



Collier County Public Schools, Florida Report: Audit Follow Up Activities

August 22, 2025

TABLE OF CONTENTS

Transmittal Letter..... 1

Timekeeping..... 2

Self-Insurance Fund 11

Contract Administration16

Stimulus Funding..... 21

Employee Recruiting & Onboarding..... 24

Purchasing & Procurement Compliance 31

TRANSMITTAL LETTER

August 22, 2025

The School Board of
Collier County Public Schools
5775 Osceola Trail
Naples, FL 34109

Pursuant to our executed Statement of Work agreement dated November 21, 2024, with Collier County Public Schools ("District," "CCPS") we hereby present the results of the follow-up procedures over the previously issued audit reports. The objective of this review was to obtain the status of remediation efforts implemented by CCPS Management in response to prior issued observations. Below is a summary of the current remediation status of observations within these audit reports:

Audit Report	Report Date	Total Findings	Closed	In Process
Timekeeping	January 2019	7	7	0
Self-Insurance Fund	January 2020	4	3	1
Contract Administration Report	July 2021	4	0	4
Stimulus Funding	March 2023	5	4	1
Employee Recruiting & Onboarding	August 2024	3	2	1
Purchasing & Procurement Compliance	September 2024	4	0	4
Total Audit Findings		27	16 ¹	11

In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the District. We would like to thank the staff and all those involved in assisting us with this review.

Respectfully Submitted,

RSM US LLP

RSM US LLP

¹ Includes (11) findings that were closed during the previous rounds of follow-up activities in 2024 and 2022.

TIMEKEEPING

Issued January 2019

OBSERVATIONS MATRIX – TIMEKEEPING

1. Manual Timekeeping Process	Closed
Observation Summary	
The CCPS timekeeping process is heavily manual in nature. Manual procedures in a timekeeping process cause additional procedures which decrease workflow efficiency in several ways such as manual steps, time spent interpreting unreadable timesheets, follow up on missing timesheets, recalculation of totals, tracking down supervisor approval, corrections, and handling other errors or irregularities in the source documents provided. Manual procedures in a timekeeping process increase the risk of human error in data entry, fraudulent time reporting, and processing of unauthorized employee time, which can result in under/over payment of time worked.	
Recommendation Summary	
It is our understanding that CCPS is currently in the process of researching and identifying ways to automate the manual timekeeping process to update the existing timekeeping system, TERMS. We recommend that CCPS adopt an automated timekeeping system.	
Original Management Action Plan	
Response: CCPS is currently exploring Enterprise Resource Planning (ERP) options that would address all recommendations throughout the report. Responsible Party: Financial Services Department; Human Resources Department; Compensation Department; Technology Department Estimated Completion Date: It is estimated to take several years to identify and implement an ERP software system.	

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

1. Manual Timekeeping Process (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
In 2025, the District implemented two (2) electronic timekeeping systems to address the risks identified. Troubleshooting and adjustments are ongoing during the implementation period to resolve technical issues and confirm proper functionality.	Based on discussions with Management, RSM noted that two (2) electronic timekeeping solutions are in the piloting and implementation phase. We obtained documentation from Management to verify that the implementation is in process. Due to the significant changes in technology and process since the original audit in 2019, we recommend that this area be included in the fiscal year 2026 audit plan. A full-scope audit will assess the effectiveness of the updated processes, and any new risks related to the revised timekeeping procedures will be documented and tested as part of that engagement, along with a review of the originally identified risk areas. A full-scope Timekeeping audit has been proposed for the fiscal year 2026 audit plan. This observation is now closed.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

2. Standardized Timekeeping Policies and Procedures	Closed
Observation Summary	
Throughout our testing, we noted that departments/schools generally follow similar processes for timekeeping. There are numerous inconsistencies across CCPS regarding how time is recorded and the role and responsibilities of the designated timekeepers. The Payroll Department does provide training in TERMS as part of the onboarding process for new timekeepers. The absence of centralized, formally written District-wide timekeeping policies and procedures has led to inconsistencies among timekeeper processes across departments, which in turn makes effective training challenging. Centralized, standardized, and documented procedures provide vital information to employees in the event of absence and employee turnover, and assist with succession/back up planning or other occurrences.	
Recommendation Summary	
We recommend CCPS create a formalized timekeeping policy and procedure manual to apply to all departments/schools. The timekeeping policy and procedure manual should detail the timekeeping process and payroll timeline, as well as key functions in TERMS and electronic timekeeping tools where applicable. The procedures should also include definitions of the various roles related to timekeeping. In addition, we recommend the District conduct a mandatory District-wide training when the policies and procedures are finalized and issued. Attendance should be mandatory for all timekeepers and payroll employees. Periodic training for updates should be performed and attended by new persons involved in the process and as a refresher to existing persons. Lastly, we recommend policies and procedures are reviewed at least annually.	
Original Management Action Plan	
Response: CCPS will create a formalized Timekeeping Policy and Procedure manual; conduct mandatory District-wide training policies and procedures are finalized and issued; review and update policies and procedures annually and update procedures as needed. Responsible Party: Payroll Department and HR/Compensation Department Estimated Completion Date: Fiscal Year 2020 - 2021	

