

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2023-132  
March 2023

**FLAGLER COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2021-22 fiscal year, Cathy Mittelstadt served as Superintendent of the Flagler County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Jill Woolbright	1
Janet O. McDonald	2
Dr. Colleen Conklin, Vice Chair	3
Trevor Tucker, Chair	4
Cheryl Massaro	5

The team leader was Nicole E. Ryals, CPA, and the audit was supervised by Keith A. Wolfe, CPA.

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# FLAGLER COUNTY DISTRICT SCHOOL BOARD

## **SUMMARY**

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This operational audit of the Flagler County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-194. Our operational audit disclosed the following:

**Finding 1:** District controls over school resource officer services could be improved.

**Finding 2:** The District did not always provide the required youth mental health awareness and assistance training to school personnel or properly expend State mental health assistance funding.

**Finding 3:** District records did not always demonstrate that the District conducted required searches of the names of prospective school volunteers against the applicable registration information for sexual predators and sexual offenders or had obtained appropriate background screenings.

**Finding 4:** District procedures for conducting employment verifications need improvement.

**Finding 5:** District controls over payments for contracted therapy services could be enhanced. A similar finding was noted in report No. 2020-194.

**Finding 6:** Contrary to State law, as of November 2022 the District Web site did not include the graphical representations of summary financial efficiency data and fiscal year trend information for the 2018-19, 2019-20, and 2020-21 fiscal years.

**Finding 7:** Some unnecessary or incompatible information technology access privileges existed that increased the risk for unauthorized disclosure of sensitive personal information of students to occur. A similar finding was noted in report No. 2020-194.

## **BACKGROUND**

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The Flagler 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 Flagler County. The governing body of the District is the Flagler 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 2021-22 fiscal year, the District operated ten elementary, middle, and high schools; sponsored one charter school; and reported 13,435 unweighted full-time equivalent students.

# FINDINGS AND RECOMMENDATIONS

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## Finding 1: School Safety – School Resource Officer Services

State law<sup>1</sup> requires the Board and Superintendent to partner with local law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. SROs are to be certified law enforcement officers and, among other things, are required to complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention. In addition, effective controls over SRO services ensure that a qualified SRO is present at each school facility while school is in session.

During the 2021-22 fiscal year, the Board contracted with the Flagler County Sheriff's Office to provide ten full-time SROs for nine District schools<sup>2</sup> and the Sheriff's Office separately contracted with the charter school to provide SRO services. The Board contract included a provision for the SROs to provide activity records to the District liaison on a bi-monthly basis. However, we found that controls over SRO services could be enhanced. Specifically:

- The Sheriff's Office contract did not explicitly provide for assurance that the SROs had completed mental health crisis intervention training using a curriculum developed by a national organization with experience in mental health crisis intervention and District records were not maintained to evidence that the SROs received the required training. Subsequent to our inquiry, in December 2022 the District received documentation from the Sheriff's Office certifying that all but one of the ten SROs had completed the required training.
- During the 2021-22 fiscal year, District records did not document SRO attendance, either through the visitor system,<sup>3</sup> bi-monthly activity records, or by other means, to facilitate monitoring of SRO services. Consequently, school personnel with direct knowledge of SRO services did not document receipt of those services.

In response to our inquiry, District personnel indicated that they relied on the Sheriff's Office to ensure that the SROs completed the required training and provided the required services; however, such reliance provides District management limited assurance that the required training and services were received. Absent effective procedures for monitoring SRO services, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety.

**Recommendation: The District should enhance procedures to demonstrate compliance with State school safety laws. Such enhancements should include documented verification that SROs complete the required mental health crisis intervention training and at least one SRO is present during school hours at each school.**

## Finding 2: Mental Health Assistance Allocation

During the 2021-22 fiscal year, the District received a \$600,000 mental health assistance allocation pursuant to State law<sup>4</sup> to establish or expand school-based mental health care services. District

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<sup>1</sup> Section 1006.12, Florida Statutes.

