

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2022-196
May 2022

**ST. LUCIE COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2020-21 fiscal year, E. Wayne Gent served as Superintendent of the St. Lucie County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Debbie Hawley, Chair	1
Jack Kelly from 11-17-20	2
Carol A. Hilson through 11-16-20	2
Dr. Donna Mills, Vice Chair from 11-17-20	3
Jennifer Richardson from 11-17-20	4
Kathryn Hensley through 11-16-20, Vice Chair	4
Troy Ingersoll	5

The team leader was Bevohn Dougall, CPA, and the audit was supervised by Clare Waters, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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ST. LUCIE COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the St. Lucie County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2019-213. Our operational audit disclosed the following:

Finding 1: District school safety procedures need improvement to ensure and demonstrate compliance with State law.

Finding 2: Required background screenings were not always timely performed for applicable District and charter school employees and contractor workers and charter school board members.

Finding 3: The District did not comply with State law requiring the District to post on its Web site graphical representations of summary financial efficiency data and fiscal trend information.

BACKGROUND

The St. Lucie 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 St. Lucie County. The governing body of the District is the St. Lucie County District School Board (Board), which is composed of five elected members. The appointed Superintendent of Schools is the Executive Officer of the Board. During the 2020-21 fiscal year, the District operated 39 elementary, middle, high, and specialized schools; sponsored 6 charter schools; and reported 41,200 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety

For the protection and safety of students, school personnel, visitors, and property, State law¹ requires the Board and Superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs) or school guardians, at each school facility. SROs must be certified law enforcement officers and, among other things, complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.

The Board contracted with the St. Lucie County Sheriff's Office (Sheriff's Office) for services provided by 68 SROs; however, the contract did not explicitly require assurance that the SROs had completed mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention. In addition, although we requested, District records were not provided

¹ Section 1006.12(1) and (3), Florida Statutes.

to evidence verification that all assigned SROs received the required mental health crisis intervention training.

In response to our inquiries, District personnel indicated that the District relied on the Sheriff's Office to ensure that the SROs completed required training; notwithstanding, such reliance provides limited assurance that the required training was properly completed. Subsequent to our inquiries, District personnel contacted the Sheriff's Office and obtained records that demonstrated 46 SROs had received the required training; however, according to District personnel, the other 22 SROs were not trained because the COVID-19 pandemic had limited training opportunities.

Absent effective procedures to require, ensure, and document that the SROs receive the required mental health crisis intervention training, the District cannot demonstrate compliance with State law; the District has limited assurance that the SROs are appropriately trained to avert, or appropriately intervene, during school crises; and the District cannot demonstrate that appropriate measures have been taken to promote student and staff safety.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with the State school safety laws. Such enhancements should include procedures to maintain documented verifications that all SROs completed the required mental health crisis intervention training.

Finding 2: Background Screenings

Pursuant to State law,² individuals who serve in an instructional or noninstructional capacity that requires direct contact with students must undergo a level 2 background screening³ at least once every 5 years. State law⁴ also requires personnel who are hired or contracted to fill positions in any charter school and members of the governing board of any charter school to undergo a background screening by filing a complete set of fingerprints with the district school board for the school district in which the charter school is located. Pursuant to State law,⁵ a person convicted of certain criminal offenses is ineligible for employment in any position that requires direct contact with students in a district school system or charter school.

To promote compliance with the statutory background screenings requirements, Board policies⁶ require all employees to undergo required background screenings upon employment and subject employees to disciplinary action for certain serious convictions. The term "conviction" includes, for example, instances that individuals pled guilty or no contest to the charges or had adjudication withheld.⁷

As of March 2021, the District had a total of 5,036 employees and 68 contractor workers who had direct contact with students. To determine whether required background screenings had been timely

² Sections 1012.32, 1012.465, and 1012.56(10), Florida Statutes.

³ A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the FDLE and national criminal history records checks through the Federal Bureau of Investigation.

⁴ Section 1012.32(2)(b), Florida Statutes.

⁵ Section 1012.315, Florida Statutes.

