

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2025-023
October 2024

NASSAU COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2023-24 fiscal year, Dr. Kathy Burns served as Superintendent of the Nassau County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Shannon Hogue	1
Gail G. Cook, Vice Chair	2
Curtis S. Gaus	3
Dr. Cynthia Grooms, Chair	4
Lissa Braddock	5

The team leader was Lenia T. Blades and the audit was supervised by Ivo Njabe, CPA.

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NASSAU COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Nassau County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2022-167. Our operational audit disclosed the following:

Finding 1: As similarly noted in our report No. 2022-167, District school safety policies and procedures need improvement to ensure and demonstrate compliance with State law.

Finding 2: Contrary to State law, Board policies, and District procedures, the District did not always verify that, before beginning school volunteer work, individuals had appropriate backgrounds.

Finding 3: Required background screenings were not always obtained for instructional and noninstructional employees.

Finding 4: District personnel did not timely post on the District Web site the resiliency education plan or maintain records to demonstrate that students received required resiliency education.

Finding 5: The District did not comply with State law by posting on its Web site all required graphical representations of summary financial efficiency data and fiscal trend information and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education.

Finding 6: District controls over changes to vendor and employee information need improvement.

Finding 7: District records did not always evidence that workforce education program funds were used only for authorized purposes.

Finding 8: The District needs to adopt a spending plan for workforce education program funds.

Finding 9: Contrary to State law, the District did not obtain certified copies of recorded payment and performance bonds from one construction contractor before work commenced. A similar finding was noted in our report No. 2022-167.

Finding 10: Some unnecessary or inappropriate information technology user access privileges existed that increase the risk for unauthorized disclosure, modification, or destruction of District human resources and finance information to occur.

BACKGROUND

The Nassau 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 Nassau County. The governing body of the District is the Nassau 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 2023-24 fiscal year, the District operated 16 elementary, middle, and high schools and reported 13,413 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – Safe-School Officer Services

State law¹ requires that the Board and the Superintendent partner with law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs) or school safety officers (SSOs), at each school facility. SROs and SSOs must be certified law enforcement officers and, among other things, complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention. In addition, effective school safety measures include documented verification that a safe-school officer is present at each school facility during school hours.

For the 2023-24 fiscal year, the Board contracted with two local law enforcement agencies (LEAs) for 13 SROs at the seven middle and high schools during school hours. In addition, for the nine elementary schools, the Board employed nine full-time SSOs and six relief SSOs² and the District maintained attendance records to document that at least one SSO was present at each of these schools during school hours.

Our inquiry with District personnel and examination of District records disclosed that the LEA contracts did not require documented verification that the SROs completed the crisis intervention training. In addition, although we requested, District records were not provided to evidence that:

- The 13 SROs, either through the visitor management system³ or by other means, were present at each of the seven middle and high schools during school hours as required.
- 4 of the 13 SROs and three of the six relief SSOs completed the required crisis intervention training.

In response to our inquiry, District personnel indicated that they relied on the LEAs to ensure that an SRO was present at each applicable school facility during school hours and that the SROs completed the required training. However, such reliance provide limited assurance that SRO services were provided by qualified staff. In addition, District personnel indicated that, due to limited class availability, certain relief SSOs did not complete the required training.

Absent effective procedures over SRO and SSO services, the District cannot demonstrate compliance with State law or that appropriate measures were taken to promote student and staff safety. A similar finding was included in our report No. 2022-167.

Recommendation: The District should enhance procedures to ensure and demonstrate compliance with State school safety laws. Such procedures should include:

- **Documented verification that at least one SRO is present during school hours at each applicable school.**

¹ Section 1006.12, Florida Statutes.

² A relief SSO provided services in the absence of a full-time SSO.

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

- **Contract provisions requiring confirmation that each SRO completed the required mental health crisis intervention training.**
- **Documented verification that each SRO and SSO underwent the required evaluation and completed the required training.**

Finding 2: School Volunteers

State law⁴ 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 Florida Department of Law Enforcement (FDLE) registry information regarding sexual predators and sexual offenders is required.