<sup>2</sup> A safe-school officer was not required for the District virtual school.

<sup>3</sup> The District uses an electronic visitor management system to record information about school visitors, including visitor arrival and departure times.

<sup>4</sup> Section 1011.62(14), Florida Statutes (2021).

procedures require the Director of Student Services to document review and approval of proposed expenditures from the mental health assistance allocation. During the period July 1, 2021, through April 22, 2022, the District expended \$378,193 from the allocation, including \$338,105 to compensate 16 employees. In addition, State law<sup>5</sup> requires the District to designate a school safety specialist who, among other things, is to ensure that school personnel receive youth mental health awareness and assistance training.

Our discussions with District personnel and examination of District records disclosed that the District designated a school safety specialist and the Director of Student Services documented review and approval of proposed expenditures from the mental health assistance allocation; however, the District did not always comply with the allocation requirements. Specifically, we found that:

- Only 282 (22 percent) of the 1,254 school personnel completed the required youth mental health awareness and assistance training during the 2021-22 fiscal year. In response to our inquiries, District personnel indicated that the District experienced difficulty holding many of the scheduled training days primarily due to the COVID-19 pandemic.
- Of the 16 employees compensated from the mental health assistance allocation, 2 employees performed services unrelated to mental health and were inadvertently compensated \$19,353 from the allocation. Subsequent to our procedures, in June 2022 District personnel restored the amount to the District mental health assistance allocation from unrestricted resources.

Without the required training, a mental health need may not be timely identified and appropriately met and, absent documentation evidencing the required training, the District cannot demonstrate compliance with State law. In addition, without appropriately evaluating proposed expenditures from mental health assistance resources, there is an increased risk that the resources may not be used for applicable services.

**Recommendation: The District should enhance procedures to ensure that all District school personnel receive youth mental health awareness and assistance training and amounts expended from the mental health assistance allocation are appropriate.**

### **Finding 3: School Volunteers**

State law<sup>6</sup> requires, before making any decision to appoint a person to work as a volunteer where children regularly congregate, a search of that person's name or other identifying information be conducted against the registration information regarding sexual predators and sexual offenders through the Dru Sjodin National Sexual Offender Public Web site (NSOPW) maintained by the United States Department of Justice. If that site is not available, a search of the registration information regarding sexual predators and sexual offenders (i.e., Florida Sexual Offenders and Predators Registry) maintained by the Florida Department of Law Enforcement (FDLE) is required. State law also provides that the search does not apply to positions or appointments for which a level 2 background screening<sup>7</sup> is conducted.

<sup>5</sup> Sections 1006.07(6)(a) and 1012.584, Florida Statutes.

<sup>6</sup> Section 943.04351, Florida Statutes.

<sup>7</sup> A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the FDLE and national criminal history records checks through the Federal Bureau of Investigation.

According to District personnel, the Human Resources (HR) Department receives completed volunteer applications that identify where the individual plans to volunteer and requires the applicant's name be searched against the NSOPW. If the name search yields acceptable results, the HR Department issues a badge to the volunteer and records the name of the approved volunteer and expiration date of the volunteer badge on the volunteer list.<sup>8</sup> District personnel also indicated that school personnel are able to access the volunteer list on a shared electronic file to verify the eligibility of volunteers, maintain records to identify volunteers, and are relied upon to verify volunteer badges are valid before volunteer services are received.

In June 2022, we requested for examination District records supporting the NSOPW searches or level 2 background screenings for 30 selected volunteers from the volunteer list of 424 volunteers and 4 selected volunteers from the names of volunteers who participated in four overnight field trips listed on school records. However, District records were not provided to demonstrate that 3 of the 4 overnight field trip volunteers had their names searched against the NSOPW or had level 2 background screenings. According to District personnel, the original searches or screening records were probably misplaced.

We extended our audit procedures to perform a search of the names of the 3 volunteers against the NSOPW information and none of the 3 volunteers were listed as a sexual predator or sexual offender. However, our procedures cannot substitute for management's responsibility to ensure, and document, that individuals are properly evaluated before they provide volunteer services. Absent effective controls, there is an increased risk that volunteers with unsuitable backgrounds may have direct contact with students.

