 3 District schools, including 1 school that already had an SRO from the Sheriff's Office. While at least one full-time SRO provided services at 7 schools for the 2018-19 fiscal year, 5 schools did not have at least one full-time safe-school officer assigned to the school during that period and 3 schools had no security services from August 2018 through April 2019. In addition, although we requested, District records were not provided to evidence verification that the assigned SROs had completed the required mental health crisis intervention training.

¹ Section 1006.07(3), Florida Statutes.

² Section 365.171(3)(d), Florida Statutes, defines a public safety agency as a functional division of a public agency which provides firefighting, law enforcement, medical, or other emergency services.

³ Section 1006.07(6)(a)4., Florida Statutes.

⁴ Section 1006.12, Florida Statutes.

In response to our inquiries in July 2019, District personnel indicated that the District had been in process of establishing the required policies, procedures, and programs since the legislation was passed and expected full compliance during the 2019-20 school year.

Without policies and procedures that require and ensure implementation of the student crime watch program, appropriate reporting of the school security risk assessment results, and assignment of one or more qualified safe-school officers at each school, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety.

Recommendation: The Board should adopt policies and the District should establish and implement procedures to demonstrate compliance with State school safety laws. Such policies and procedures should include implementation of a student crime watch program, appropriate reporting of the school security risk assessment results, and assignment of one or more qualified safe-school officers at each school.

Finding 2: Florida Best and Brightest Teacher Scholarship Program

The Florida Legislature established the Florida Best and Brightest Teacher Scholarship Program⁵ to reward classroom teachers⁶ who achieved high academic standards during their own education. 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 law⁷ in the school year immediately preceding the year in which the scholarship will be awarded. Since the number of eligible classroom teachers evaluated as effective and reported as eligible for a scholarship award of up to \$800 exceeded the total allocation, the Florida Department of Education (FDOE) reduced the per-teacher scholarship amount⁸ to \$709.41.

District personnel are responsible for determining employee eligibility for scholarship awards and annually submitting the number of eligible teachers to the FDOE. FDOE correspondence⁹ further clarifies that the District is required to issue a check to each eligible teacher who is still teaching in Florida and if an otherwise eligible teacher is no longer a classroom teacher in Florida, the District is required to return to the FDOE the funds allocated for that teacher, along with a project amendment showing the decrease in the number of teachers and the amount of the decrease in funding.

During the 2018-19 fiscal year, the District awarded Program scholarships totaling \$268,750 to 259 District employees and to 17 charter school employees. We examined District records supporting selected awards and found that:

- 15 individuals (11 District employees and 4 charter school employees) received Program scholarship awards totaling \$13,238 but were ineligible for the awards as they held positions, such as school counselors, assistant principals, and prekindergarten teachers, that did not meet the statutory definition¹⁰ of a classroom teacher.

⁵ Section 1012.731, Florida Statutes.

⁶ 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.

⁷ Section 1012.34(3)(a), Florida Statutes, requires the evaluation to include consideration of student performance.

⁸ Section 1012.731(3)(c)2., Florida Statutes (2018).

⁹ FDOE Florida Best and Brightest Teacher and Best and Brightest Principal Scholarship Program Scope of Work Statement.

¹⁰ Section 1012.01, Florida Statutes.

- The District awarded \$800 to 146 recipients, rather than the reduced per-teacher scholarship of \$709.41, resulting in overpayments totaling \$13,226.14.
- 13 District classroom teachers who received Program scholarship awards totaling \$12,000 separated from District employment during the period June 2018 through March 2019 and, although we requested, District records were not provided to evidence that the teachers were still teaching in Florida. Absent such records, the District should have returned to the FDOE the funds allocated for those teachers, along with a project amendment showing the decrease in the number of teachers and the amount of the decrease in funding.
- A District classroom teacher received a Program scholarship award of \$1,200 but was only evaluated as effective rather than highly effective for the 2017-18 fiscal year, which was the recipient's most recent evaluation period. Consequently, the teacher was only eligible for a \$709.41 award and was overpaid \$490.59.