⁶ Board Policy 6.17(4)(a), *Appointment of Employment Requirements*.

⁷ Board Policy 6.17(5)(d), *Appointment of Employment Requirements*.

performed, we requested for examination District records supporting the screenings of 30 selected employees and 23 selected contractor workers and found that:

- 9 District employees had received screenings within the last 5 years; however, District records did not include the screening results to identify whether any disqualifying offenses were reported. In response to our inquiry, District personnel indicated that the screening results for 6 employees were likely destroyed in a flood at District administrative offices and that the screening results for the other 3 employees were likely misfiled.
- 2 District employees had pled guilty to or had adjudication withheld for certain criminal offenses that could deem the individuals ineligible for employment. District personnel indicated that background screening results with criminal offenses are typically forwarded to the District Director of Employee Relations to determine if the person is eligible for employment. However, although we requested, District records were not provided to demonstrate that the Director determined the employment eligibility of these 2 employees because the District had not established procedures to document this determination.

In addition, during the 2020-21 school year, the Board approved the sponsorship of three new charter schools. As part of our audit procedures, we requested for examination District records to evaluate whether the 92 charter school employees, 18 charter school governing board members, and 3 charter school contractor workers had received required background screenings. District records were not provided to demonstrate that 11 board members and 2 contractor workers had been screened, and District records indicated that 2 charter school employees did not receive background screenings until 10 to 237 days after their employment start dates.

In response to our inquiry, District personnel indicated that District procedures require the District to inform charter schools about the background screening requirements. District personnel also indicated that they requested from the charter schools copies of the board member background screenings and contractors' Statewide badges but all copies were not provided. Notwithstanding, District procedures did not require District personnel to follow up with charter schools and ensure that all charter school personnel and board members filed their fingerprints with the Board.

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

Recommendation: The District should enhance procedures to ensure that records are maintained to demonstrate the evaluation of background screening results and personnel actions based on those evaluations. In addition, to ensure that personnel hired or contracted to fill positions in Board-sponsored charter schools and charter school board members undergo the required background screenings, the District should establish procedures to confirm that all charter school personnel and board members filed their fingerprints with the Board.

Finding 3: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to the District budget and related information. Pursuant to State law,⁸ the District must post on its Web site certain graphical representations, for each public school within

⁸ Section 1011.035(2), Florida Statutes.

the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years. Specifically, the District Web site must show fiscal trend information for the previous 3 years on the:

- Ratio of full-time equivalent (FTE) students to FTE instructional personnel.
- Ratio of FTE students to FTE administrative personnel.
- Total operating expenditures per FTE student.
- Total instructional expenditures per FTE student.
- General administrative expenditures as a percentage of total budget.
- Rate of change in the General Fund's ending fund balance not classified as restricted.

The District Web site must also include a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE) pursuant to State law⁹ to enable taxpayers to evaluate the financial efficiency of the school district and compare the financial efficiency of the school district with other similarly situated school districts. This information must be prominently posted on the District Web site in a manner that is readily accessible.

Our inquiry and review disclosed that, as of May 2021, the District Web site lacked the required graphical representations. In response to our inquiry, District personnel indicated that posting the link to the FDOE Web site's fiscal transparency tool was sufficient to satisfy the State law requirements. Consequently, no procedures had been established, and District records did not demonstrate efforts, to create or report the required summary financial efficiency data or fiscal trend information for the previous 3 years. Subsequent to our inquiry, as of November 2021 District personnel posted the required information to the District Web site.

Providing the required financial efficiency data and fiscal trend information in a timely manner enhances citizen involvement and the ability to analyze, monitor, and evaluate fiscal outcomes.

Recommendation: The District should establish procedures to comply with statutory transparency requirements by timely posting all required information on the District Web site.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2019-213.

