

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2021-023
September 2020

**BAKER COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2019-20 fiscal year, Sherrie Raulerson served as Superintendent of the Baker County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Tiffany McInarnay	1
Richard Dean Griffis, Chair	2
Paula T. Barton, Vice Chair	3
Charlie M. Burnett	4
Patricia C. Weeks	5

The team leader was Summer B. McCray, CPA, and the audit was supervised by Glenda K. Hart, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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BAKER COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Baker County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2018-086. Our operational audit disclosed the following:

Finding 1: Contrary to State law, the Board had not adopted instructional personnel grandfathered salary schedules for the 2014-15 through 2019-20 fiscal years that based compensation, in part, upon employee performance.

Finding 2: As of April 2020, the District had not complied with State law by posting on its Web site the official budget for the 2019-20 fiscal year and all required graphical representations of summary financial efficiency data and fiscal trend information as prescribed by State law.

Finding 3: The District needs to strengthen controls to ensure that instructional contact hours for adult general education classes are accurately reported to the Florida Department of Education. A similar finding was noted in our report No. 2018-086.

Finding 4: Controls over contractual services on school premises and related payments could be enhanced.

Finding 5: District security controls related to logging and monitoring system activity and security events need improvement.

BACKGROUND

The Baker 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 Baker County. The governing body of the District is the Baker 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 2019-20 fiscal year, the District operated four elementary, one middle, and one high school and reported 4,877 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Instructional Personnel Grandfathered Salary Schedule

State law¹ requires the Board to adopt for instructional personnel hired before July 1, 2014, a grandfathered salary schedule that bases a portion of each employee's compensation upon performance demonstrated under State law.² The Board adopted instructional personnel grandfathered salary

¹ Section 1012.22(1)(c)4.b., Florida Statutes.

² Section 1012.34, Florida Statutes.

schedules for each of the 2014-15 through 2019-20 fiscal years and approved instructional personnel bargaining agreements for personnel compensation based on the grandfathered salary schedules. The grandfathered salary schedules and bargaining agreements set forth instructional personnel compensation based on their experience and educational backgrounds; however, neither the grandfathered salary schedules nor the bargaining agreements based instructional personnel compensation, in part, on employee performance.

Table 1 shows the number of instructional personnel paid from the grandfathered salary schedules and the compensation of those employees.

Table 1
Number of Instructional Personnel and Related Compensation
For the 2014-15 Through 2019-20 Fiscal Years

Grandfathered Salary Schedule	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Total Number of Instructional Personnel Compensated	234	206	184	169	160	156
Total Instructional Personnel Compensation (in Millions)	\$10.5	\$9.2	\$8.5	\$8.2	\$8.0	\$7.9

Source: District records.

In response to our inquiry, District personnel indicated that they were unaware of the requirement to include performance measures in the grandfathered salary schedule for instructional personnel.

Absent grandfathered salary schedules that base a portion of each applicable employee’s compensation on performance, the District cannot demonstrate compliance with State law and there is an increased risk that instructional personnel performance that exceeds management’s expectations will not be properly recognized and compensated.

Recommendation: The Board should comply with State law by adopting instructional personnel grandfathered salary schedules that base employee compensation, in part, upon performance demonstrated under State law.

Finding 2: 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,³ the District must post on its Web site a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public.

In addition, effective July 1, 2019, the information posted on the District Web site must include 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 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.

³ Section 1011.035(2), Florida Statutes.

- 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 Florida Department of Education (FDOE) pursuant to State law⁴ 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 districts. This information must be prominently posted on the District's Web site in a manner that is readily accessible.

At the time of our review in April 2020, the proposed and tentative budgets for the 2019-20 fiscal year were displayed on the District Web site; however, the District had not posted the official budget for that fiscal year, the required graphical representations, or the link to the Web-based fiscal transparency tool developed by the FDOE. In response to our inquiry, District personnel indicated that the official budget and the link to the Web-based fiscal transparency tool were not posted due to management oversight and the graphical representations had not been posted because the FDOE had not provided guidance about these new requirements. However, although we requested, District records were not provided to demonstrate any efforts to create or report the required summary financial efficiency data or fiscal trend information.