In response to our inquiries, District personnel indicated the instances of noncompliance occurred because the District employee responsible for administering the Program retired in the middle of the 2018-19 fiscal year and the State law and the FDOE guidance were not always properly interpreted. Absent effective procedures to verify scholarship recipient eligibility, there is an increased risk that scholarships may be awarded to ineligible recipients.

Recommendation: To ensure that scholarships are awarded only to eligible recipients, the District should:

- **Appropriately train employees responsible for administering the Program.**
- **Document the propriety of the scholarships awarded during the 2018-19 fiscal year and in the future.**
- **Take appropriate actions to remedy any improper scholarships awarded during the 2018-19 fiscal year, including the over-awarded amounts totaling \$38,954.73 we identified and any other improper awards identified by District procedures.**

Finding 3: Performance Salary Schedule

State law¹¹ requires the Board to adopt performance salary schedules that provide annual salary adjustments for instructional personnel based, in part, upon student performance and instructional practice and for school administrators based, in part, upon student performance and instructional leadership.

Our examination of District records disclosed that the Board-adopted salary schedules for instructional personnel for the 2016-17, 2017-18, 2018-19, and 2019-20 fiscal years were based, in part, upon student performance and instructional practice. Notwithstanding, the schedules were not implemented as the Board accepted instructional bargaining agreements providing salary adjustments¹² during these fiscal years that did not consider student performance or instructional practice.

In addition, we found that the Board-adopted salary schedules for school administrators for 2016-17, 2017-18, 2018-19, and 2019-20 fiscal years did not provide for salary adjustments based, in part, upon

¹¹ Section 1012.22(1), Florida Statutes.

¹² For example, the instructional personnel bargaining agreement for the 2018-19 fiscal year granted a 5 percent salary increase to all instructional personnel whose 2017-18 salaries were at or below \$40,000, and a \$2,000 salary increase to all instructional personnel whose 2017-18 salaries were above \$40,000.

student performance and instructional leadership. Accordingly, the District did not comply with State laws for the 2016-17 through 2019-20 fiscal years. Table 1 shows the numbers of instructional personnel and school administrator positions compensated and the total compensation for applicable positions for the 2016-17 through 2018-19 fiscal year.

Table 1
Number of Instructional Personnel and School Administrator
Positions and Related Compensation
For the 2016-17 Through 2018-19 Fiscal Years

	2016-17	2017-18	2018-19
Number of Instructional Personnel Positions Compensated	465	434	430
Total Instructional Personnel Compensation (in Millions)	\$15.88	\$14.91	\$14.89
Number of School Administrator Positions Compensated	33	27	28
Total School Administrator Compensation (in Millions)	\$ 1.91	\$ 1.67	\$ 1.62

Source: District records.

In response to our inquiries, District management indicated that, due to budget constraints, the Board-adopted performance salary schedules for instructional personnel were not funded and performance salary schedules for school administrators were not adopted. Notwithstanding, we are unaware of any exemption from the statutory requirements that annual salary adjustments based on the established performance measures be provided.

Without providing annual salary adjustments based, in part, on the applicable student performance, instructional practice, and instructional leadership requirements, the District cannot demonstrate compliance with State law and there is an increased risk that instructional personnel and school administrators whose performance exceeds management’s expectations will not be properly recognized and compensated. A similar finding was noted in our report No. 2017-147.

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

Finding 4: Insurance – Competitive Selection

Pursuant to State law,¹³ before entering into any contract for life, health, accident, hospitalization, legal expense, or annuity insurance, or all or any kinds of such insurance, for District officers and employees, the District must advertise for competitive bids and such contract must be let upon the basis of such bids. While the District is authorized to undertake simultaneous negotiations with qualified bidders during the selection process, Board policies¹⁴ exempt insurance purchases from the competitive bidding requirement.

¹³ Section 112.08(2)(a), Florida Statutes.

¹⁴ Board Policy 6320 – *Purchasing and Contracting for Goods and Services*.

In response to our inquiry, District personnel indicated in August 2019 that they were unaware of the last time competitive bids were obtained for insurance purchases. District personnel also indicated that it was unnecessary to competitively select the health insurance provider considering that the previous requests from other providers resulted in fewer than two proposals, which warranted the Board policies' exemption from the competitive bidding requirement. The District paid \$3,487,916 and employees paid \$1,572,865 for health insurance premiums during the 2018-19 fiscal year.

