

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2023-016
September 2022

HAMILTON COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2021-22 fiscal year, Dorothy Lee Wetherington-Zamora served as Superintendent of the Hamilton County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Cheryl McCall	1
Gary Godwin	2
Saul Speights, Vice Chair	3
Johnny Bullard, Chair	4
Sammy McCoy	5

The team leader was Summer B. Elledge, CPA, and the audit was supervised by Glenda K. Hart, 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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HAMILTON COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Hamilton County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-013. Our operational audit disclosed the following:

Finding 1: District school safety procedures need improvement to ensure and demonstrate that school resource officers complete required mental health crisis intervention training.

Finding 2: Contrary to State Board of Education rules, the District did not always provide required youth mental health awareness and assistance instruction.

Finding 3: District tangible personal property inventory controls need improvement.

Finding 4: The District needs to strengthen controls to ensure the accurate reporting of instructional contact hours for adult general education classes to the Florida Department of Education.

Finding 5: The District had not tested the Board-approved information technology (IT) disaster recovery plan and alternate site agreement with other school districts by accessing and running critical applications and processes from one of the alternate sites.

Finding 6: Some unnecessary or inappropriate IT user access privileges exist that increase the risk for unauthorized disclosure, modification, or destruction of District human resources and finance information to occur.

Finding 7: The District did not timely remove the IT user access privileges of some employees upon their separation from District employment.

BACKGROUND

The Hamilton 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 Hamilton County. The governing body of the District is the Hamilton 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 2021-22 fiscal year, the District operated one elementary and one combination middle/high school and reported 1,648 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – School Resource Officers

For the protection and safety of school personnel, property, students, and visitors, State law¹ requires that the Board and Superintendent 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 must undergo criminal background checks, drug testing, and a psychological evaluation, be certified law enforcement officers, and 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, State law² requires the District to designate a school safety specialist to ensure that school personnel receive mental health training.

For the 2021-22 fiscal year, the Board contracted with the Hamilton County Sheriff's Office for an SRO at each of the two District schools. The contract provided that the SROs were certified deputies; however, neither the contract nor other District records indicated 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. We confirmed with the District school safety specialist that the two District SROs had not received the required mental health crisis intervention training as of March 31, 2022. In response to our inquiry, the District school safety specialist indicated that the SROs would receive the training in September 2022.

According to District personnel, the District relied on the Sheriff's Office to ensure that SRO mental health crisis intervention training was completed. Notwithstanding, absent District timely verification of the required SRO training, the District has limited assurance that SROs were evaluated as required and trained to properly avert, or intervene during, school crises. In addition, absent effective policies to require and ensure documented verification of SRO requirements, 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 ensure that SROs meet all requirements, including mental health crisis intervention training requirements, and maintain records to demonstrate compliance with State school safety laws.

Finding 2: Mental Health Awareness and Assistance Instruction

State Board of Education (SBE) rules³ require the District to annually provide to students in grades 6 through 12 a minimum of 5 hours of instruction related to mental health awareness and assistance, including suicide prevention and the impacts of substance abuse. Failure to comply with SBE rule requirements may result in the imposition of sanctions specified in State law.⁴

¹ Section 1006.12, Florida Statutes.

² Section 1012.584, Florida Statutes.

³ SBE Rule 6A-1.094124(4), Florida Administrative Code.

⁴ Section 1008.32, Florida Statutes.

During the 2021-22 school year, District personnel tracked student completion of the required instruction using a Web-based digital media instructional software program. To determine whether the District provided the required instruction during the 2021-22 fiscal year, we requested District records supporting that instruction and found that only 69 percent of the District 6th through 12th grade students had completed the minimum 5 hours of training. In response to our inquiry, District personnel indicated that the required instruction was provided using Web-based modules, but District staff did not follow-up to ensure that all students in grades 6 through 12 timely completed the training modules.

Without the required instruction, a mental health services need may not be timely identified and appropriately met and, absent documentation evidencing youth mental health awareness and assistance instruction, the District cannot demonstrate compliance with SBE rules. In addition, documented instruction enhances public awareness of District efforts to provide essential educational services.

