

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-005
August 2023

**HIGHLANDS COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2022-23 fiscal year, Dr. Brenda Longshore served as Superintendent of the Highlands County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Isaac Durrance, Chair through 11-21-22	1
Donna Howerton, Chair from 11-22-22	2
Jan Shoop, Vice Chair from 11-22-22	3
Reese Martin from 11-22-22	4
Bill Brantley through 11-21-22	4
Nicole Radonski from 11-22-22	5
Jill Compton Twist, Vice Chair through 11-21-21	5

The team leader was Becky D. Grode, CPA, and the audit was supervised by Mark A. Arroyo, 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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HIGHLANDS COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Highlands County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2021-050. Our operational audit disclosed the following:

Finding 1: The District did not always timely correct deficiencies noted in annual facility inspections.

BACKGROUND

The Highlands 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 Highlands County. The governing body of the District is the Highlands 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 2022-23 fiscal year, the District operated 19 elementary, middle, high, and specialized schools and reported 12,535 unweighted full-time equivalent students.

FINDING AND RECOMMENDATION

Finding 1: Annual Facilities Inspections

State law¹ requires the District to provide for periodic inspections of each educational and ancillary plant at least once during each fiscal year to determine compliance with standards of sanitation and casualty safety prescribed in State Board of Education rules. In addition, fire safety inspections are required to be performed annually by persons certified by the Division of State Fire Marshal as being eligible to conduct fire safety inspections in public educational and ancillary plants.

During the 2022-23 fiscal year, the District had 25 educational and ancillary plant facility locations. As part of our audit, we examined the inspection records supporting 3 selected locations and determined that the required annual inspections for these locations were performed. However, the inspection records disclosed 156 deficiencies or facility maintenance needs that remained unresolved for 3 or more years. The unresolved deficiencies included, for example, combustible materials improperly stored, items improperly stored in electrical rooms, and exits and corridors partially obstructed with storage.

In response to our inquiries, District personnel indicated that the lack of staff caused the deficiencies to remain unresolved. Timely correction of facility deficiencies is important to reduce risks to the occupants' health and safety and to avoid future additional costs.

Recommendation: The District should improve procedures to ensure the timely correction of deficiencies and facilities maintenance needs identified in annual inspection reports.

¹ Section 1013.12(2), Florida Statutes.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2021-050.

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 March 2023 through July 2023 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. 2021-050.
- 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 2022-23 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, 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. From the population of 303 user accounts as of March 2023, we examined District records for 35 selected user accounts supporting critical enterprise resource planning system finance and human resource application functions to determine the appropriateness of the accounts' assigned update access privileges based on employee job duties 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.
- Evaluated District procedures to prohibit former employee access to electronic data files. We reviewed selected user access privileges for 27 of the 198 employees who separated from District employment during the period July 1, 2022, through March 28, 2023, to determine whether access privileges were timely deactivated.
- 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 application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether the District had established a comprehensive IT risk assessment to document the District's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. We examined the access privileges of the 68 employees who

had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job duties.

- Inquired whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the audit period.
- From the population of expenditures totaling \$6.1 million and transfers totaling \$4.1 million during the period July 1, 2022, through March 16, 2023, from nonvoted capital outlay tax levy proceeds, school capital outlay surtax, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$749,013 and \$4.1 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 the District Web site to determine whether the 2022-23 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the District Web site contained, for each public school within the District and for the District, the required graphical representations 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 District records supporting 30 selected new hires from the 352 individuals hired during the audit period to determine whether personnel records evidenced that the employees had the necessary qualifications, degrees, and experience based on their position descriptions.
- Examined District records for the audit period supporting the teacher salary increase allocation received pursuant to Chapter 2022-156, Laws of Florida, Specific Appropriation 86, totaling \$3.2 million and records supporting related payments totaling the same amount to 742 instructional personnel to determine whether the District submitted required reports (salary distribution plan and expenditure report) to the FDOE and used the allocation in compliance with Section 1011.62(14), Florida Statutes (2022).
- Examined District records as of April 2023 to assess whether the 2,944 employees who had direct contact with students were subjected to the required fingerprinting and background screening.
- Evaluated the effectiveness of Board policies and District procedures addressing 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, and also the investigation requirements of all reports for alleged misconduct to determine the sufficiency of those policies and procedures to ensure compliance with Section 1001.42(6) and (7)(b)3., Florida Statutes.
- Examined documentation for the most recent annual fire safety, casualty safety, and sanitation inspection reports to determine whether timely action was taken to correct previously cited deficiencies.
- 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(12), Florida Statutes (2022).
- 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(13), Florida Statutes (2022); and SBE Rule 6A-1.094124, Florida Administrative Code.
- 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.

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



Administration
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August 4, 2023

Sherrill F. Norman
Auditor General State of Florida
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Tallahassee, FL 32399-1450

Dear Ms. Norman:

The District will address the facility inspection deficiencies in a timely manner to ensure repeated findings and major deficiencies are corrected. However, certain capital deficiencies may require more time than others given the deficiencies' scope, available funds, and complexity.

We wish to thank your office for the professionalism and courtesy shown by your staff during the audit. We are confident that the District will benefit from this review.

Sincerely,

Brenda Longshore

Dr. Brenda Longshore
Superintendent of Schools

BL:bh

Dr. Brenda Longshore, Superintendent
Donna Howerton, Chairperson · Jan Shoop, Vice Chairperson
Isaac Durrance · Reese Martin · Nicole Radonski

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