In addition, District personnel indicated that the current health insurance provider dominates the market in the area and that the use of an agent of record to negotiate insurance renewal rates with the existing provider yielded the best value to the District and its employees comparing the District's current costs and benefits to school districts of comparable size and proximity. We examined District records comparing District health insurance premium rates to other school district insurance plans and noted District costs were comparable to related costs at the other districts. District personnel also indicated that continuing with the same health insurance provider allowed access to the same networks for District employees.

Notwithstanding District responses, we are unaware of the specific authority for the Board to exempt insurance purchases from the statutory requirement that competitive bids be obtained before entering into a contract for insurance. By periodically seeking competitive bids for insurance and negotiating with qualified bidders, the District would demonstrate compliance with State law and also gain additional assurance that insurance coverage was obtained at the lowest cost consistent with acceptable quality.

Recommendation: Board policies should be revised to ensure compliance with State law bid requirements for insurance purchases. In addition, as required by State law, the District should use competitive bidding procedures when entering into contracts for insurance.

Finding 5: Charter School Capital Outlay Funding

State law¹⁵ required school districts to distribute to eligible charter schools a portion from the discretionary millage revenue authorized in State law.¹⁶ State law also required the FDOE to calculate the eligible charter school funding allocations and reduce the allocation by the school district's annual debt service obligation that will be paid with discretionary millage resources as of March 1, 2017. To assist in this calculation, the FDOE issued guidance¹⁷ to school districts requesting that school districts report the debt service amount to the FDOE by November 17, 2017, using a template form.

In November 2017, the District reported information to the FDOE, including the District's total annual debt service obligation of \$795,000 as of March 1, 2017. Based on that information, the FDOE instructed the District to distribute, and the District distributed, \$28,075 from the District's discretionary millage revenue to the District's eligible charter school for the 2017-18 fiscal year. However, the District inadvertently reported the District's total debt service obligation, instead of the \$594,000 that would be satisfied with discretionary millage resources. Had the \$594,000 discretionary millage annual debt service obligation

¹⁵ Section 1013.62, Florida Statutes (2017).

¹⁶ Section 1011.71(2), Florida Statutes.

¹⁷ Technical Assistance Note No. 2017-04, *Local Capital Improvement Revenue for Eligible Charter Schools*.

been accurately reported and used in the FDOE calculation, the District should have distributed \$48,219 to the charter school (i.e., \$20,144 more than was actually distributed).

In response to our inquiries, District personnel indicated that they inadvertently misreported the amount of annual debt service for the 2017-18 fiscal year due to frequent staff turnover and the lack of supervisory review and approval procedures to verify the accuracy of the information reported to the FDOE. Without effective procedures to accurately report amounts to the FDOE for use in the calculation methodology, the District may not properly distribute the statutorily required amount to eligible charter schools.

Recommendation: The District should enhance procedures to ensure accurate information is reported to the FDOE to calculate eligible charter school funding allocations so the District can accurately distribute capital outlay funding amounts to applicable charter schools. Such procedures should include documented supervisory review and approval procedures to verify the accuracy of information submitted to the FDOE. In addition, the District should consult with the FDOE regarding the appropriate disposition of the \$20,144 under-distributed amount.

Finding 6: Budget Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,¹⁸ the District must post on its Web site a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public. The information must be prominently posted on the District's Web site in a manner that is readily accessible.

At the time of our review in June 2019, the District had not posted the Board's 2018-19 fiscal year proposed, tentative, and official budgets on the District Web site. In response to our inquiry, District personnel indicated that the budgets for the 2018-19 fiscal year were not posted on the Web site due to technical difficulties caused by a network upgrade. Subsequent to our inquiry, in July 2019 the District posted the tentative and official budget for the 2018-19 fiscal year to the District Web site.

Providing the required budgetary transparency enhances citizen involvement and the ability to analyze, monitor, and evaluate budget outcomes.

Recommendation: The District should ensure that each proposed, tentative, and official budget is promptly and prominently posted on the District Web site pursuant to State law.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2017-147, except that Findings 2 and 3 were also noted in our report No. 2017-147 as Findings 4 and 2, respectively.