Subsequent to our inquiry, in April 2020 the District posted the official budget for the 2019-20 fiscal year to the District Web site and, on July 14, 2020, posted the required graphical representations and link to the Web-based fiscal transparency tool. Providing the required budgetary transparency information in a timely manner enhances citizen involvement and the ability to analyze, monitor, and evaluate District budget 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 3: Adult General Education Classes

State law⁵ 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 Act⁶ proviso language required each district to report enrollment for adult general education programs in accordance with FDOE instructional hours reporting procedures.⁷ State Board of Education (SBE) rules⁸ 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 students for non-attendance.

FDOE procedures provide that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is

⁴ Section 1010.20, Florida Statutes.

⁵ Section 1004.02(3), Florida Statutes.

⁶ Chapter 2019-115, Laws of Florida, Specific Appropriation 125.

⁷ FDOE's Technical Assistance Paper: Adult General Education Instructional Hours Reporting Procedures, Dated September 2019.

⁸ SBE Rule 6A-10.0381(5), Florida Administrative Code.

sooner. For students withdrawn from classes due to non-attendance, instructional contact hours are reported up to and including the last date of attendance.

The District reported 14,879 instructional contact hours provided to 149 students enrolled in 28 courses for the Fall 2019 Semester. As part of our audit, we examined District records for 3,614 hours reported for 30 students enrolled in 28 adult general education courses. We found that instructional contact hours were over reported a net total of 90 hours, including 130 over-reported hours (ranging from 3 to 48 hours) for 5 students and 40 under-reported hours (ranging from 3 to 20 hours) for 4 students, primarily due to errors in calculating days of attendance and data input errors.

In response to our inquiry, District personnel indicated that the errors occurred because of staff turnover and the new employee responsible for recording instructional contact hours was not familiar with the FDOE reporting requirements. 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. A similar finding was noted in our report No. 2018-086.

Recommendation: The District should strengthen controls to ensure 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 for the Fall 2019 Semester and contact the FDOE for proper resolution.

Finding 4: Contracted Services

Effective management for contracted services ensures that contracts establish the basis for payment and that services conform to contract terms and vendor invoices before payment. The Board routinely enters into contracts for such services and internal controls have been designed and implemented to ensure payments are generally consistent with contract terms and conditions.

Board policies⁹ require that persons entering the premises of a school to report to the principal or principal supervisory designee the purpose of the visit. To demonstrate compliance with this requirement, each school maintains a visitor log that documents visitor arrival and departure dates and times, along with the reason for the visit. However, District procedures had not been established to require and ensure that, prior to payment, District personnel verify that contracted services on school premises are received as the Board expects by reconciling contract terms, school visitor logs, and vendor invoices or conducting other appropriate procedures.

For the period July 2019 through February 2020, payments for contracted services totaled \$1.3 million and to evaluate District controls over these services and related payments, we examined District records supporting 25 selected payments totaling \$312,630. Included in our examination were payments totaling \$62,572 to four companies that provided student therapy services at six schools during the period August 2019 through January 2020. Contracts with the four companies stipulated that therapists would perform services for \$49.50 to \$65 per hour and that the District would be invoiced monthly for the services. Company invoices indicated the dates and hours the therapists worked, along with the therapist hourly rates, which agreed with the contract terms; however, although we requested, District records were not provided to demonstrate that someone with direct knowledge of the services verified that the

⁹ Board Policy 9.070, *Visitors*.

services conformed to the contract terms and company invoices. We expanded our procedures and found that the companies were paid a total of \$253,090 during the period July 2019 through February 2020 without documented verification that the services were satisfactorily received.