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 April 2021 through November 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform

⁹ Section 1010.20, Florida Statutes.

the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected District processes and administrative activities, including, but not limited to, District information technology resources and related controls, school safety, fiscal transparency, compensation, and other expenses. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2019-213.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

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

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

Our audit included transactions, as well as events and conditions, occurring during the 2020-21 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

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

In conducting our audit, we:

- Reviewed applicable laws, rules, Board policies, District procedures, and other guidelines and interviewed District personnel to obtain an understanding of applicable processes and administrative activities.
- Reviewed Board information technology (IT) policies and District 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 District enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access based on employee job duties and user account functions and whether the access prevented the performance of incompatible duties. Specifically, we evaluated the update access privileges to critical ERP systems for finance and HR application functions resulting in the review of the appropriateness of access privileges granted to the 53 users.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, from the population of 58 individuals who had access to sensitive personal student information during the audit period, we examined the access privileges of 31 selected employees to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job duties.
- 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.
- Evaluated the physical access controls at the District data center to determine whether vulnerabilities existed.
- Determined whether a fire suppression system had been installed in the District data center.
- Examined the District Web site to determine whether the 2020-21 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the Web site contained the required graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- Examined financial reports and analyses presented to the Board during the audit period to determine whether the Board monitored financial results and related budget estimates.
- Interviewed District personnel and reviewed supporting documentation to evaluate whether the District effectively monitored charter schools to ensure that the charter schools obtained required annual audits, complied with interim financial reporting requirements, and were not experiencing a deteriorating financial condition.
- Determined whether District personnel evaluated the three charter schools that began during the audit period for fiscal viability, the competency of staff, staff training, and staff and contractor background screenings pursuant to Section 1002.33, Florida Statutes.
- From the population of expenditures totaling \$21 million and transfers totaling \$1.7 million during the period July 2020 through March 2021 from nonvoted capital outlay tax levy proceeds, Public

Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$13.3 million and \$1.7 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.

- Examined 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, and 1011.62(15), Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Sections 1011.62(16), and 1012.584, Florida Statutes, and State Board of Education (SBE) Rule 6A-1.094124(4), Florida Administrative Code.
- Evaluated Board policies and District procedures for payments of accumulated annual and sick leave (terminal leave pay) to determine compliance with State law and Board policies. From the population of 146 former employees paid \$1.6 million for terminal leave during the period July 2020 through March 2021, we examined District records for 26 selected former employees paid terminal leave pay totaling \$1.1 million to determine whether the pay was calculated in compliance with Sections 1012.61 and 1012.65, Florida Statutes, and Board policies.
- From the compensation payments totaling \$215 million to 5,857 employees during the period July 2020 through March 2021, examined District records supporting compensation payments totaling \$52,021 to 30 selected employees to determine whether the rate of pay complied with the Board-approved salary schedule and whether supervisory personnel reviewed and approved employee reports of time worked.
- Determined whether the appointed Superintendent's compensation during the period July 2020 through May 2021 was in accordance with Section 1001.50, Florida Statutes, and the Board-approved employment agreement.
- Examined District records supporting teacher salary increase allocation payments totaling \$6.4 million to 2,711 instructional personnel and the reports submitted to the FDOE (salary distribution plan and expenditure report) to determine whether the District submitted required reports to the FDOE and used the funds in compliance with Section 1011.62(18), Florida Statutes.
- Examined District records for 30 employees and 23 contractor workers selected from the population of 5,036 total employees and 68 contractor workers with direct access to students to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records for volunteers during the audit period to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice as required by Section 943.04351, Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures for the ethical conduct of instructional personnel and school administrators, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, to determine the sufficiency of those policies and procedures to ensure compliance with Section 1001.42(6), Florida Statutes.
- Reviewed District employment contracts and identified one contract (Superintendent's contract) that contained severance pay provisions. We evaluated the severance pay contract provisions in that contract to determine whether the provisions complied with Section 215.425(4), Florida Statutes.