Recommendation: The District should enhance procedures to ensure, and maintain records to demonstrate, that students in grades 6 through 12 receive at least 5 hours of mental health awareness and assistance instruction as required by SBE rules.

Finding 3: Tangible Personal Property Inventory

State law,⁵ Florida Department of Financial Services (DFS) rules,⁶ and Board policies⁷ require the District to maintain adequate records of tangible personal property (i.e., furniture, fixtures, and equipment and motor vehicles) in its custody. Those provisions also require that a complete physical inventory be taken annually, the results of the physical inventory be compared to the property records, and any differences be researched and resolved. All tangible personal property (TPP) items found during the inventory must be included in the property records, which must identify the inventory date and individual attesting to the items' existence. Items not located must be promptly reported to the property custodian to cause a thorough investigation to be made. If the investigation determines that an item was stolen, the District is required to file a report with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

At June 30, 2021, the District reported TPP totaling \$5.8 million and, according to District personnel, if an item was found during the physical inventory, an inventory date was recorded on the inventory record and the record was signed. However, although we requested, District records supporting a TPP physical inventory during the 2020-21 fiscal year were not provided for three of the ten District cost centers.

Our examination of the inventory records for the other seven cost centers disclosed that several items lacked inventory dates and signatures by the individual attesting to the items' existence. In addition, District records did not identify any items as missing during the physical inventory and District personnel could not explain whether the inventory records were incorrect or the items lacking inventory dates were missing, declared obsolete, or surplus.

In response to our inquiry, District personnel indicated that, although they have procedures for taking inventory, due to staff shortages and personnel turnover, District personnel did not properly complete

⁵ Chapter 274, Florida Statutes.

⁶ DFS Rule 69I-73, Florida Administrative Code.

⁷ Board policy 7.08 – *Inventories and Property Records*.

physical inventories or reconcile the results of inventories to District TPP records. Further discussions with District personnel disclosed that, as of June 30, 2022, physical inventories had not been completed and results reconciled for the 2021-22 fiscal year, either. Absent effective annual physical inventory procedures, the District cannot demonstrate compliance with State law, DFS rules, and Board policies; accountability over TPP is diminished; and there is an increased risk that any loss or theft of District property will not be timely detected, reported to the appropriate parties, or correctly reflected in District property and accounting records.

Recommendation: The District should enhance procedures to provide for proper accountability for District TPP items. Such procedures should include a complete and documented physical inventory of TPP each year with thorough investigation of items not located during the physical inventory. Items determined stolen should be promptly reported to the appropriate law enforcement agency.

Finding 4: Adult General Education Classes

State law⁸ defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The District received State funding for adult general education, and General Appropriations Act⁹ proviso language required each district to report enrollment for adult general education programs in accordance with Florida Department of Education (FDOE) instructional hours reporting procedures.¹⁰

FDOE procedures provide that the date of enrollment is the first date of actual attendance in a class. In addition, FDOE procedures provide that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. The procedures also require school districts to develop a procedure for withdrawing students for nonattendance and provide that the standard for setting the withdrawal date be six consecutive absences from a class schedule, with the withdrawal date reported as the last day after the last date of attendance.

The District reported 26 instructional contact hours provided to four students enrolled in three courses for the Fall 2021 Semester. As part of our audit, we examined District adult education attendance records for the Fall 2021 Semester and identified six students enrolled in a total of 1,080 instructional contact hours, resulting in 1,054 hours (ranging from 5 to 434 hours) underreported to the FDOE for five students. The under-reported hours occurred because adult education and information technology (IT) reporting staff miscommunicated, and District personnel misunderstood FDOE instructional reporting procedures and miscalculated attendance days.

Since adult general education funding is based, in part, on enrollment data reported to the FDOE, it is important that the District report accurate data.

Recommendation: The District should strengthen controls to ensure instructional contact hours for adult general education classes are accurately reported to the FDOE. The District

⁸ Section 1004.02(3), Florida Statutes

⁹ Chapter 2021-36, Laws of Florida, Specific Appropriation 122.

