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January 31, 2023

Ms. Cathy Mittelstadt, Superintendent
Flagler County District School Board
1769 East Moody Boulevard, Bldg 2
Bunnell, Florida 32110

Dear Superintendent Mittelstadt:

Enclosed is a list of preliminary and tentative audit findings and recommendations that may be included in a report to be prepared on our operational audit of the Flagler County District School Board.

Pursuant to Section 11.45(4)(d), Florida Statutes, you are required to submit within thirty (30) days after receipt of the list of findings a written statement of explanation concerning all of the findings, including therein your actual or proposed corrective actions. If within the 30-day period you have questions or desire further discussion on any of the preliminary and tentative audit findings and recommendations, please contact this Office.

Your written explanation should be submitted electronically in source format (e.g., Word or WordPerfect) and include your signature. For quality reproduction purposes, if you are not submitting your response in source format, please convert your response to PDF and not scan to PDF. If technical issues make an electronic response not possible, a hard copy (paper) response will be acceptable.

Please e-mail this Office at flaudgen_audrpt_dsb@aud.state.fl.us to indicate receipt of the list of preliminary and tentative audit findings and recommendations. Absent such receipt, delivery of the enclosed list of findings is presumed, by law, to be made when it is delivered to your Office.

The preliminary and tentative audit findings are intended solely for information and use of management and those charged with governance, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Sherrill F. Norman".

Sherrill F. Norman

SFN/rba
Enclosure
c: School Board Members

**PRELIMINARY AND TENTATIVE AUDIT FINDINGS
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SUMMARY

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

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

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

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

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

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

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

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

FINDINGS AND RECOMMENDATIONS

Finding 1: School Safety – School Resource Officer Services

State law¹ requires the Board and Superintendent to partner with local law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. SROs are to be certified law enforcement officers and, among other things, are required to complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention. In addition, effective controls over SRO services ensure that a qualified SRO is present at each school facility while school is in session.

¹ Section 1006.12, Florida Statutes.

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During the 2021-22 fiscal year, the Board contracted with the Flagler County Sheriff's Office to provide ten full-time SROs for nine District schools² and the Sheriff's Office separately contracted with the charter school to provide SRO services. The Board contract included a provision for the SROs to provide activity records to the District liaison on a bi-monthly basis. However, we found that controls over SRO services could be enhanced. Specifically:

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

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

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

Finding 2: Mental Health Assistance Allocation

During the 2021-22 fiscal year, the District received a \$600,000 mental health assistance allocation pursuant to State law⁴ to establish or expand school-based mental health care services. District procedures require the Director of Student Services to document review and approval of proposed expenditures from the mental health assistance allocation. During the period July 1, 2021, through April 15, 2022, the District expended \$378,193 from the allocation, including \$338,105 to compensate 16 employees. In addition, State law⁵ requires the District to designate a school safety specialist who, among other things, is to ensure that school personnel receive youth mental health awareness and assistance training.

² A safe-school officer was not required for the District virtual school.

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

⁴ Section 1011.62(14), Florida Statutes (2021).

⁵ Sections 1006.07(6)(a) and 1012.584, Florida Statutes.

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

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

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

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

Finding 3: School Volunteers

State law⁶ requires, before making any decision to appoint a person to work as a volunteer where children regularly congregate, a search of that person’s name or other identifying information be conducted against the registration information regarding sexual predators and sexual offenders through the Dru Sjodin National Sexual Offender Public Web site (NSOPW) maintained by the United States Department of Justice. If that site is not available, a search of the registration information regarding sexual predators and sexual offenders (i.e., Florida Sexual Offenders and Predators Registry) maintained by the Florida Department of Law Enforcement (FDLE) is required. State law also provides that the search does not apply to positions or appointments for which a level 2 background screening⁷ is conducted.

According to District personnel, the Human Resources (HR) Department receives completed volunteer applications that identify where the individual plans to volunteer and requires the applicant’s name be searched against the NSOPW. If the name search yields acceptable results, the HR Department issues a badge to the volunteer and records the name of the approved volunteer and expiration date of the

⁶ Section 943.04351, Florida Statutes.

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

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volunteer badge on the volunteer list.⁸ District personnel also indicated that school personnel are able to access the volunteer list on a shared electronic file to verify the eligibility of volunteers, maintain records to identify volunteers, and are relied upon to verify volunteer badges are valid before volunteer services are received.

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

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

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

Finding 4: Employment Practices

Prior to an offer of employment for instructional, administrative, or any other position requiring direct contact with students, Board policies⁹ require the Superintendent or her designee to review the applicant’s employment application and background screening results, and conduct employment history checks with each previous employer.

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

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

⁹ Board Policy 604, *Appointment or Employment Requirements*.

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

To determine if appropriate communications were made with the previous employers of other individuals hired during the period July 1, 2021, through April 15, 2022, we examined District records supporting 30 of the 470 other individuals. We found that the District hired 6 other individuals without communicating with the applicant’s most recent previous employer because, for example, contact was made with previous co-workers or personal references instead of the most recent previous employer.

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

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

Finding 5: Contracted Services

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

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As part of our audit, we requested for examination District records supporting eight selected payments totaling \$977,516 and our examination identified control deficiencies over payments for contracted therapy services. Specifically, while District records supporting payments totaling \$8,189 for telespeech therapy and \$8,763 for speech language substitute therapy included time records documenting the contracted services rendered, the documented approvals for the services and related payments were made by employees who had no direct knowledge that the services were satisfactorily received. The telespeech therapy services and speech language substitute services were procured using District-approved purchase orders totaling \$94,000 and \$62,000, respectively.

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

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

Finding 6: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,¹⁰ the District must post on its Web site certain graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years. Specifically, the District Web site must show fiscal trend information for the previous 3 years on the:

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

The District Web site must also include a link to the Web-based fiscal transparency tool developed by the FDOE pursuant to State law¹¹ to enable taxpayers to evaluate the financial efficiency of the school district and compare the financial efficiency of the school district with other similarly situated school

¹⁰ Section 1011.035(2), Florida Statutes.

¹¹ Section 1010.20(2)(c), Florida Statutes.

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districts. This information must be prominently posted on the District Web site in a manner that is readily accessible.

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

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

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

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

The Legislature has recognized in State law¹² that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict individuals from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic evaluations of IT user access privileges to help prevent individuals from accessing sensitive personal information inconsistent with their responsibilities.

The District’s K-12 management information system (MIS) provides for student records data processing and the District maintains current and former student information, including SSNs, in the District MIS. Student SSNs are included in the student records maintained within the District MIS¹³ to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure and to provide student transcripts to colleges, universities, and potential employers based on authorized requests. In response to our inquiry, District personnel indicated that the District did not provide for documented, periodic evaluations of IT user access privileges in the District MIS.

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

¹² Section 119.071(5)(a), Florida Statutes.

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

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

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

PRIOR AUDIT FOLLOW-UP

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

End of Preliminary and Tentative Findings.