

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2025-032
October 2024

OKALOOSA COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2023-24 fiscal year, Marcus D. Chambers served as Superintendent of the Okaloosa County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Dr. Lamar White, Chair from 11-13-23, Vice Chair through 11-12-23	1
Marti Gardner	2
Linda Evanchyk, Vice Chair from 11-13-23	3
Tim Bryant	4
Dr. Diane Kelley, Chair through 11-12-23	5

The team leader was Jim Beaumont, CPA, and the audit was supervised by Kenneth C. Danley, 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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OKALOOSA COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Okaloosa County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2022-014. Our operational audit disclosed the following:

Finding 1: District school safety procedures continue to need improvement to ensure and demonstrate compliance with State law.

Finding 2: District records did not always demonstrate compliance with emergency drill requirements. A similar finding was noted in our report No. 2022-014.

Finding 3: As similarly noted in our report No. 2022-014, the District did not always document compliance with the State Board of Education rules requiring student mental health instruction.

Finding 4: District personnel did not always accurately complete the required 2023 calendar year construction cost reports submitted to the Florida Department of Education (FDOE).

Finding 5: District procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE.

Finding 6: Some unnecessary or inappropriate information technology (IT) user access privileges in the enterprise resource planning system existed increasing the risk for unauthorized disclosure, modification, or destruction of District finance and human resource information to occur.

Finding 7: Some unnecessary IT user access privileges existed increasing the risk that unauthorized disclosure of sensitive personal information of employees to occur. A similar finding was noted in our report No. 2022-014.

BACKGROUND

The Okaloosa 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 Okaloosa County. The governing body of the District is the Okaloosa 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 38 elementary, middle, high, and specialized schools; sponsored 3 charter schools; and reported 32,971 unweighted full-time equivalent students.

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 District and charter school facility. SROs 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. Effective school safety measures include documented verification that an SRO is present at each school facility during school hours and has completed required training.

For the 2023-24 school year, the Board contracted with the Okaloosa County Sheriff's Office to provide 45 full-time SROs for 40 school facilities² each day school was in session. The contract with the Sheriff's Office indicated that an SRO would be present at each school during normal school hours and that the Sheriff's Office would ensure that each SRO completed the required mental health crisis intervention training. However, we found that District controls over SRO services could be improved as:

- District records did not document SRO attendance, either through time and attendance records or by other means, hindering the appropriate monitoring of SRO services.
- The contract did not require confirmation that each SRO had completed required training, and District procedures did not require documented verification that each SRO completed the required mental health crisis intervention training.

In response to our inquiries, District personnel indicated that the District relied on the Sheriff's Office to ensure that SROs were present at each school facility during school hours and completed the required training. However, such reliance provides the District limited assurance that SRO services were provided by qualified staff as expected.

Subsequent to our inquiries in April 2024, the District provided us documentation from the Sheriff's Office to support that the SROs had completed the required training. Absent effective monitoring procedures over SRO services, the District cannot demonstrate compliance with State law or that all appropriate measures were taken to promote student and staff safety. A similar finding was noted in our report No. 2022-014.

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 at each school during school hours.**
- **Documented verification that each SRO completed the required training.**

In addition, District contracts for SRO services should include a provision requiring confirmation that each SRO completed the required mental health crisis intervention training.

¹ Section 1006.12, Florida Statutes.

² The Okaloosa Academy, Inc., a charter school, contracts directly with the Fort Walton Beach Police Department for SRO services.

Finding 2: Emergency Drills

To provide for proper attention to the health, safety, and welfare of students and District staff, State law³ requires the Board to formulate and prescribe policies and procedures associated with, but not limited to, natural disasters, active assailant and hostage situations, and bomb threats. State Board of Education (SBE) rules⁴ require that each school conduct 6 emergency drills every school year, including 4 drills that address active threats and 2 drills that address other emergencies, such as severe weather, natural disasters, hazardous materials, or reunification.⁵ In addition, emergency drills are required to be held within the first 10 days of the school year and a minimum of every 45 days thereafter.