¹⁰ FDOE's Technical Assistance Paper: Adult General Education Instructional Hours Reporting Procedures, Dated September 2020.

should also determine the extent, if any, that adult general education hours were misreported and contact the FDOE for proper resolution.

Finding 5: Information Technology – Disaster Recovery Plan

An important element of an effective internal control system over IT operations is a disaster recovery plan to help minimize data and asset loss in the event of a major hardware or software failure. A disaster recovery plan should identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery. In addition, plan elements should be tested periodically to disclose any areas not addressed and to facilitate proper conduct in an actual disruption of IT operations.

The District obtains certain IT services, such as financial, payroll, and other critical applications from the North East Florida Educational Consortium (NEFEC).¹¹ NEFEC developed an IT disaster recovery plan whereby member districts agreed to serve as alternate-processing sites for each other in the event of a disaster that interrupts critical IT operations. In addition, the Board-established comprehensive disaster recovery plan assigns responsibilities for recovery activities to key employees and backup personnel, prioritizes critical operations and data, and details the specific procedures to be followed when NEFEC is inoperable or other events interrupt District operations and affect the recovery and restoration of financial, payroll, and other critical applications.

In response to our inquiry, District personnel indicated that, due personnel changes and the impact of the COVID-19 pandemic on school operations, District personnel had not tested their ability to access and run critical applications and processes from an alternate site in the event of a disaster. Although we requested, documentation was not provided to evidence the last test of the disaster recovery plan at an alternate processing site.

The lack of annual testing of the IT disaster recovery plan at a NEFEC member district alternative-processing site may hinder District efforts to minimize the impact of, and timely recover from, a disaster or a disruption of operations.

Recommendation: The District should test the IT disaster recovery plan at an alternate site annually and document the evaluation of the test results.

Finding 6: Information Technology - User Access Privileges

Access controls are intended to protect District data and IT resources from unauthorized disclosure, modification, or destruction. Effective access controls include granting users access to IT resources based on a demonstrated need to view, add, modify, or delete data and restrict employees from performing functions incompatible or inconsistent with their duties. As part of these controls, a security administrator is responsible for granting IT user access privileges and limiting such privileges based on the employee's job responsibilities. Periodic evaluations of assigned IT user access privileges are

¹¹ NEFEC is a regional, non-profit, educational service agency established to provide cooperative services to 15 small and rural member districts.

necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job responsibilities.

The District accounting system is composed of finance and human resource (HR) applications, as well as a product setup component that allows for the technical configuration and system administration of both applications. The District finance application includes, for example, the ability to create and edit vendor information, create and post journal entries, and process payment transactions. The District HR application includes, for example, the ability to add new employees, adjust pay rates, edit leave balances, and process payroll transactions.

As part of our audit, we evaluated the access privileges for 13 of the 30 employees with access to critical ERP system finance and HR application functions and found that controls could be improved. Specifically, we found that District controls were not sufficient to restrict 9 of the 13 employees from performing functions incompatible or inconsistent with their duties as:

- 3 finance employees had full update access to the HR application although such access was unnecessary for their assigned duties.
- 3 other finance employees had unnecessary update access to the HR application to add and edit employee records, assign salary, and establish direct deposits.
- 2 HR employees who were responsible for adding new employees were also granted access to perform the incompatible duty of establishing direct deposits.
- One secretary had the ability to establish direct deposits although such access was unnecessary for her assigned duties.

District responses to audit inquiries disclosed that the Director of Business reviews IT user access privileges monthly to detect and remove unnecessary and inappropriate access privileges. However, the reviews were not sufficiently detailed to restrict specific employees from performing functions incompatible or inconsistent with their duties.

While the District had established certain compensating controls such as independent evaluations of performance and master file edit checks that compensated, in part, for the deficiencies, the existence of inappropriate or unnecessary IT access privileges increases the risk that unauthorized disclosure, modification, or destruction of District data and IT resources may occur and not be timely detected.