Pursuant to Board policies,⁵ the Board authorizes the school principals to approve all volunteer applications and submit the names and home addresses of those persons applying for appointment as volunteers to the school safety specialist. District procedures⁶ also require, among other things, that chaperones for fieldtrips be listed on the Educational or Extra-Curricular Trip Request Form (form) and be checked against the NSOPW by the school safety specialist.

For the 2023-24 fiscal year, school principals submitted to the Board nine forms, identifying 22 volunteers, for out-of-County and out-of-State fieldtrips. Although we requested, District records were not provided to demonstrate that the names of 8 of the 22 volunteers were searched against the NSOPW information. According to District personnel, the lack of searches were a result of management oversights.

We extended our audit procedures to perform a search of the names of the 8 volunteers against the NSOPW information and none of the 8 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 and document that, before allowing an individual to work as a volunteer, the school safety specialist properly searches the individual's name as required by State law.

Finding 3: Background Screenings

Pursuant to State law,⁷ individuals who serve in an instructional or noninstructional capacity that requires direct contact with students must undergo a level 2 background screening⁸ at least once every 5 years.

⁴ Section 943.04351, Florida Statutes.

⁵ Board Policy 3.14, *School Volunteers*.

⁶ 2014 Edition of the Education and Extra-Curricular Trips Handbook.

⁷ Sections 1012.32, 1012.465, and 1012.56(11), Florida Statutes.

⁸ A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement and national criminal history records checks through the Federal Bureau of Investigation.

To promote compliance with the statutory background screenings requirements, Board policies⁹ require all employees to undergo required background screenings upon employment and at least once every 5 years thereafter.

According to District personnel, the District Human Resource (HR) Department is responsible for ensuring that District employees obtain the statutorily required background screenings. The HR Department generates and reviews a monthly report to identify employees whose screenings will expire within 30 days and then either resubmits the employees' fingerprints to the Florida Department of Law Enforcement (FDLE) or notifies the employee that another screening is required. The HR Department is also responsible for maintaining background screenings and appropriate personnel actions based on evaluations of the screenings.

As of April 2024, the District employed 941 instructional and 1,312 noninstructional personnel¹⁰ requiring background screenings. To determine whether required background screenings were obtained and evaluated, we requested for examination District records supporting the screenings for 63 selected employees (36 instructional and 27 noninstructional employees). We found that, as of April 2024, screenings had not been performed within the past 5 years for 14 instructional and 8 noninstructional personnel and that the required screenings were 3 to 20 months, or an average of 1 year, late.

In response to our inquiry, District personnel indicated that screenings for the 22 employees were missed because of personnel changes and management oversights. Subsequent to our inquiries, in April 2024, the HR Department resubmitted to the FDLE the fingerprints for 20 employees and notified the other 2 employees that a new set of fingerprints was needed for screening.

Absent effective controls for monitoring and ensuring that required background screenings are obtained, there is an increased risk that individuals with unsuitable backgrounds may have direct contact with students.

Recommendation: The District should identify employees who have not received the required background screenings; ensure that the screenings are promptly obtained and documented; and make decisions, as necessary, based on evaluations of the screening results. In addition, the District should enhance procedures to ensure and document that, for all applicable individuals, required background screenings are timely obtained and evaluated.

Finding 4: Resiliency Education

Pursuant to State law,¹¹ the District received a mental health assistance allocation totaling \$789,382 for the 2023-24 fiscal year to implement the required school-based mental health assistance program. State Board of Education (SBE) rules¹² require the District to annually provide to students in grades 6 through 12 a minimum of 5 hours of resiliency education related to mental health awareness and assistance, including suicide prevention and the impacts of substance abuse.

⁹ Board Policy 3.03, *General Requirements for Employment*.

¹⁰ Noninstructional includes those classified as noninstructional, administrators, support staff, temporary, and substitutes.

¹¹ Section 1011.62(13), Florida Statutes.

¹² SBE Rule 6A-1.094124(4), Florida Administrative Code.