In addition, we compared the dates and hours worked listed on the company invoices for seven therapists for one week in September 2019 to school visitor logs and noted that the school visitor logs did not show 52 of the 60 therapist work dates and hours listed on the invoices. The amounts invoiced for the 52 service dates and hours totaled \$11,683. According to District personnel, the information could not be corroborated because the therapists did not consistently complete visitor logs as required and employees did not always verify that the logs were properly completed. Subsequent to our inquiry, District personnel indicated they would develop and implement procedures to require school personnel who have direct knowledge of the student therapist services to verify satisfactory receipt of the services.

Absent effective procedures for documenting verification of contracted services received, there is an increased risk that the District may overpay for services, the services may not be received consistent with the Board's expectations, and any overpayments that occur may not be timely detected and recovered.

Recommendation: The District should enhance procedures to ensure that, prior to payment, contracted services received conform to contract terms and vendor invoices. For contracted services on school premises, such enhancements could include verifications that school visitor logs are properly completed and reconciled to contract terms and vendor invoices before payments are made.

Finding 5: Information Technology – Logging and Monitoring of System Activity

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed that certain District IT security controls related to logging and monitoring of key system activity and security events need improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising District data and IT resources. However, we have notified appropriate District management of the specific issues.

Without adequate security controls related to logging and monitoring of key system activity and security events, the risk is increased that the confidentiality, integrity, and availability of District data and IT resources may be compromised.

Recommendation: To ensure the continued confidentiality, integrity, and availability of District data and IT resources, the District should improve security controls related to logging and monitoring of key system activity and security events.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2018-086, except that Finding 3 was also noted in that report as Finding 2.

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 February 2020 to July 2020 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 information technology resources and related controls; public meetings and communications; school safety; compensation, construction, and other expenses; and other 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. 2018-086.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

In planning and conducting our audit, we assessed whether internal controls were significant to our audit objectives by considering the internal control integrated framework established by the Committee of Sponsoring Organizations (COSO)¹⁰ and adapted for a government environment within the *Standards for Internal Control in the Federal Government* issued by the United States Government Accountability Office. That framework is illustrated in the following table.

¹⁰ The Committee of Sponsoring Organizations (COSO) of the Treadway Commission was established in 1985 to develop guidance in the areas of risk and control which enable good organizational governance and reduction of fraud. Pursuant to their mission, COSO developed a framework for internal control that consists of five components and 17 underlying principles.

COSO Internal Control Integrated Framework

Internal Control Component	Description	Underlying Principles (To be Applied by the Board and Management)
Control Environment	Standards, processes, and structures that provide the basis for carrying out internal control across the organization. Represents the foundation on which an effective internal control system is built.	<ul style="list-style-type: none"> • Demonstrate commitment to integrity and ethical values. • Exercise oversight responsibility. • Establish structures and reporting lines and assign authorities and responsibilities. • Demonstrate commitment to a competent workforce. • Hold individuals accountable for their responsibilities.
Risk Assessment	Management's process to consider the impact of possible changes in the internal and external environment and to consider actions to mitigate the impact. The basis for how risks will be managed.	<ul style="list-style-type: none"> • Establish clear objectives to define risk and risk tolerances. • Identify, analyze, and respond to risks. • Consider the potential for fraud. • Identify, analyze, and respond to significant changes that impact the internal control system.
Control Activities	Activities in the form of policies, procedures, and standards that help management mitigate risks. Control activities may be preventive in nature or detective in nature and may be performed at all levels of the organization.	<ul style="list-style-type: none"> • Design control activities to achieve objectives and respond to risks. • Design control activities over technology. • Implement control activities through policies and procedures.
Information and Communication	Information obtained or generated by management to support the internal control system. Communication is the dissemination of important information to help the organization meet requirements and expectations.	<ul style="list-style-type: none"> • Use relevant and quality information. • Communicate necessary information internally to achieve entity objectives. • Communicate necessary information externally to achieve entity objectives.
Monitoring	Periodic or ongoing evaluations to verify that the internal control system is present and functioning properly.	<ul style="list-style-type: none"> • Conduct periodic or ongoing evaluations of the internal control system. • Remediate identified internal control deficiencies on a timely basis.