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

¹⁸ Section 1011.035(2), Florida Statutes.

information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from April 2019 to July 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2017-147.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the 2018-19 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information

concerning relevant population value or size and quantifications relative to the items selected for examination.

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

In conducting our audit, we:

- Examined selected operating system, network, and application security settings to determine whether network configuration management and authentication controls were configured and enforced in accordance with information technology (IT) best practices.
- Evaluated District procedures and examined supporting documentation to determine whether audit logging and monitoring controls were configured in accordance with IT best practices.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. We examined the access privileges of all three employees who had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- For the one charter school that was terminated in the 2016-17 fiscal year, evaluated District procedures to determine whether applicable funds and property appropriately reverted to the District and whether the District did not assume debts of the school, except as previously agreed upon by the District.
- Examined the District Web site to determine whether the 2018-19 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- From the population of expenditures totaling \$405,895 and transfers totaling \$2.8 million during the audit period from nonvoted capital outlay tax levy proceeds and Public Education Capital Outlay funds, examined documentation supporting selected expenditures and transfers totaling \$121,621 and \$2.8 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, including Section 1011.71(2)(e), Florida Statutes.
- Evaluated District procedures and examined District records to determine whether the procedures were effective for distributing the correct amount of local capital improvement funds to its eligible charter schools by February 1, 2018, pursuant to Section 1013.62(3), Florida Statutes (2017).
- Examined copies of the 13 most recent annual fire safety, casualty safety, and sanitation inspection reports to determine whether any significant deficiencies reported were timely corrected.
- Analyzed workforce education program funds expenditures totaling \$1.3 million for the audit period and examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- Examined District records supporting the two industry certifications eligible for the 2018-19 fiscal year performance funding to determine whether the District maintained documentation for student attainment of the industry certification.
- Examined District records supporting the 1,455 reported contact hours for 20 adult general education students during the Fall 2018 Semester to determine whether the District reported the instructional contact hours in accordance with State Board of Education Rule 6A 10.0381, Florida Administrative Code.
- Evaluated District controls over the collection of the District's post-secondary education student tuition and fees.

- From the compensation payments totaling \$19.7 million to 1,111 employees during the period July 1, 2018, through March 31, 2019, examined District records supporting compensation payments totaling \$68,687 to 30 selected employees to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked.
- From the population of 422 instructional personnel and 28 school administrators compensated a total of \$10 million during the period July 1, 2018, through March 31, 2019, examined documentation for 35 selected employees who were paid a total of \$849,883 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.
- Reviewed the Board-approved salary schedule for the audit period to determine whether annual salary adjustments for instructional personnel and school administrators were based upon performance in accordance with Section 1012.22(1)(c)4. and (5), Florida Statutes.
- Examined District records for the period July 1, 2018, through March 31, 2019, for 30 employees and 30 contractor workers selected from the population of 1,111 employees and 284 contractor workers to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records for volunteers 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 District and charter school recipients of Florida Best and Brightest Teacher Scholarship Program awards.
- Evaluated District policies and procedures for ethical conduct for instructional personnel and school administrators, including responsibilities for reporting employee misconduct which affects the health, safety, or welfare of a student, to determine compliance with Section 1011.42(6), Florida Statutes.
- Evaluated Board policies and District procedures to 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.
- Examined District records supporting the payments and transfers totaling \$27,338 made during the audit period by the District to its direct-support organization (DSO) to determine the legal authority for such transactions and whether the DSO personnel service costs incurred by the District exceeded the benefits received from the DSO.
- From the population of payments totaling \$108,994 paid to 303 employees for other than travel and payroll during the period July 1, 2018, through March 31, 2019, examined documentation supporting payments totaling \$38,508 made to 9 selected employees to determine whether such payments were reasonable, adequately supported, for valid District purposes, and were not contrary to Section 112.313, Florida Statutes.
- Evaluated District procedures for bidding and purchasing health insurance and other employee benefit group insurances and examined related records to determine whether the District complied with Section 112.08, Florida Statutes. We also reviewed 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 practices.

- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, 1006.13, 1011.62(15) and (16), and 1012.584, Florida Statutes.
- Evaluated District procedures for ensuring compliance with Section 1011.69(5), Florida Statutes, when allocating Title I funds. We also examined District records to determine whether the District identified eligible schools, including charter schools, limited Title I allocations to eligible schools based on the threshold established by the District for the 2017-18 school year or the Statewide percentage of economically disadvantaged student, and distributed all remaining funds to all eligible schools in accordance with Federal law and regulations.
- 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. Specifically, from the population of non-compensation expenditures totaling \$15.4 million for the period July 1, 2018, through March 31, 2019, we examined documentation relating to 30 selected payments for general expenditures totaling \$21,855.
- From the population of 218 consultant contracts totaling \$2.4 million during the period July 1, 2018, through March 31, 2019, examined supporting documentation, including the contract documents, for 30 selected payments totaling \$436,531 related to 30 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.
- For the two FDOE-approved VIP providers that contracted with the District for the audit period, determined whether the District obtained a list of provider employees and contracted personnel who had obtained background screenings in accordance with Section 1012.32, Florida Statutes.
- Examined the contract documents for the four FDOE-approved VIP providers to determine whether the contracts contained required statutory provisions. Also, we:
 - Examined the contract documents to determine whether provisions were included to address compliance with contract terms, the confidentiality of student records, and monitoring of the providers' quality of virtual instruction and data quality.
 - Examined the contract and other related records to determine whether the District documented the reasonableness of the student-teacher ratios established in the contract.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

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

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

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



"Putting Children First"

THE SCHOOL BOARD OF GADSDEN COUNTY

35 Martin Luther King, Jr. Blvd
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Roger P. Milton
Superintendent
miltonr@gcpsmail.com

October 24, 2019

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

Dear Ms. Norman:

In accordance with Section 11.45(4)(d), Florida Statutes, attached is the written statement of responses to the findings in the operational audit of the Gadsden County District School Board.

Please let me know if you need additional information.

Sincerely,

Roger P. Milton
Superintendent of Schools

RPM/bw

Enclosure

Audrey Lewis
DISTRICT NO. 1
HAVANA, FL 32333
MIDWAY, FL 32343

Steve Scott
DISTRICT NO. 2
QUINCY, FL 32351
HAVANA, FL 32333

Leroy McMillan
DISTRICT NO. 3
CHATTAHOOCHEE, FL 32324
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Charlie D. Frost
DISTRICT NO. 4
GRETNA, FL 32332
QUINCY, FL 32352

Tyrone D. Smith
DISTRICT NO. 5
QUINCY, FL 32351

"The Gadsden County School District does not discriminate against any person on the basis of sex (including transgender status, gender nonconforming, and gender identity), marital status, sexual orientation, race, religion, ethnicity, national origin, age, color, pregnancy, disability, or genetic information."

Finding 1: Contrary to State law, District policies and procedures had not been established that require and ensure implementation of the student crime watch program, appropriate reporting of the school security risk assessment results, and assignment of one or more qualified safe-school officers at each school.

Recommendation: The Board should adopt policies and the District should establish and implement procedures to demonstrate compliance with State school safety laws. Such policies and procedures should include implementation of a student crime watch program, appropriate reporting of the school security risk assessment results, and assignment of one or more qualified safe-school officers at each school.

District Response: The Board is committed to adopting policies that will ensure full compliance with State school safety laws. On October 22, 2019, the Board completed the second public meeting in the required rule-making process and approved a massive revision of Board policies with the goal of addressing all applicable programs such as the student crime watch. At the same meeting, the Board reviewed and approved a comprehensive school security risk assessment report. For the 2019-2020 school year, each school was assigned one or more qualified safe-school officers including newly-trained Guardians. Attached is a summary of the safe-school officers' coverage by school. School safety is a top priority of the Board and District. The Board and District are working to ensure full compliance with State school safety laws and rules.

Finding 2: The District disbursed Florida Best and Brightest Teacher Scholarship Program awards totaling \$38,955 to 175 individuals who were ineligible for awards. A similar finding was noted in our report No. 2017-147.

Recommendation: To ensure that scholarships are awarded only eligible recipients, the District should:

- Appropriately train employees responsible for administering the Program.
- Document the propriety of the scholarships awarded during the 2018-19 fiscal year and in the future.
- Take appropriate actions to remedy any improper scholarships awarded during the 2018-19 fiscal year, including the over-awarding amounts totaling \$38,954.73 we identified and any other improper awards identified by District procedures.