By December 1, 2023,¹³ the District was required to submit an implementation plan to the Florida Department of Education (FDOE) and post the plan on the District Web site. The plan must include the method in which instruction will be delivered, the professional qualifications of the person delivering the instruction, and a description of the materials and resources utilized to deliver the instruction. Failure to comply with SBE rule requirements may result in the imposition of sanctions specified in State law.¹⁴

As part of our audit, we requested for examination District records demonstrating that the required plan contained the required elements, was timely submitted to the FDOE, and posted on the District Web site, and that the required instruction was provided. District records evidenced that the plan included the required elements and was timely submitted to the FDOE; however, District records did not demonstrate that the plan was posted on the District Web site or that the required instruction was provided.

District personnel indicated that the plan was not posted on the District Web site due to oversights and that the instruction was provided but not documented because documentation was not required. Subsequent to our inquiry, in May 2024 District personnel posted the plan on the District Web site and obtained acknowledgement forms from school principals stating that the required instruction was provided.

Absent documentation evidencing resiliency education, the District cannot demonstrate compliance with SBE rules and, without the required instruction, a mental health services need may not be timely identified and appropriately met. In addition, posting the plan timely on the District Web site enhances public awareness of District efforts to provide essential educational services.

Recommendation: The District should continue efforts to demonstrate compliance with SBE rule requirements by maintaining records that evidence the implementation plan is posted on the District Web site by the required due date and that students in grades 6 through 12 annually receive at least 5 hours of resiliency education.

Finding 5: 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,¹⁵ the District must post on its Web site, for each public school within the District and for the District, certain graphical representations 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.

¹³ Effective July 2, 2024, the plan due date was revised to August 15, 2024, for the 2024-25 school year.

¹⁴ Section 1008.32, Florida Statutes.

¹⁵ Section 1011.035(2), Florida Statutes.

- 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.¹⁶ The information must be prominently posted on the District Web site in a manner that is readily accessible.

At the time of our review in April 2024, the District Web site included the graphical representations for the 2017-18 through 2019-20 fiscal years; however, the Web site lacked the required graphical representations for the 2020-21 through 2022-23 fiscal years and a link to the Web-based fiscal transparency tool. In response to our inquiry, District personnel indicated that the required graphical representations and the link to the Web-based fiscal transparency tool were not posted due to management oversights.

Subsequent to our inquiry, in April 2024 District personnel posted all required graphical representations and a link to the Web-based fiscal transparency tool on the District Web site. Providing the required financial efficiency data and fiscal trend information in a timely manner enhances citizen involvement and the ability to analyze, monitor, and evaluate fiscal outcomes.

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

Finding 6: Vendor and Employee Information Changes

State law¹⁷ requires each school district to establish and maintain internal controls designed to, among other things, detect fraud, promote and encourage compliance with applicable contracts and best practices, and safeguard assets. Such controls should include properly documented and independently verified and authorized vendor and employee information (e.g., address and bank account) changes before payments to vendors and employees are made to confirm the propriety of the changes and to reduce the likelihood of fraud or errors associated with the payments.

To authorize vendor information changes for bank account numbers, routing numbers, or addresses, District procedures¹⁸ require use of a vendor automated clearing house (ACH)/direct deposit authorization form, which is signed by the authorized representative requesting the change and independently verified and approved of record by a supervisor. District procedures also authorize employee address changes through a verified phone call or recognized e-mail; however, District procedures did not require employee address change requests to be properly documented, independently verified, appropriately authorized, and reviewed.

For the period July 1, 2023, through March 25, 2024, District automated records identified 248 address and 5 bank account changes for vendors and employees. As part of our audit, we requested for examination District records supporting the 253 changes to determine whether the change requests were appropriate and independently verified and approved of record. We found no records to justify or demonstrate independent verification and approval for 47 automated vendor and employee address

¹⁶ Section 1010.20, Florida Statutes.

¹⁷ Section 1010.01(5), Florida Statutes.