**Recommendation:** The District should enhance procedures to ensure that, before allowing a person to work as a volunteer for a District school, the individual's name or other identifying information is searched against the NSOPW registration information or the individual obtains a level 2 background screening. District personnel should also document appropriate evaluations and decisions based on the search and screening results.

#### **Finding 4: Employment Practices**

Prior to an offer of employment for instructional, administrative, or any other position requiring direct contact with students, Board policies<sup>9</sup> require the Superintendent or her designee to review the applicant's employment application and background screening results, and conduct employment history checks with each previous employer.

As part of our audit, we interviewed District personnel and reviewed selected District employment records to determine whether District personnel appropriately communicated with previous employers of applicants before employment decisions were made. While District procedures generally provided for appropriate communications with previous employers, we found that District procedures could be improved. For example, for one individual employed by the District, we noted the following sequence of events:

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<sup>8</sup> Volunteer badges expire after 2 years for volunteers supervised or within sight of school personnel and after 5 years for those who provide one-on-one tutor, mentor, or overnight chaperone services.

<sup>9</sup> Board Policy 604, *Appointment or Employment Requirements*.

- The individual was previously employed by a contracted service provider that provided services to a State agency. In June 2020, the agency completed an internal investigation of the individual for alleged misconduct with youth at a juvenile justice facility. The investigation resulted in termination of the individual's agency assignments and his employment with the service provider.
- In August 2020, the District employed the individual without communicating with the service provider, which was the individual's most recent previous employer. District personnel indicated that they did not always contact each previous employer and did not communicate with the service provider because it was not listed chronologically as the most recent employer.
- While employed with the District as a high school teacher, District personnel received information alleging that the individual made multiple payments totaling over \$5,000 to students in the individual's school.
- In September 2021, District personnel investigated the allegation and met with the individual and his attorney. Also, in that month, in lieu of termination from District employment, the individual resigned, and the District notified the FDOE of the suspected misconduct.
- As of December 15, 2022, the FDOE had initiated an investigation, which was ongoing at the conclusion of our audit fieldwork, and the individual continued to hold a valid Florida teaching certificate.

To determine if appropriate communications were made with the previous employers of other individuals hired during the period July 1, 2021, through April 22, 2022, we examined District records supporting 30 of the 470 other individuals. We found that the District hired 6 other individuals without communicating with the applicant's most recent previous employer because, for example, contact was made with previous co-workers or personal references instead of the most recent previous employer.

Effective employment controls should require that, before applicants are hired, District personnel document the conduct of employment history checks and communications with the applicants' most recent previous employers. Absent documentation of such checks and communications, the District cannot demonstrate compliance with Board policies and there is an increased risk that individuals with unsuitable backgrounds may be hired and have direct contact with students.

**Recommendation: The District should enhance procedures to ensure that, prior to an employment offer to fill positions requiring direct contact with students, District personnel demonstrate compliance with Board policies by documenting the conduct of employment history checks, including documented communications with the applicant's most recent previous employers.**

#### **Finding 5: Contracted Services**

Effective contract management requires and ensures that records are maintained to evidence satisfactory receipt of contracted services by personnel with direct knowledge of the services received prior to payment. For the period July 1, 2021, through April 22, 2022, the District paid a total of \$4 million for contracted services.

As part of our audit, we requested for examination District records supporting eight selected payments totaling \$977,516 and our examination identified control deficiencies over payments for contracted therapy services. Specifically, while District records supporting payments totaling \$8,189 for telespeech therapy and \$8,763 for speech language substitute therapy included time records documenting the contracted services rendered, the documented approvals for the services and related payments were

made by employees who had no direct knowledge that the services were satisfactorily received. The telespeech therapy services and speech language substitute services were procured using District-approved purchase orders totaling \$94,000 and \$62,000, respectively.