- Evaluated District procedures for acquiring health insurance for officers and employees 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.
- 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 and SBE rules. Specifically, from the population of non-compensation expenditures totaling \$121.9 million during the period July 2020 through March 2021, we examined documentation supporting 30 selected payments totaling \$421,065.
- From the population of expenditures related to 113 contracts for services totaling \$9.7 million during the period July 2020 through March 2021, examined supporting documentation, including the contract documents, for 30 selected payments totaling \$615,225 related to 30 contracts to determine whether:
 - The District complied with applicable competitive selection requirements (e.g., SBE Rule 6A-1.012, Florida Administrative Code).
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - District records evidenced that services were satisfactorily received and conformed to contract terms before payment.
 - The payments complied with contract provisions.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

BOARD MEMBERS

Dr. Donna Mills, *Chairman*
DISTRICT #3
Troy Ingersoll, *Vice Chairman*
DISTRICT #5
Debbie Hawley
DISTRICT #1
Jack Kelly
DISTRICT #2
Jennifer Richardson
DISTRICT #4



SUPERINTENDENT

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5/3/2022

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Dear Auditor General Norman:

We have reviewed the preliminary and tentative audit findings and recommendations which may be included in a report to be prepared on your operational audit of the St. Lucie County District School Board for the fiscal year ended June 30, 2021.

We acknowledge the findings and recommendations presented in the report, and present the following responses:

Finding #1: District school safety procedures need improvement to ensure and demonstrate compliance with State law.

The district agrees with this finding and submits the following response:

In order to achieve compliance with state law, the district is recommending that language be added to the SRD agreement with the St Lucie County Sheriff's Office, requiring all School Resource Officers/Deputies to receive and complete Mental Health Crisis Intervention Training and provide the district with copies of the training certificates. Moving forward the district will maintain a file of the training certificates. The district has also requested a copy of the training certificates for all SROs that have completed the training.

Furthermore, the district is currently working with the sheriff's office on scheduling a training at the end of this school year, when students are not on campus. The tentative date of the training is scheduled for June 6th.

Finding #2: Required background screenings were not always timely performed for applicable District and charter school employees and contractor workers and charter school board members.

The district agrees with the finding and would like to submit the following responses:



After the old district office on Okeechobee Road was completely flooded as a result of Hurricane Irma in 2017, the District moved to an Electronic filing system for personnel files. Subsequently, the Florida Department of Law Enforcement (FDLE) notified all school districts in Florida that new guidelines from FDLE did not allow school districts to maintain background screenings electronically due to security concerns. As a result, the District moved to a paper-based filing system for background screenings which were secured in a locked filing cabinet to meet FDLE guidelines. Moving forward, the District will keep all background screenings on a hard drive that is locked in a secure filing cabinet. Keeping the background screenings on a secure hard drive will ensure that the district is able to demonstrate that a background screening was conducted for all employees and the results met the district's hiring guidelines.

Furthermore, prior to hiring, all applicants receive a level 2 background screening through FDLE. If an applicant has a criminal charge, the Director of Employee Relations reviews the charge and determines if the charge disqualifies the applicant pursuant to Florida Statute 1012.315 or School Board Policy. Moving forward, Human Resources for the District will create a document to demonstrate that the Director of Employee Relations has reviewed the criminal history and cleared the applicant for hire.


Lastly, The District has documented communication to the Charter Schools notifying them that their employees and board members must have fingerprints on file. The District notifies Charter Schools that employees cannot start working or be around students until they have fingerprints on file. Moving forward the District will create a process to follow up with Charter Schools in the event that they fail to provide proof that their personnel and Board Members have had background screenings and filed their fingerprints with the School Board. After repeated failures to comply, the District will notify the Florida Department of Education to enforce compliance.

Finding #3: The District did not comply with State law requiring the District to post on its Web site graphical representations of summary financial efficiency data and fiscal trend information.

The District agrees with this finding and submits the following response:

The district did have fiscal transparency information posted on its website, although we do agree and acknowledge that the graphical representations were missing. Non-compliance with the statutory requirements was not intentional as we clearly attempted to provide the necessary information. Upon notification of this by the auditors, the district immediately worked on posting the required graphical representations and as referenced in the finding, this was corrected. Moving forward the district will establish a procedure which will include a review process to ensure that all required information is posted on the district web site.

Sincerely,



E. Wayne Gent
Superintendent