¹⁸ District Procedures for ACH Call Back and Skyward Employee/Pseudo Approval.

changes reflecting the same new address. Subsequent to our inquiry, District personnel determined that the changes were erroneously made by an employee on March 18, 2024, and corrected the errors.

In addition, District records were not provided to demonstrate independent verification and approval for 3 other employee address changes, 2 other vendor address changes, and 2 vendor bank account changes. In response to our inquiry, District personnel indicated that the ACH/direct deposit authorization form for vendor address and bank account changes was not always used and that records supporting employee address changes need improvement.

We examined District records supporting payments related to the address and account changes and determined that the payments were sent to the appropriate addresses and accounts; however, our procedures do not substitute for District management's responsibility to implement adequate controls over these changes. Absent effective policies and procedures over vendor and employee address and bank account changes, the District cannot demonstrate that appropriate measures have been taken to reduce the risk of fraud and errors associated with vendor and employee payments.

Recommendation: The District should establish procedures to ensure that, before changes to vendor and employee information are made, the change requests are properly documented, independently verified, appropriately authorized, and reviewed.

Finding 7: Workforce Education Program Expenditures

Pursuant to State law,¹⁹ the District receives funding for a workforce education program. General Appropriations Act²⁰ proviso language provides that workforce education program funds shall not be used to support K-12 programs or District K-12 administrative indirect costs. The District uses workforce education program funds and adult education tuition and fees to provide adult education programs at various postsecondary career technical centers and adult general education locations. For the 2023-24 fiscal year, the Legislature appropriated workforce education program funding of \$978,771 to the District.

To determine the propriety of 2023-24 fiscal year workforce education program expenditures, which totaled \$244,893 as of February 29, 2024, we requested for examination District records supporting program expenditures totaling \$223,131. However, District records, such as employee-prepared periodic certifications, personnel activity reports, or other documentation, were not provided to support the workforce education program salary and benefit expenditures totaling \$44,626 for five employees. Specifically, the District allocated to the program:

- \$38,439 for a portion of four K-12 teachers' salaries and benefits; however, based on our interviews with District personnel, none of the four teachers provided services related to the program.
- 50 percent of a custodian's salary and benefits; however, based on our interviews with District personnel, only 32 percent of the custodian's time was spent on the program, resulting in questioned program costs totaling \$6,187.

¹⁹ Section 1011.80, Florida Statutes.

²⁰ Chapter 2023-239, Laws of Florida, Specific Appropriations 7 and 114.

According to District management, the questioned costs occurred because the director responsible for monitoring program expenditures was new to the position. Without effective controls to monitor the use of workforce education program funding, there is an increased risk that the District will violate workforce education program use restrictions.

Recommendation: The District should enhance procedures to maintain periodic certifications, personnel activity reports, or other records to support the time employees devote to the workforce education program and demonstrate that program funds are used only for authorized purposes. In addition, the District should document to the FDOE the allowability of the questioned costs totaling \$44,626 or restore that amount to the program.

Finding 8: Workforce Education Program Spending Plan

Pursuant to State law,²¹ the District receives funding for the workforce education program and is required to use the money to benefit the program. For the 2023-24 fiscal year, the Legislature appropriated \$978,771 for the District's workforce education program. These funds, when combined with \$1,129,203 of unspent workforce education funding from prior fiscal years, made \$2,107,974 available for workforce education program expenditures during the 2023-24 fiscal year.

For the 2023-24 fiscal year, District workforce education program expenditures totaled \$352,945, which was 17 percent of the amount available to be expended, resulting in a carry forward balance of \$1.8 million at June 30, 2024. Although the workforce education program funds are restricted for adult education purposes and not subject to reversion, carrying forward large balances of program funds into subsequent years does not appear to be consistent with the Legislature's annual funding of the program and related benefits to particular students. In response to our inquiry, District personnel indicated that they are developing a workforce education program spending plan; however, as of July 2024, the plan was not finalized.

Recommendation: The District should continue efforts to develop, and the Board should adopt, a spending plan for workforce education program funds to serve as a guide to ensure that program funds are used to benefit the students and program as intended by the Legislature.