Absent appropriate documented verification of contracted services, there is an increased risk that the District may overpay for such services, the services may not be received consistent with Board expectations, and any overpayments that occur may not be timely detected or recovered. A similar finding was noted in our report No. 2020-194.

**Recommendation: The District should enhance procedures to ensure that, prior to payment, school personnel with direct knowledge of the contracted services verify and document satisfactory receipt of the services.**

## **Finding 6: Fiscal 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,<sup>10</sup> the District must post on its Web site certain 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. 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 FDOE pursuant to State law<sup>11</sup> 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.

At the time of our review in November 2022, the District Web site lacked the graphical representations for the 2018-19, 2019-20, and 2020-21 fiscal years as well as a link to the Web-based fiscal transparency tool developed by the FDOE. In response to our inquiries, District personnel indicated that the graphical representations and the link to the Web-based fiscal transparency tool were not posted due to management oversights.

Providing the required transparency information on the District Web site enhances citizen involvement and the ability to analyze, monitor, and evaluate budget outcomes.

<sup>10</sup> Section 1011.035(2), Florida Statutes.

<sup>11</sup> Section 1010.20(2)(c), Florida Statutes.

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

**Finding 7: Information Technology User Access Privileges – Sensitive Personal Information**

The Legislature has recognized in State law<sup>12</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 individuals from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic evaluations of IT user access privileges to help prevent individuals from accessing sensitive personal information inconsistent with their responsibilities.

The District’s K-12 management information system (MIS) provides for student records data processing and the District maintains current and former student information, including SSNs, in the District MIS. Student SSNs are included in the student records maintained within the District MIS<sup>13</sup> to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure and to provide student transcripts to colleges, universities, and potential employers based on authorized requests. In response to our inquiry, District personnel indicated that the District did not provide for documented, periodic evaluations of IT user access privileges in the District MIS.

As of October 2022, the District’s K-12 MIS contained sensitive personal information of 59,531 former and 1,937 current District students. As part of our audit, we examined District records supporting the access privileges of 24 employees selected from the 83 employees who had access to that student information. We found that 5 of the employees needed the access for their job assignments; however, the other 19 employees did not need the access. The employees with unnecessary access privileges included, for example, teachers, paraprofessionals, and secretaries.

Subsequent to our inquiry, the District reduced the number of employees with access to student SSNs and, as of October 2022, 27 employees had such access. The existence of unnecessary IT user access privileges and the lack of documented, periodic evaluations of assigned IT user access privileges increases the risk of unauthorized disclosure of sensitive personal information and the possibility that sensitive personal information may be used to commit a fraud against current or former District students. A similar finding was noted in our report No. 2020-194.

**Recommendation: The District should continue efforts to ensure that only those employees who have a demonstrated need to access sensitive personal information, including student SSNs, have such access. In addition, the District should document periodic evaluations of individual access privileges and promptly remove any inappropriate or unnecessary access.**

<sup>12</sup> Section 119.071(5)(a), Florida Statutes.

<sup>13</sup> The North East Florida Educational Consortium (NEFEC) provides student records data processing services for the District and maintains student information, including student SSNs, in the District MIS.

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

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The District had taken corrective actions for findings included in our report No. 2020-194, except that Findings 5 and 7 were also noted in that report as Findings 4 and 5, respectively.

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

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from May 2022 through December 2022 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.

This operational audit focused on selected District processes and administrative activities. 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. 2020-194.
- 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 the selection and examination of transactions and records, as well as events and conditions, occurring during the 2021-22 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 and the related requirements.
- 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, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined selected user access privileges to District enterprise resource planning system finance and human resources (HR) applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether the access privileges prevented the performance of incompatible duties. We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed. Specifically, we examined update access privileges for the:
  - 5 users who had security access to the District’s application systems, datasets, and programs for the finance and HR applications.
  - 10 users who had update access to critical finance application functions.
  - 19 users who had update access to critical HR application functions.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers stored in the District management information systems (MIS). Specifically, we examined District records supporting the access privileges of 24 of the 83 employees with access to the K-12 MIS and the 6 employees with access to the vocational/adult education MIS to evaluate the appropriateness and necessity of the access privileges based on the employee’s assigned job duties.
- Evaluated Board security policies and District procedures governing the classification, management, and protection of sensitive and confidential information.