To determine whether the emergency drills were performed during the 2023-24 school year, we requested for examination District records supporting the 20 active threat and 10 other emergency drills at 4 of the 38 District schools and 1 of the 3 District-sponsored charter schools. Our examination of the records disclosed that:

- Bluewater Elementary School only conducted 2 of the 4 required active threat drills.
- Bluewater Elementary School conducted its first emergency drill of the school year 19 days late.
- 4 other emergency drills were conducted 6 to 20, or an average of, 13 days late. Specifically, 1 emergency drill at Baker School, another emergency drill at Bluewater Elementary School, and 2 emergency drills at Shoal River Middle School were late.

In response to our inquiries, District personnel indicated that, due to oversights or misunderstandings about drill requirements, some drills were not timely conducted. Absent effective policies and procedures to ensure that required emergency drills are timely conducted, the District cannot demonstrate compliance with State law or that all appropriate measures were taken to promote student and staff safety. A similar finding was noted in our report No. 2022-014.

Recommendation: The District should enhance procedures to ensure that all required emergency drills are timely conducted each school year.

Finding 3: Resiliency Education

Pursuant to State law,⁶ the District received a mental health assistance allocation totaling \$1.8 million for the 2023-24 fiscal year to implement the school-based mental health assistance program. SBE rules⁷ require the District to annually provide to students in grades 6 through 12 a minimum of 5 hours of resiliency education that addresses, among other things, mental health awareness, 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.⁸

³ Section 1006.07(4), Florida Statutes.

⁴ SBE Rule 6A-1.0018(15), Florida Administrative Code (2023).

⁵ Reunification involves reuniting students and employees with their families in the event that a school is closed or unexpectedly evacuated due to a natural or manmade disaster.

⁶ Section 1011.62(13), Florida Statutes.

⁷ SBE Rule 6A-1.094124(4), Florida Administrative Code.

⁸ Section 1008.32, Florida Statutes.

During the 2023-24 school year, District personnel tracked student completion of the required instruction using a digital media instructional software program. To determine whether the District provided the required instruction for students in grades 6 through 12 during the 2023-24 school year, we requested for examination District records supporting this instruction. District records indicated that 3,765 students (24 percent) of the 15,631 students in schools serving grades 6 through 12 did not complete the required instruction. In response to our inquiries, District personnel indicated that a plan to deliver the required instruction was developed and communicated to the schools. However, some schools did not effectively implement the plan and District personnel did not verify whether the plan had been successfully executed.

Without effective monitoring procedures to ensure that students complete the required instruction, a mental health services need may not be timely identified and appropriately met and, absent documentation evidencing required instruction, the District cannot demonstrate compliance with SBE rules. In addition, documenting required instruction enhances public awareness of District efforts to provide essential educational services. A similar finding was noted in our report No. 2022-014.

Recommendation: The District should enhance procedures to ensure and document verification that all students in grades 6 through 12 annually complete the required resiliency education.

Finding 4: Student Station Costs

State law⁹ requires the Florida Department of Education (FDOE) to compute for each calendar year the Statewide average construction costs per student station for each instructional level and to annually review the actual completed construction costs of educational facilities in each school district. To help comply with State law, an FDOE memorandum¹⁰ required the District to complete and submit by February 28, 2024, a construction cost report of each project completed during the 2023 calendar year. The report was to identify, for example, the type of project (e.g., new or addition), number of student and teacher stations, the size of the project (e.g., gross and net square feet), project cost, and funding source.

During the 2023 calendar year, the District completed four construction projects with reported expenditures totaling \$13 million that were required to be addressed in the construction cost reports. As part of our audit, we requested District records supporting the construction information included in the construction cost reports and noted that the District:

- Underreported each of the four construction project costs. The underreported project costs ranged from \$186,253 to \$703,025, or an average of \$441,758, and totaled \$1.8 million.
- Overreported the number of student stations for three construction projects. The number of overreported student stations ranged from 8 to 56, or an average of 37, and totaled 112.