Finding 9: Payment and Performance Bonds

State law²² requires a person entering into a contract with the Board for a construction or repair project exceeding \$200,000 to execute and record in the public records of the county where the improvement is located a payment and performance bond with a State-authorized surety insurer in an amount equal to the contract price. In addition, before commencing the work, the contractor must provide to the District a certified copy of the recorded bond. The bond guarantees payment of the contractor's obligation to those who furnish labor, services, or materials for the project, and protects the District from financial loss should the contractor fail to properly perform the contracted services.

During our audit of the District's four major construction projects with construction contracts totaling \$27.9 million during the 2023-24 fiscal year, we requested for examination support for the contractor

²¹ Section 1011.80, Florida Statutes.

²² Section 255.05(1), Florida Statutes.

payment and performance bonds for the four projects. However, for one project with a contract price of \$4.7 million, a payment and performance bond was not recorded in the public records and the contractor did not provide to the District a certified copy of the bond. Subsequent to our inquiry, in June 2024 the bond was recorded in the public records and the District obtained a certified copy of the recorded bond.

In response to our inquiries, District personnel indicated that District procedures did not require verification that the certified copy of the recorded bond was obtained. By obtaining and maintaining certified copies of contractor payment and performance bonds, the District may avoid unnecessary costs should contractors fail to pay all workers and suppliers associated with a project or do not properly perform contracted services. A similar finding was included in our report No. 2022-167.

Recommendation: The District should establish procedures that require, for future construction or repair projects with costs exceeding \$200,000, certified copies of recorded payment and performance bonds be obtained from contractors before work commences.

Finding 10: Employee Information Technology User Access Privileges

Access controls are intended to protect District data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls include granting user 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 assigned job responsibilities. 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 necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job responsibilities.

To evaluate whether District access controls were sufficient to ensure that employee access privileges were appropriate based on the employee's job responsibilities, we examined District records supporting the access privileges for 30 employees selected from the 146 employees with access to critical finance and human resource (HR) functions in the District accounting system. We found that District controls were not sufficient to restrict 20 of the 30 selected employees from performing functions incompatible or inconsistent with their duties as:

- 16 employees including, for example, secretaries, directors, and data entry operators, had access to view vendor banking information in the finance application although such access was unnecessary for their assigned duties.
- 2 accountants with access to add and modify vendor information, including banking details, were also granted inappropriate access to other functions. Specifically, one accountant could also enter and approve purchase orders and the other could enter and approve invoices.
- The Finance Director had full update access to the HR application although such access was unnecessary for her assigned duties.
- A fiscal manager had unnecessary access to view data mining reports containing bank details for 2,295 employees and social security numbers for 1,416 employees in the HR application.

In response to our inquiries, District personnel indicated that periodic evaluations of employee IT user privileges were not performed. Subsequent to our inquiries, District personnel removed the unnecessary

access for 16 of the 20 employees, including the Finance Director, fiscal manager, and one accountant, and indicated that they will work to review and remove any remaining unnecessary access.

While other District controls (e.g., budget monitoring and payroll and expenditure processing controls to independently review error reports and prevent duplicate payments) mitigate some risks associated with these access control 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: The District 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 documented periodic evaluations of employee IT user access privileges and the prompt deactivation of any inappropriate or unnecessary access privileges identified.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2022-167, except that Finding 1 and Finding 9 were also noted in that report as Finding 1 and Finding 3, respectively.