- Determined whether the District had a comprehensive IT disaster recovery plan in place that was designed properly, operating effectively, and had been recently tested.
- Examined selected network and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- 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.
- Inquired whether the District made expenditures or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period.
- Examined the District Web site to determine whether the 2021-22 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).
- From the population of expenditures totaling \$10.6 million and transfers totaling \$1 million for the period July 1, 2021, through April 22, 2022, 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 \$247,688 and \$930,147, 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 documentation supporting the District's annual tangible personal property physical inventory process to determine whether the inventory results were reconciled to the property records.
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- From the three significant maintenance projects with expenditures totaling \$1.6 million for the period July 1, 2021, through April 22, 2022, selected two contracts and examined documentation for project expenditures totaling \$1.3 million to determine compliance with Board policies and District procedures and applicable provisions of State law and rules. Specifically, we examined District records to determine whether:
  - The contractors were properly selected pursuant to Florida statutes.
  - Six selected payments totaling \$1.3 million were sufficiently supported and complied with the contract provisions.
- 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 and 1006.12, Florida Statutes; and Section 1011.62(13), Florida Statutes (2021).
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Section 1012.584, Florida Statutes; Section 1011.62(14), Florida Statutes (2021); and State Board of Education (SBE) Rule 6A-1.094124, Florida Administrative Code. In addition, from the population of mental health assistance allocation expenditures for the period July 1, 2021, through April 22, 2022, totaling \$378,193, examined District records supporting services of the 16 employees compensated \$338,105 from the allocation to determine whether the employees provided mental health assistance services.

- From the population of workforce education program funds expenditures totaling \$1 million for the period July 1, 2021, through April 22, 2022, selected ten expenditures totaling \$254,950 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 the nine industry certifications eligible for 2021-22 fiscal year performance funding to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 3,305 reported contact hours for 30 selected students from the population of 43,327 contact hours reported for 292 adult general education instructional students during the audit period to determine whether the District reported the instructional contact hours in accordance with SBE Rule 6A-10.0381, 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 96 former employees paid \$340,433 for terminal leave for the period July 1, 2021, through April 22, 2022, we examined District records for 25 selected former employees paid terminal leave pay totaling \$301,755 to determine whether the terminal leave pay was calculated in compliance with Sections 1012.61 and 1012.65, Florida Statutes, and Board policies.
- Evaluated the two employee contracts with severance pay provisions to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- From the compensation payments totaling \$77.8 million to 2,326 employees during the period July 1, 2021, through April 22, 2022, examined District records supporting compensation payments totaling \$58,498 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.
- From the population of 692 instructional personnel and 35 school administrators compensated a total of \$28.4 million during the period July 1, 2021, through April 22, 2022, examined documentation for 30 selected employees who were paid a total of \$1.2 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, and determined whether a portion of each selected instructional employee's compensation was based on performance in accordance with Section 1012.22(1)(c)4. and 5., Florida Statutes.
- Examined District records supporting teacher salary increase allocation payments totaling \$2.4 million for the audit period to 798 instructional personnel to determine whether the District submitted required reports (salary distribution plan and expenditure report) to the FDOE and used the funds in compliance with Section 1011.62(16), Florida Statutes (2021).
- Examined District records for the audit period for 30 employees selected from the population of 2,326 to assess whether employees who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined District records for the period July 1, 2021, through April 22, 2022, for 15 contractor workers selected from 21 invoices supporting payments to contractors to assess whether contractor workers 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. Specifically, we examined District

records for the audit period for 30 volunteers serving as mentors, tutors, or overnight chaperones selected from the population of 424 volunteers to determine whether the volunteers were subjected to a background screening in accordance with Board policies.