In response to our inquiries, District personnel indicated that the reporting errors occurred primarily due to the use of estimated rather than actual costs and student stations. District personnel also indicated that District procedures, such as documented review and approval procedures, had not been established to verify the accuracy of the information before the cost reports were submitted. Absent accurate

⁹ Section 1013.64, Florida Statutes.

¹⁰ FDOE memorandum, *2023 Report of Cost of Construction*, dated January 25, 2024.

completion of the construction cost reports, the FDOE's ability to effectively monitor and evaluate Statewide average construction costs per student station for each instructional level is limited.

Recommendation: The District should establish procedures, such as the documented review and approval of information in the student station cost reports before submittal, to ensure that the reports are accurately completed and reported to the FDOE.

Finding 5: Adult General Education

State law¹¹ 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 Act¹² proviso language requires each district to report enrollment for adult general education programs in accordance with FDOE instructional hours reporting procedures.¹³ SBE rules¹⁴ require the District to collect and maintain enrollment and attendance information on students based on minimum enrollment requirements for funding and mandatory withdrawal procedures for student non-attendance. FDOE procedures provide that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in class and the withdrawal date or end-of-class date, whichever is sooner.

The District reported 7,665 instructional contact hours provided to 73 students enrolled in 6 adult general education classes during the Fall 2023 Semester. As part of our audit, we examined District records for 1,422 hours reported for 15 students enrolled in 4 adult general education classes. We found that instructional contact hours for 10 students were overreported by 141 hours, ranging from 2.5 to 27.5 hours per student.

In response to our inquiries, District personnel indicated that the errors primarily occurred because District personnel misunderstood FDOE 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 that instructional contact hours for adult general education classes are accurately reported to the FDOE. The District should also determine to what extent adult general education hours were misreported and contact the FDOE for proper resolution.

Finding 6: Information Technology User Access Privileges – System Information

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 the enterprise resource planning (ERP) system based on a demonstrated need to view, change, or delete data and restrict users from performing incompatible functions or functions outside of their areas of responsibility. As part of these controls, a security administrator is responsible for granting

¹¹ Section 1004.02(3), Florida Statutes.

¹² Chapter 2023-239, Laws of Florida, Specific Appropriation 114.

¹³ The FDOE Technical Assistance Paper: *Adult General Education Instructional Hours Reporting Procedures*, dated September 2020.

¹⁴ SBE Rule 6A-10.0381(5), Florida Administrative Code.

ERP system user access privileges and limiting such privileges based on the IT users' responsibilities. Periodic evaluations of assigned IT user access privileges are necessary to ensure that users can only access those IT resources necessary to perform their assigned responsibilities.

District personnel indicated that the school principal or site supervisor at each location requests IT user access privileges for their staff through the IT Department and District security verification procedures require principals and department leadership to evaluate IT user access privileges twice a year to ensure that the access granted remains appropriate. However, according to District personnel, evaluations of the ERP system user access privileges as of April 2024 had not been completed since March 2022, in part, because of ongoing modifications to system controls and user profiles.

As part of our audit, in April 2024 we requested and District personnel provided a list of the 36 IT users with system administrator privileges. However, we found that privileges were unnecessary and allowed 35 of the individuals to add, modify, or delete finance and human resource records in the ERP system. Specifically:

- According to District personnel, 32 ERP vendor employees were granted system administrator privileges to allow them to assist with tasks such as system customization and technical support. However, District records did not demonstrate the need for this access. District personnel indicated that, subsequent to our inquiries, the access privileges for many of the ERP vendor employees was restricted or removed.
- 3 District employees (2 program directors and an ERP analyst) were originally granted these privileges to allow them to perform certain tasks; however, because the 3 employees no longer performed those tasks, the access privileges were no longer needed. Subsequent to our inquiries, the District deleted the system administrator access privileges for the 3 employees.