OBJECTIVES, SCOPE, AND METHODOLOGY

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

We conducted this operational audit from March 2024 through July 2024 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. 2022-167.
- 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 2023-24 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, logging and monitoring, 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. Specifically, from the population of 146 employees with access to finance and HR applications, we examined District records supporting the access privileges of 30 selected District personnel. 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 and other access to electronic data files. We reviewed selected user access privileges for 25 of the 145 employees who separated from District employment and the 4 contractors who ended their contracts with the District during the period July 1, 2023, through May 10, 2024, to determine whether the 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.
- Determined whether an adequate, comprehensive IT security awareness and training program was in place.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the 20 employees with 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 period July 1, 2023, through March 11, 2024.
- From the population of expenditures totaling \$14.2 million and transfers totaling \$79,819 during the period July 2023 through February 2024 from nonvoted capital outlay tax levy proceeds, impact fees, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$3.2 million and \$79,819, 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 supporting documentation for \$223,131 of the \$244,893 total expenditures from workforce education program funds for the period July 2023 through February 2024 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). We also evaluated the workforce education program fund 2023-24 fiscal year activities and related balance as of June 2024 for reasonableness.
- Examined the District Web site to determine whether the 2023-24 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).
- 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 compensation payments totaling \$72.7 million to 2,291 employees during the period July 2023 through February 2024, examined District records supporting compensation payments totaling \$77,018 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.

- Examined District records for the period July 2023 through April 2024 for 63 employees and 24 contractor workers selected from the population of 2,253 employees and 1,096 contractor workers to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records supporting school volunteers for the 2023-24 fiscal year to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- Evaluated Board policies and District procedures addressing the ethical conduct of school personnel, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, and the investigation responsibilities for all reports of alleged misconduct to determine whether those policies and procedures were effective and sufficient to ensure compliance with Section 1001.42(6) and (7)(b)3., Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures for reporting to the FDOE personnel subject to the disqualification list in accordance with State Board of Education (SBE) Rule 6A-10.084, Florida Administrative Code.
- From the four significant construction projects with construction and architect contracts totaling \$30.6 million, selected two construction projects with contracts totaling \$18.7 million and examined District records to determine compliance with Board policies, District procedures, and applicable provisions of State law and rules. Specifically, we examined District records to determine whether:
 - The Board pre-qualified bidders for construction and required the bid to be accompanied by evidence that the bidder held an appropriate certificate or licensure and proper insurance pursuant to Section 1013.46(2), Florida Statutes.
 - The District used a reasonable method to advertise the solicitation of competitive bids and whether the lowest bidder was selected pursuant to Section 1013.46, Florida Statutes.
 - The architects were properly selected pursuant to Section 287.055, Florida Statutes, and adequately insured.
 - Documentation supporting payments was sufficient and complied with contract provisions.
 - The Board approved all change orders pursuant to Section 1013.48, Florida Statutes.
 - The Board reviewed and approved all plans and specifications pursuant to Sections 1013.37(2) and 1013.38, Florida Statutes.
 - The contractor furnished a payment and performance bond as required by Section 255.05, Florida Statutes.
 - The District provided for the required independent inspections prior to occupancy pursuant to Section 1013.50, Florida Statutes.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2023 cost of construction report of District student station costs. We examined District records for the one construction project completed during the 2023 calendar year to determine whether the District accurately reported student station costs and complied with the student station cost limits established by Section 1013.64(6)(b)1., Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, and 1011.62(12), Florida Statutes.
- 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 Sections 1012.584 and 1011.62(13), Florida Statutes; and SBE Rule 6A-1.094124, Florida Administrative Code.

- Reviewed Board policies and District procedures to determine whether the District had a process to ensure that statements of financial interest are filed pursuant to Section 112.3145, Florida Statutes. We also reviewed Florida Department of State, Division of Corporation, records; statements of financial interests; and District records to identify potential relationships with District vendors that represent a potential conflict of interest.
- Examined District records and evaluated construction planning processes for the period July 2023 through May 2024 to determine whether the processes were comprehensive, included consideration of restricted resources and other alternatives to ensure the most economical and effective approach, and met District short-term and long-term needs.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs. We also compared maintenance plans with needs identified in safety inspection reports, reviewed inspection reports for compliance with Federal and State inspection requirements, evaluated District efforts to timely resolve any previous deficiencies identified during inspections, and tested the work order system for appropriate tracking of maintenance jobs.
- Examined District records for the period July 1, 2023, through March 25, 2024, to determine whether Board policies and District procedures ensure, prior to payment, that vendor and employee information changes are properly authorized, documented, and verified.
- 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 \$25.9 million for the period July 2023 through February 2024, we examined documentation supporting 30 payments for general expenditures totaling \$6.5 million.
- 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