- Evaluated the effectiveness of Board policies and District procedures addressing the ethical conduct of employees including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student to determine compliance with Section 1001.42(6), Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and also notifying the result of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., Florida Statutes.
- From the population of 470 newly hired employees during the period July 1, 2021, through April 22, 2022, examined District records for 30 selected employees to assess whether the District verified previous employment history in accordance with Board policies.
- From the population of general expenditures totaling \$31.1 million during the period July 1, 2021, through April 22, 2022, examined District records supporting 30 selected transactions totaling \$295,676 to determine whether selected expenditures were reasonable, correctly recorded, and adequately documented; for a valid District purpose; properly authorized and approved; and in compliance with applicable State laws, SBE rules, contract terms, and Board policies.
- From the population of payments totaling \$4 million during the period July 1, 2021, through April 22, 2022, related to contracts for services, examined supporting documentation, including the contract documents, for eight selected payments totaling \$977,516 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***

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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.

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

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## BOARD OF EDUCATION

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District 4

Roymara Louissaint  
Student School Board Member  
Flagler-Palm Coast H.S.

Isabella Tietje  
Student School Board Member  
Matanzas H.S.

Marcus Sanfilippo  
Principal of the Year  
Bunnell Elementary School

Donelle Evensen  
Assistant Principal of the Year  
Bunnell Elementary School

Lee Winfree  
Teacher of the Year  
Matanzas High School

Renee Berry  
Employee of the Year  
Custodial Services

Cathy Mittelstadt  
Superintendent

March 01, 2023

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

Dear Ms. Norman:

Please find attached our response to the Preliminary and Tentative Audit Findings for the fiscal year ended June 30, 2022. Our responses follow the order of the findings cited. Should additional information be required, please contact Patty Wormeck, Chief Financial Officer.

Sincerely,

Cathy Mittelstadt  
Superintendent

*"An Equal Opportunity Employer"*

1769 E. Moody Blvd., Bldg. 2 Bunnell, FL 32110 \* Phone (386) 437-7526 \* Fax (386) 586-2641 \* [www.flaglerschools.com](http://www.flaglerschools.com)

**Finding No. 1:** District controls over school resource officer services could be improved.

**Response:** The District will review and enhance its procedures with regard to maintaining proper documentation for required training and attendance records.

**Finding No. 2:** The District did not always provide the required youth mental health awareness and assistance training to school personnel or properly expend state mental health assistance funding.

**Response:** The District has implemented an aggressive training schedule to ensure that all required school personnel receive the youth mental health awareness and assistance training in accordance with State law.

Two employees were transferred to another department during the year and their account coding did not get properly updated due to miscommunication. The funds in question have been restored to the District mental health assistance allocation. We will continue to ensure proper communication is occurring to prevent such incidents in the future.

**Finding No. 3:** District records did not always demonstrate that the District conducted required searches of the names of prospective school volunteers against the applicable registration information for sexual predators and sexual offenders or had obtained appropriate background screenings.

**Response:** The District has enhanced its procedures by conducting extensive training to all relevant personnel.

**Finding No. 4:** District procedures for conducting employment verifications need improvement.

**Response:** The District has changed its reference verification process to align with the Society for Human Resources Management's best practices. The District will continue to conduct training to ensure procedures are being properly followed.

**Finding No. 5:** District controls over payments for contracted therapy services could be enhanced.

**Response:** The District will review and enhance its controls over contracted therapy services.

**Finding No. 6:** Contrary to State law, as of November 2022 the District website did not include the graphical representations of summary financial efficiency data and fiscal year trend information for the 2018-19, 2019-20, and 2020-21 fiscal years.

**Response:** The District will update its website to ensure it is in compliance with the requirements of State law.

**Finding No. 7:** Some unnecessary or incompatible information technology access privileges existed that increased the risk for unauthorized disclosure of sensitive personal information of students to occur.

**Response:** The District has already reduced access privileges to many employees as recommended by the auditors. The District will include an evaluation of access to sensitive personal information of students, including social security numbers, in the District's security access reviews conducted periodically throughout the year.