In April 2024, we also requested and were provided a list of the 29 District employees with update access privileges to master vendor file information such as vendor addresses and the 15 District employees (including 12 of the employees with master vendor file information update access) with update access privileges to employee direct deposit information such as bank account numbers. Based upon our examination of these access privileges and each employee's job duties, we determined that:

- 10 (5 Budgeting or Accounting Department employees, 2 Risk Management Department employees, a financial aid technician, a school bookkeeper, and a food service financial analyst) of the 29 employees had unnecessary update access privileges to the master vendor file.
- 6 (4 Accounting Department employees and 2 programmer analysts) of the 15 employees, including an Accounting Department employee with unnecessary update access privileges to the master vendor file, had unnecessary update access privileges to employee direct deposit information.

According to District personnel, due to a misunderstanding of the user profiles, the employees were originally assigned user profiles with unnecessary update access privileges. Subsequent to our inquiries, the District deleted the unnecessary access privileges for the 15 employees.

While other District controls (e.g., budget monitoring and payroll and expenditure processing controls) mitigate some risks associated with these access control deficiencies, the existence of unnecessary or inappropriate 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 ERP system access privileges are limited to those necessary to perform assigned job duties. Such efforts should include documented periodic evaluations of user access privileges and the prompt deactivation of any unnecessary access privileges identified.

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

The Legislature has recognized in State law¹⁵ 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.

As of May 2024, the District ERP system contained the SSNs for 23,818 former and 4,802 current District employees, and 42 employees had access privileges to that information. According to District personnel, the ERP system did not include a mechanism to differentiate the access privileges to former and current employee SSNs. Consequently, employees who only needed access to former or current employee SSNs also had access to employee SSNs that were unnecessary for their assigned job duties.

As noted in Finding 6, the school principal or site supervisor at each location requests employee access privileges for their staff through the IT Department and District security verification procedures require an evaluation of employee access privileges twice a year to ensure that the access granted remains appropriate. However, District personnel had not performed an evaluation of employee access privileges since March 2022.

As part of our audit, we examined District records supporting the access privileges of 10 selected employees with access to employee SSNs. We found that:

- 4 employees (an accountant, a bookkeeper, a secretary, and a Purchasing Department employee) did not have a demonstrated need to access employee SSNs.
- 2 employees (a data technician and a school principal) had access to both former and current employee SSNs but did not have a demonstrated need to access former employee SSNs.

In response to our May 2024 inquiries, District personnel indicated that these access privileges were granted in error and removed the unnecessary access of these 6 employees. The existence of unnecessary employee access privileges increases the risk of unauthorized disclosure of SSNs and the possibility that the information may be used to commit a fraud against current or former District employees. A similar finding has been noted in previous reports, most recently in our report No. 2022-014.

Recommendation: To properly safeguard and protect employee SSNs, the District should:

- **Update the ERP system to differentiate employee access privileges to former and current employee SSNs and mask employee SSNs from employees who do not require access to perform their job duties.**

¹⁵ Section 119.071(5)(a), Florida Statutes.

- Conduct routine, periodic evaluations of employee access privileges to ensure that inappropriate or unnecessary access privileges to employee SSNs are detected and promptly removed.

PRIOR AUDIT FOLLOW-UP

The District had not taken corrective actions for findings included in our report No. 2022-014 as noted in Findings 1, 2, 3, and 7 and shown in Table 1.

Table 1
Findings Also Noted in Previous Audit Reports

Finding	2020-21 Fiscal Year Operational Audit Report No. 2022-014, Finding	2017-18 Fiscal Year Operational Audit Report No. 2019-057, Finding
1	1	Not Applicable
2	1	Not Applicable
3	2	Not Applicable
7	3	10

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 April 2024 through August 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. 2022-014.
- 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, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing IT user access to IT data and resources. We examined selected IT 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. Specifically, we tested:
 - 36 IT users granted system administrator privileges to the District ERP system.
 - 32 IT users granted update access privileges to selected critical ERP system finance and HR application functions.