Kathy K. Burns, Ed.D.
Superintendent of Schools

The Nassau County School District

1201 Atlantic Avenue
Fernandina Beach, Florida 32034

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September 25, 2024

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

Dear Ms. Norman:

The following is in response to the findings of our audit for the fiscal year ending June 30, 2024. We agree with the following findings and will take corrective action to ensure compliance with State Statutes:

Finding 1 – School Safety: We continue to get officers through crisis intervention training as space becomes available. We will update the MOU with the law enforcement agencies regarding the record keeping of training the School Resource Officers (SROs). The agencies utilize a Computer Aided Dispatch system that tracks all days and hours for every SRO, and we also complete a video verification of the SRO presence.

Finding 2 – School Volunteers: The Field Trip manual has not been updated with the new procedures for School Volunteers that go on trips at the various schools. We will update the Field Trip manual to include the steps required by a volunteer at a school so that all volunteers are properly vetted.

Finding 3 – Background Screening: We agree with the finding. To correct the issue, we now run a monthly report from Skyward that indicates the dates of the last background screening to ensure all screenings are up to date. This is a back up to the Falcon System report we traditionally use. Additionally, the screening responsibilities will be shifted to the state clearinghouse. We will work with them to ensure compliance at that time.

Finding 4 – Resiliency Education: The district has updated the website to reflect the Required Instruction Plan which includes Resiliency Instruction for the 24-25 school year. The plan is located on the ESE page under Resiliency. While resiliency standards were embedded in our ELA curriculum maps in grades K-12, we are having teachers maintain a chart documenting the date each character trait/standard is taught. Principals will maintain these records and certify dates of instruction for the 24-25 school year.

Finding 5 – Fiscal Transparency: During the transitions between Directors, the emails were missed or sent to an inactive director. We have obtained the data and updated the website accordingly.

Finding 6 – Vendor and Employee Information Changes: Skyward will do a mass update on vendors when a button is hit and if we are not careful to watch for it then vendors are incorrectly changed.

Our mission is to develop each student as an inspired life-long learner and problem-solver with the strength of character to serve as a productive member of society.

The Nassau County School District does not discriminate on the basis of race, color, national origin, gender, age, disability or marital status in its educational programs, services or activities, or in its hiring or employment practices.



The Nassau County School District

1201 Atlantic Avenue
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Superintendent of Schools

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We will develop procedures to review employee and vendor changes once a week or day depending upon frequency. Changes will be reviewed to ensure that only the requested changes are made.

Finding 7 – Workforce Education Program Expenditures: The director attended professional learning (IPDAE - Professional Learning for New Adult Education Directors) to understand appropriate expenditures for workforce education. Time and effort logs were implemented to monitor applicable staff. Teacher salaries and benefits were restored FY2324. Custodial salaries and benefits will be restored FY 24-25.

Finding 8 – Workforce Education Program Spending Plan: The FY 24-25 Workforce Education Budget was adopted by the Board. A multi-year plan has been implemented to support and respond to evolving student/programmatic needs resulting from population growth (especially ESOL). A program specialist has been employed to ensure appropriate student and program support.

Finding 9 – Payment and Performance Bonds: In AG Report # 2022-167 a finding noted that the district did not obtain appropriate certified copies as required. In response, the district did update the checklist for construction projects to reflect the inclusion of certified bonding statements.

During the most recent audit findings, one contractor was noted for failing to provide a certified bonding statement. A bonding statement was there, but not a certified copy. The district believes this was due to human oversight and will institute a practice to properly check all documents as presented.

Finding 10 - Employee Information Technology User Access Privileges: We have had shortages on some of the jobs in Business Services which is why a few people had more functionality than expected. The Technical Manager and Director of Business Services will be reviewing the security and updating groups and personnel.

We will create a checklist to review what functionality everyone one has at least once a year.

Sincerely,

A handwritten signature in blue ink that reads "Kathy K. Burns".

Kathy K. Burns, Ed.D.
Superintendent

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