Recommendation: District management should continue efforts to ensure that IT access privileges restrict users from performing functions incompatible or inconsistent with their assigned job duties. Such efforts should include sufficiently detailed and documented periodic evaluations of access privileges and the prompt deactivation of any inappropriate or unnecessary access privileges identified.

Finding 7: Information Technology – Timely Deactivation of User Access Privileges

Effective management of IT user access privileges includes the timely deactivation of IT access privileges when an employee is reassigned to another District department or separates from employment. As certain critical systems and confidential or sensitive information stored in the systems are accessible through the District IT System, prompt deactivation of IT user access privileges is necessary to ensure that the privileges are not misused by a former employee or others to compromise District data or IT

resources. In addition, documented periodic evaluations of employee access privileges help detect, and provide for prompt removal of, inappropriate or unnecessary access to data and IT resources.

According to District personnel, the HR Department receives employee separation information and notifies the Payroll Department of the personnel action. District personnel indicated that the IT Department Systems Specialist was responsible for promptly deactivating the IT access privileges of employees separating from District employment. The Director of Business reviewed IT user access privileges monthly to detect and remove unnecessary and inappropriate access privileges. However, neither the HR Department, Payroll Department, nor other process notified the Systems Specialist about the employment separations to ensure that IT user access privileges were timely deactivated. Also, the Director of Business reviews were not sufficiently detailed to identify inappropriate or unnecessary access privileges.

As part of our audit, we examined District IT user access records for the District's HR and finance modules for the 35 individuals who separated from District employment during the period July 1, 2021, through March 17, 2022. We found that 24 former District employees retained their access privileges 35 to 276 days, or an average of 157 days, after their respective employment separation dates.

Although the IT user access privileges were eventually deactivated, and our procedures did not identify any errors or fraud as a result of the untimely deactivations, when IT user access privileges are not promptly deactivated, there is an increased risk that the privileges may be misused by former employees or others.

Recommendation: The District should enhance procedures to promptly deactivate IT user access privileges when an employee separates from District employment. Such procedural enhancements could include an automated notification to the Systems Specialist when employees will be separating from District employment and prompt deactivation of the employees' IT user access privileges. In addition, periodic evaluations of IT user access privileges should be sufficiently detailed to identify inappropriate or unnecessary user access privileges and provide for prompt deactivation of any such access privileges.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2020-013.

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 2022 through May 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. 2020-013.
- 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.
- 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 user access privileges to District enterprise resource planning (ERP) 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 evaluated the update access privileges for 13 of the 30 employees who had such privileges to critical ERP systems for finance and HR application functions.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the 11 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 responsibilities.
- Evaluated District procedures to prohibit former employee access to electronic data files. Specifically, we reviewed selected user access privileges for the 35 employees who separated from District employment during the period July 1, 2021, through March 17, 2022, to determine whether access privileges were timely deactivated.
- Determined whether a comprehensive IT disaster recovery plan was in place, designed properly, operating effectively, and had been recently tested.
- Examined selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- 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.
- For the workforce development funds expenditures totaling \$34,213 during the period July 1, 2021, through March 11, 2022, examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- Examined District records supporting the 26 reported contact hours for four adult general education instructional students during the Fall 2021 Semester to determine whether the District reported the instructional contact hours in accordance with State Board of Education (SBE) Rule 6A-10.0381, Florida Administrative Code.
- 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).