District Response: The District is improving the appropriate training of employees to administer the Florida Best and Brightest Teacher Program. One outcome has already been manifested in the improved communication between the various departments responsible for collecting the information and disseminating the funds.

The District will seek guidance from FDOE about the interpretation of the dissemination of the funds for 2018-19 using documentation of the propriety of the scholarships awarded. The District will take the appropriate action as defined by FDOE in the resolution of the questioned amounts totaling \$38,954.73. The District is committed to resolving the questioned costs in accordance with the guidance from FDOE.

Finding 3: As similarly noted in our report No. 2017-147, contrary to State law, the District did not provide annual salary adjustments for instructional and administrative personnel based, in part, upon applicable student performance, instructional practice, and instructional leadership requirements.

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

District Response: The District is diligently seeking ways to finance full compliance with State law that requires annual salary adjustments for instructional personnel and administrative personnel. Although the approved contract with instructional personnel contains a performance salary schedule, the District continues to have declining student FTE and thus does not have adequate revenue to fund the schedule. Efforts continue to establish a performance evaluation rating instrument that accurately captures student performance and instructional practice for instructional personnel. These efforts extend to securing an objective rating system for school administrators in which student performance and instructional leadership can be measured.

Finding 4: The District did not utilize a competitive selection process when contracting for employee health insurance.

Recommendation: Board policies should be revised to ensure compliance with State law bid requirements for insurance purchases. In addition, as required by State law, the District should use competitive bidding procedures when entering into contracts for insurance.

District Response: The Board is committed to adopting policies that ensure compliance with all State laws including those pertaining to bid requirements for insurance purchases. During the 2019-2020 fiscal year, the District will use competitive bidding procedures for insurance purchases including contracting for employee health insurance.

Finding 5: District distributions of discretionary millage to the District charter school were \$20,144 less than required by State law.

Recommendation: The District should enhance procedures to ensure accurate information is reported to the FDOE to calculate eligible charter school funding allocations so the District can accurately distribute capital outlay funding amounts to applicable charter schools. Such procedures should include documented supervisory review and approval procedures to verify the accuracy of information submitted to the FDOE. In addition, the District should consult with the FDOE regarding the appropriate disposition of the \$20,144 under-distributed amount.

District Response: Notwithstanding the changes in the laws governing this process, the District will consult with FDOE regarding the appropriate disposition of the \$20,144 noted in Finding 5.

The District will seek guidance from FDOE on the subsequent steps for resolution of this finding.

Finding 6: The District did not timely and prominently post on its Web site the required budget information for the 2018-19 fiscal year as prescribed by State law.

Recommendation: The District should ensure that each proposed, tentative, and official budget is promptly and prominently posted on the District Web site pursuant to State law.

District Response: The District is improving its Budget Transparency and will ensure that the proposed, tentative, and official budgets are promptly and prominently posted on the District Web site in accordance with State law.

ATTACHMENT

**GADSDEN COUNTY SCHOOL DISTRICT
SAFE SCHOOLS SERVICES
2019 - 2020**

School #	School	SROs	Local Law Enforcement - Police	Guardians	Security Guards (Barkley)	SDJ Contract	TOTAL
0041	George W. Munroe Elementary			1.00			1.00
0051	Gadsden County High School	1.00					1.00
0052	West Gadsden Middle School	1.00					1.00
0091	Havana Magnet School	1.00					1.00
0101	Gadsden Elementary Magnet			1.00			1.00
0141	Greensboro Elementary School		1.00				1.00
0151	Chattahoochee Elementary School			1.00			1.00
0201	Stewart Street Elementary School		1.00				1.00
0211	James A. Shanks Middle School	1.00			1.00		2.00
0231	Carter Parramore Academy	1.00			1.00		2.00
0245	Gadsden Technical Institute		1.00				1.00
9104	Crossroad Academy			1.00			1.00
9106	Gadsden Central Academy					1.00	1.00
	TOTAL	5.00	3.00	4.00	2.00	1.00	15.00