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.

- Determined whether the District had a comprehensive IT disaster recovery plan in place that was designed properly, operating effectively, and had been recently tested.
- Evaluated the adequacy of District procedures related to security incident response and reporting.
- Evaluated District procedures for protecting the sensitive personal information of employees, including social security numbers. Specifically, from the population of 42 employees who had access to sensitive personal employee information, we examined District records supporting the access privileges of 10 selected employees to evaluate the appropriateness and necessity of the access privileges based on each employee's assigned job duties.
- Inquired whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the audit period.
- Examined District records to determine whether the District had established comprehensive policies and procedures to encourage and facilitate the reporting of fraud, waste, or abuse.
- Interviewed District personnel and reviewed supporting documentation to evaluate whether the District effectively monitored charter schools.
- 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).
- From the population of expenditures and transfers totaling \$59.6 million and \$27.8 million, respectively, during the period July 2023 through March 2024 from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$39.2 million and \$27.8 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- 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 12 significant construction projects with expenditures totaling \$42.8 million during the period July 2023 through March 2024, selected 1 guaranteed maximum price construction management project with expenditures totaling \$25.1 million and examined documentation for selected expenditures totaling \$7.5 million to determine compliance with Board policies, District procedures, and applicable provisions of State law and rules. Specifically, we determined whether:
 - Appropriate Board policies and District procedures addressing the negotiation and monitoring of general conditions costs had been established.
 - District personnel properly monitored subcontractor selections and licensures.
 - Documentation supporting the selected payments was sufficient and complied with the contract provisions.
- Examined District records to determine whether District procedures were effective for timely distributing the correct amount of local capital improvement funds to eligible charter schools, pursuant to Section 1013.62(3), Florida Statutes.

- Examined the 2023 cost of construction reports required by Section 1013.64(6)(d)2., Florida Statutes, for the four construction projects completed during the 2023 calendar year to determine whether the District accurately reported the number of student stations and related costs.
- 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.
- 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 1011.62(13) and 1012.584, Florida Statutes, and SBE Rule 6A-1.094124, Florida Administrative Code.
- From the population of \$1.4 million total workforce education program funds expenditures for the period July 2023 through March 2024, selected 20 expenditures totaling \$860,000 and examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- From the population of 228 industry certifications eligible for the audit period performance funding, examined 27 selected certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- From the population of 7,665 contact hours reported for 73 adult general education instructional students during the Fall 2023 Semester, examined District records supporting 1,422 reported contact hours for 15 selected students to determine whether the District reported the instructional contact hours in accordance with SBE Rule 6A-10.0381, Florida Administrative Code.
- From the population of 4,622 District employees, 303 charter school employees, and 2,200 estimated contractor workers for the period July 2023 through April 2024, examined District records for 15 District employees, 15 charter school employees, and 29 contractor workers to assess whether individuals who had direct contact with students were subjected to required fingerprinting and background screenings.
- Examined Board policies, District procedures, and related records supporting school volunteers for the audit period to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- 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.
- Determined that the administrator for the District self-insured health insurance program was approved by the Office of Insurance Regulation of the Financial Services Commission as required by Section 1011.18(6)(b), Florida Statutes.
- From the population of purchasing card (P-card) transactions totaling \$3.8 million during the period July 2023 through May 2024, examined documentation supporting 30 selected transactions totaling \$69,453 to determine whether P-cards were administered in accordance with Board policies and District procedures. We also determined whether the District timely canceled the P-cards for all 28 cardholders who separated from District employment during the period July 2023 through May 2024.
- Determined whether the District had appropriate controls in place to ensure that changes to vendor information were appropriate and verified.

- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" being more prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

SCHOOL DISTRICT OF OKALOOSA COUNTY

SUPERINTENDENT OF SCHOOLS
MARCUS D. CHAMBERS

ATTORNEY TO THE BOARD
C. JEFFREY McINNIS, Esq.



BOARD MEMBERS
TIM BRYANT
LINDA EVANCHYK
MARTI GARDNER
BRETT HINELY
LAMAR WHITE

October 10, 2024

Ms. Sherrill F. Norman, CPA
Auditor General
State of Florida
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RE: Operational Audit Preliminary and Tentative Audit Findings and Recommendations for the Fiscal Year
Ended June 30, 2024

Dear Ms. Norman,

On September 24, 2024, the District received the preliminary and tentative audit findings and recommendations for the operational audit performed by your office for the fiscal year ended June 30, 2024. Per your request, we are providing the following responses to the audit findings.

Finding #1 – District school safety procedures continue to need improvement to ensure and demonstrate compliance with State law.

- The District will request that the Sheriff's Department provide confirmation that each SRO has received the mental health and crisis intervention training. This confirmation will specifically list the SROs by name. Since the training is only done once, our School Safety Department will request additional confirmation any time a new SRO is assigned to one of our schools.
- The District will require that a representative of each school certify each month that at least one SRO was present at the school during school hours. These forms will be sent to the School Safety Department. When the monthly invoice is received, the Accounting Department will send the invoice to the School Safety Department to confirm payment may be made.

Finding #2 – District records did not always demonstrate compliance with emergency drill requirements.

- The District's School Safety Department has provided information and notifications to schools throughout the year. Beginning in fiscal year 2024-2025, they are establishing schedules that each school must follow to ensure these drills are completed.

Finding #3 – The District did not always document compliance with the State Board of Education rules requiring student mental health instruction.

- While district administration expressed concern to school-based administrators about the lack of progress, the Navigate 360 reports indicated approximately 24% of students grades 6-12 did not complete the required instruction. The factors that contributed to this result include:
 - Highly mobile students appear on multiple rosters resulting in partial completion at multiple schools.
 - Some instructors delivered lessons whole group and failed to mark the lessons as completed in the Navigate 360 system.
 - Due to teaching and staffing shortages, long-term subs failed to deliver some of the instruction.

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- The school district has put a new oversight plan in place for the 2024-2025 school year:
 - The district revised its monthly pacing calendar for instruction by grade-level to ensure adequate time to make up any missed instruction before the end of the school year.
 - Each school has been asked to identify a school-based administrator who will be responsible for the oversight and fidelity of instruction, as well as progress monitoring timely completion.
 - At the end of each month, the school-based administrator will verify and submit completion rates by grade level.
 - Monthly, the Principal of any school who is behind in instruction will be contacted by their evaluator to discuss an action plan to complete monthly-assigned instruction.

Finding #4 – District personnel did not always accurately complete the required 2023 calendar year construction cost reports submitted to the Florida Department of Education (FDOE).