We determined that all internal control components were significant to our audit objectives. The associated underlying principles significant to our objectives included:

- Board exercise of oversight responsibility.
- Management commitment to recruit, develop, and retain competent individuals.
- Management evaluation of employee performance and holding individuals accountable for their internal control responsibilities.
- Management establishment of clear objectives to enable the identification of risks and define risk tolerances.
- Management identification and analysis of and response to risks.
- Management design of control activities to achieve the District's objectives and respond to risks.
- Management design of controls over information technology.
- Management establishment of policies and procedures to implement internal control activities.
- Management communication of information internally necessary to achieve the District's objectives.
- Management communication of information externally necessary to achieve the District's objectives.
- Management activities to monitor the District's internal control system and evaluate the results.

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 transactions, as well as events and conditions, occurring during the 2019-20 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, District policies and procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities.
- Reviewed District information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, network configuration management, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined selected access privileges to the District's enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access based on employees' job duties and user account functions and whether the access prevented the performance of incompatible duties. We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the network and applications to determine whether these accounts had been appropriately assigned and managed. Specifically, from the population of 91 employee accounts, we requested for examination District records supporting the propriety of update access privileges to selected critical ERP systems for finance and HR application functions for 30 selected employee accounts.

- Reviewed District procedures to prohibit former employee access to electronic data files. We also reviewed selected access user privileges for the 20 employees who separated from District employment during the audit period to determine whether the access privileges had been timely deactivated.
- Determined whether a comprehensive IT disaster recovery plan was in place, designed properly, operating effectively, and had been recently tested.
- Examined selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated Board policies and District procedures and examined supporting documentation to determine whether audit logging and monitoring controls were configured in accordance with IT best practices.
- From the population of expenditures totaling \$1 million from July 2019 through February 2020, from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures totaling \$792,990 to determine District compliance with the restrictions imposed on the use of these resources, including Section 1011.71(2)(e), Florida Statutes.
- For the workforce development funds expenditures totaling \$121,411 during the period July 2019 through February 2020, 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 14,879 contact hours for 149 adult general education instructional students during the Fall 2019 Semester, examined District records supporting 3,614 reported contact hours for 30 selected students to determine whether the District reported the instructional contact hours in accordance with State Board of Education Rule 6A-10.0381, Florida Administrative Code.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the 15 employees who had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job responsibilities.
- Examined the District Web site to determine whether the 2019-20 fiscal year proposed, tentative, and official budgets, and graphical representations of financial efficiency data and fiscal trend information of the previous 3 years for each school within the District and for the school District as a whole, were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- Examined District records for the period July 2019 through February 2020 to determine whether the District had developed adequate performance assessment procedures for instructional personnel and school administrators based on student performance and other criteria in accordance with Section 1012.34(3), Florida Statutes.
- From the population of compensation expenditures totaling \$22.6 million during the period July 2019 through February 2020, examined District records supporting 30 selected compensation expenditures totaling \$42,648 to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked. In addition, from the 30 expenditures, we identified 11 applicable expenditures totaling \$19,913 to instructional personnel or school administrators and determined whether a portion of those expenditures was based on performance in accordance with Section 1012.22(1)(c)4. and 5., Florida Statutes. In addition, we expanded our procedures to evaluate whether instructional personnel grandfathered salary schedules for the 2014-15 through 2019-20 fiscal years were based, in part, on employee performance.