- Examined documentation supporting the District's annual tangible personal property physical inventory process to determine whether a complete inventory was conducted, the inventory results were reconciled to the property records, appropriate follow-up was made for any missing items, and law enforcement was timely notified for any items that could not be located and considered stolen.
- Evaluated District procedures to determine whether the District properly identified and inventoried attractive items pursuant to Florida Department of Financial Services Rules 69I-73.001 and 73.002, Florida Administrative Code.
- From the population of compensation expenditures totaling \$10.3 million during the period July 1, 2021, through April 14, 2022, examined District records supporting 30 selected compensation expenditures totaling \$44,757 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.
- Examined District records to determine whether the Board adopted a salary schedule with differentiated pay for both instructional personnel and school administrators based on District determined factors, including, but not limited to, additional responsibilities, school demographics, critical shortage areas, and level of job performance difficulties in compliance with Section 1012.22(1)(c)4.b., Florida Statutes.
- Examined District records supporting teacher salary increase allocation payments totaling \$260,719 for the audit period to 80 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 Board policies, District procedures, and related records and determined whether a portion of instructional employee's compensation was based on performance in accordance with Section 1012.22(1)(c)4. and 5., Florida Statutes.
- Determined whether appropriate Board policies and District procedures had been established for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and notifying the result of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., Florida Statutes.
- Evaluated Board policies and District procedures to ensure that health insurance was provided only to eligible employees, retirees, and dependents and that, upon an employee's separation from District employment, insurance benefits were timely canceled as appropriate based on the Board policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board-approved contributions.
- 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.

- 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, SBE rules, contract terms and Board policies; and applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures totaling \$5.2 million during the period July 1, 2021, through April 14, 2022, we examined documentation related to 30 selected payments for general expenditures totaling \$194,560.
- From the population of expenditures totaling \$933,131 during the period July 1, 2021, through March 17, 2022, related to 46 contracts for services, examined supporting documentation, including the contract documents, for 20 selected payments totaling \$373,939 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



Hamilton County School District

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Lee Wetherington-Zamora, Superintendent
April Perez, Director of Business Services

School Board Members

Cheryl McCall – District 1
Gary Godwin – District 2
Saul Speights – District 3
Johnny Bullard – District 4
Sammy McCoy – District 5

September 8, 2022

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

Dear Ms. Norman:

Please accept the below as our District's written explanation concerning preliminary and tentative audit findings and recommendations in the 2021-22 operational audit of Hamilton County School Board:

- Finding 1: The District Safety Specialist will ensure that both School Resource Officers attend Mental Health Crisis Intervention training on a Professional Development Day in Hamilton County School District prior to the end of the school year.
- Finding 2: The District Safety Specialist will coordinate curriculum as well as monitor each grade level completion rate weekly. The District Safety Specialist will notify appropriate grade level teachers as well as the principal of the students who are not meeting completion guidelines. The high school social worker will work with those students during non-academic instructional time to complete the course work in a timely manner.
- Finding 3: As of August 15th 2022, the District has completed the physical inventory for the 2021-22 fiscal year and reconciled the results to District records. Going forward, the District will enhance procedures over conducting and documenting the annual physical inventory of tangible personal property, ensure that inventory results are timely reconciled to subsidiary schedules, and provide for thorough investigations of misappropriated property.
- Finding 4: The District completed a recalculation of instructional contact hours for adult education classes and reported a more accurate count for the 2021-2022 year in Survey S to rectify the previous reporting errors. Moving forward, the District will institute a revised method of recording for instructional contact hours by implementing the use of digital accounting tools as opposed to paper-based methods. In addition, a more thorough review process of recorded hours is to be conducted by District Staff prior to reporting.



Hamilton County School District

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Lee Wetherington-Zamora, Superintendent
April Perez, Director of Business Services

School Board Members

Cheryl McCall – District 1
Gary Godwin – District 2
Saul Speights – District 3
Johnny Bullard – District 4
Sammy McCoy – District 5

- Finding 5: The District will coordinate annually with NEFEC to test the Disaster Recovery Plan. NEFEC will disclose any issues that arise and the District will address those immediately.
- Finding 6: The District will revise Finance and HR security groups to eliminate access privileges to critical functions incompatible or inconsistent with assigned duties. In addition, group security levels and access will be reviewed and modified periodically with documented results.
- Finding 7: The District has revised the procedures for personnel action forms and the clearance process to ensure that IT access privileges are deactivated when an employee is reassigned or separates from employment. The procedures now include informing the MIS Manager/Systems Specialist first in the series of final clearance to ensure user access privileges are deactivated in a timely manner.

Please feel free to contact my office with any additional questions you may have.

Sincerely,

Lee Wetherington-Zamora
Superintendent of Schools