- The Okaloosa County School District will ensure accurate documentation of all costs associated with new construction projects. To calculate construction expenses for traditional school facilities, the district will use the cost per student station form FCO564PS. Although there is an exemption from cost per student station limitations for new construction projects until July 1, 2028, all projects will comply with the Florida Building Code, Florida Fire Prevention Code, and the State Requirements for Educational Facilities (SREF), as mandated by the Department of Education (DOE).
- OCSD will adhere to the instructions provided on form FCO564PS for each entry.
 - Item 6a – Architect and Engineering Fees: We will use the actual value of the contract for AE services, including Construction Administration.
 - Item 6b – Building Contract Cost: We will use the actual cost of construction for the building including all change orders, but excluding site improvement related costs. These costs will come from the final schedule of values provided by the General Contractor.
 - Item 6c – Furniture and Equipment: We will input the actual costs associated with Furniture, Fixtures, and Equipment (FF&E) from the District POs used to purchase the items.
 - Item 6D – Legal and Administrative Cost: Total Program Management (TPM) costs and fees will be included in this section. The TPM costs are for administering professional (non-engineering and/or architectural) construction management services as per the contract with our TPM. These fees will be prorated if the building is completed as part of a task order that contains more than one project.
 - Item 6e – Site Improvement Cost: We will extract the costs associated with site improvements (final grading, seeding, sodding, pavement, curbs, fencing, etc.) from the general contractor's schedule of values (actual costs including change orders) and insert in this area.
 - Item 6h – Cost to Make Utilities Available at the Building: We will include (if applicable) any costs incurred from Florida Power & Light for transformers or new service to the building and any costs associated with gas, water, sewer, etc. utilities to the building.
 - Item 6i – Costs for Site Drainage and/or Construction of a Retention Area: We will include actual costs of any site drainage and/or retention.
 - Item 6l – Cost to Make Facility Safe: We will input the costs associated with the installation of security cameras, access control systems, fencing, etc.

Finding #5 – District procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE.

- Okaloosa Technical College will coordinate with MIS and their reports coordinator to be sure they are in compliance ongoing and that they will not be misreporting. They are investigating the possibility of merging their Focus system with the Districts Focus system in order to improve monitoring.
- The following process will be used beginning with fiscal year 2024-2025 in order to better ensure accurate attendance reporting to DOE:
 - If a student is absent 6 Days, an Administrative Withdrawal will be processed by entering the last physical attendance date as withdrawal date (dropped date) on the schedule screen.
 - If the student re-enrolls in the same course and same section within 30 days, the withdraw date (dropped date) will be removed and student will continue enrollment in the course with all missed days marked as TWD (Temporary Withdraw).
 - If the student returns after 30 days, a new course and start date will be entered.

- If the student does not return, he/she will be withdrawn from the enrollment screen. The withdrawal date will be 6 days after the withdrawal date on the schedule (6 days after last date of attendance).
- Note: The only instance where the dropped date would be left blank in the schedule screen is if it is the end of the term. Otherwise, the last date of attendance will be entered into the schedule screen.

Finding #6 – Some unnecessary or inappropriate information technology (IT) user access privileges existed increasing the risk for unauthorized disclosure, modification, or destruction of District finance and human resource information to occur.

- The District reviewed the 35 IT users (3 District employees and 32 Focus employees) who had administrative privileges (highest level of access).
 - The 3 District employees with broad access were originally granted this access to assist with implementation. That access is no longer required and has been deleted.
 - Focus employees with ERP access have been reduced to 14. This access is needed for ongoing assistance and for enhancements that have been requested. The District will continue to monitor this quarterly and remove access when doing so does not negatively impact the District.
- The District has reviewed all employees that had access to update the master vendor file and employee direct deposit information. Profiles were modified so that only employees in certain positions would be able to perform these functions.
- The District reviewed Focus access in November 2023 for SIS, March 2024 for SIS, and June 2024 for ERP. This schedule of review will be repeated each year.

Finding #7 – Some unnecessary IT user access privileges existed increasing the risk that unauthorized disclosure of sensitive personal information of employees to occur.

- Focus does not currently have a mechanism to differentiate between former and current employees. The District is working with Focus to see if these employees can be differentiated.
- The District implemented truncated SSNs.
- The District removed SSN access from all profiles and created two new profiles to easily identify who was cable of accessing this information: SSN Employee Update and SSN Employee View. Only four employees have update access.

Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Marcus D. Chambers
Superintendent

MDC:jap

cc: Dr. Lamar White, School Board Chairperson
Linda Evanchyk, School Board Vice-Chairperson
Tim Bryant, School Board Member
Marti Gardner, School Board Member
Brett Hinely, School Board Member
Julie Perry, Chief Financial Officer