- Evaluated Board policies and District procedures for ethical conduct for instructional personnel and school administrators, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, to determine compliance with Section 1001.42(6), Florida Statutes.
- Evaluated Board policies and District procedures to ensure health insurance was provided only to eligible employees, retirees, and dependents and that, upon an employee's separation from District employment, insurance benefits were timely canceled as appropriate based on the District's policies. We also determined whether the District had procedures for reconciling health insurance costs to employee, retiree, and Board approved contributions.
- Examined copies of the most recent annual fire safety, casualty safety, and sanitation inspection reports for the District's six schools, including the 36 portables, and examined documentation to determine whether timely action was taken to correct deficiencies.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, 1006.13, 1011.62(15) and (16), and 1012.584, Florida Statutes.
- Evaluated District procedures for allocating Title I funds to ensure compliance with Section 1011.69(5), Florida Statutes. We also examined District records to determine whether the District identified eligible schools, limited Title I allocations to eligible schools based on the threshold established by the District for the 2016-17 school year or the Statewide percentage of economically disadvantaged student, and distributed all remaining funds to all eligible schools in accordance with Federal law and regulations.
- Examined District records and evaluated construction planning processes for the audit period to determine whether 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. We also evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs.
- 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, rules, contract terms and Board policies; and applicable vendors were properly selected. Specifically, from the population of 1,396 non-compensation expenditures totaling \$6.9 million from July 2019 through February 2020, we examined documentation related to 30 selected payments for general expenditures totaling \$501,588.
- From the population of payments to 58 vendors for contracted services totaling \$1.3 million during the period July 2019 through February 2020, examined supporting documentation, including the contract documents, for 25 selected payments totaling \$312,630 to determine whether:
 - The District complied with competitive selection requirements.
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - District records documented satisfactory receipt of deliverables before payments were made.
 - The payments complied with contract provisions.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

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 being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Baker County Public Schools

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September 15, 2020

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

Dear Ms. Norman:

As always it is a pleasure to work with your audit staff. We are happy to address the preliminary and tentative audit findings reported during our operational audit for the fiscal year ending June 30, 2020. We are taking the following corrective action:

- **Finding No. 1:** Grandfathered Teacher performance-based compensation

The District implemented a performance pay schedule for grandfathered teachers based on our interpretation of the requirement. Our interpretation was that the grandfathered teachers were not part of the performance pay initiative. Moving forward, we will add the proper wording to our salary schedules and implement proper procedures to ensure that grandfathered teachers have a portion of their compensation based upon performance demonstrated under State law.

- **Finding No. 2:** Final Budget and Transparency Tool

A simple miscommunication error by the former Director of Finance caused the Final budget for 2019-2020 to be omitted from the website, along with the graphical representations and the fiscal transparency tool link. These items have been added to the district website.

- **Finding No. 3:** Adult General Education

The Adult Education department within our district has endured changes in staff over the last two fiscal years, both administrative and clerical. Because of these changes in staff, there was a loss of comprehension in the methodology of calculating contact hours. Re-training has occurred for the proper calculation of contact hours.

"Preparing individuals to be lifelong learners, self-sufficient, and responsible citizens of good character"

DISTRICT SCHOOL BOARD MEMBERS

Tiffany McInarnay, District 1 🐾 Richard Dean Griffis, District 2 🐾 Paula T. Barton, District 3 🐾 Charlie M. Burnett, III, District 4 🐾 Patricia C. Weeks, District 5

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- **Finding No. 4:** Contracted Services

The District has developed and implemented a new procedure for all contracted vendors to ensure that their services are properly documented. The District has asked each contracted vendor to sign in and out at every school site and have their time on that campus monitored and approved by either the principal or his/her designee at each school site. These monthly logs will be compared to the actual invoices submitted by each contracted vendor and audited for accuracy before being approved by the Director of Exceptional Student Education.

- **Finding No. 5:** IT Monitoring

The District has had some realignment of IT duties for a few of the IT functions that relate to the logging and monitoring of system activities. The District will analyze the controls in place for our systems and continue to improve IT security controls.

Thank you for the assistance and technical advice your staff gave us during the operational audit and for pointing out areas our district can improve upon.

If you have any questions or need further assistance, please contact me.

Sincerely,



Sherrie Raulerson
Superintendent of Schools