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

2. Standardized Timekeeping Policies and Procedures (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
Detailed Standard Operating Procedures (SOPs) have been developed for the electronic timekeeping system currently used by District departments. In addition, SOPs have been created for overall timekeeping processes. SOPs for the electronic timekeeping system used in schools will be completed in conjunction with the system's planned implementation in September 2025.	Based on the discussion with Management, RSM noted that two (2) electronic timekeeping solutions are in the piloting and implementation phase. We obtained documentation from Management to verify that the implementation is in process and that SOPs were being written and updated. Due to the significant changes in technology and process since the original audit in 2019, we recommend that this area be included in the fiscal year 2026 audit plan. A full-scope audit will assess the effectiveness of the updated processes, and any new risks related to the revised timekeeping procedures will be documented and tested as part of that engagement, along with a review of the originally identified risk areas. A full-scope Timekeeping audit has been proposed for the fiscal year 2026 audit plan. This observation is now closed.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

3. Supporting Documentation and Record Retention	Closed
Observation Summary Per walkthrough procedures performed for our sampled departments/schools, we noted that there is an inconsistent understanding of how long timesheet supporting documentation (leave forms, timecards, overtime approval, etc.) should be retained. We were unable to obtain support for ten (10) out of twenty-five (25) of our samples that had leave and/or overtime due to lack of document retention (40%). As such, there is no evidence that the leave and/or overtime was properly approved and recorded. Five (5) out of six (6) sampled departments/schools noted that they do not retain these records for more than one (1) year. Nutrition Services did not retain evidence for one (1) of the seven (7) samples and had inconsistent understanding of the retention policy. The additional school (Golden Terrace Elementary School) and the three sampled departments (Transportation, Facilities Management, and Financial Services) were able to provide the leave/overtime forms for our sample period, however, they had varying understandings of the District's retention policy. Maintaining records for prior years is important to mitigate risks. Lack of an audit trail increases CCPS's risk of: non-compliance with CCPS, state, and federal timekeeping requirements; errors, opportunities for misuse or fraud; and ineffective management over timekeeping and payroll processing.	
Recommendation Summary We recommend that Management formally document the retention policy. We further recommend that Management review District, State, and Federal laws and update, when applicable, the internal retention policy on an annual basis to verify compliance. We recommend that the retention policy be included in the Timekeeping Policies and Procedures Document recommended as part of Observation #2. We further recommend that during the annual training for Timekeepers, the retention policy be reiterated so that accurate documentation is retained. To begin retaining the required documents as soon as possible, we recommend that CCPS immediately communicate timekeeping record retention requirements to all involved in the timekeeping process (Timekeeper, Supervisor, Department Lead, Principal, Payroll, etc.).	
Original Management Action Plan Response: Timekeeping record retention requirements will be formally documented and communicated to all involved in the timekeeping process. Responsible Party: District Operations & Financial Services Estimated Completion Date: Fiscal Year 2020 - 2021	

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

3. Supporting Documentation and Record Retention (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
The District conducted training for principals on October 2, 2024, and for records coordinators, including many office managers, on October 23, 2024. Additional information for office managers will be provided at an upcoming meeting.	Based on the discussion with Management, RSM noted that two (2) electronic timekeeping solutions are in the piloting and implementation phase. Due to the significant changes in technology and process since the original audit in 2019, we recommend that this area be included in the fiscal year 2026 audit plan. A full-scope audit will assess the effectiveness of the updated processes, and any new risks related to the revised timekeeping procedures will be documented and tested as part of that engagement, along with a review of the originally identified risk areas. A full-scope Timekeeping audit has been proposed for the fiscal year 2026 audit plan. This observation is now closed.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

4. Timekeeping Tracking, Verification, and Authorization	Closed
Observation Summary <u>Timesheet Tracking</u> We noted that CCPS tracks time for hourly employees classified as Teamsters, as required per the bargaining agreement with Teamsters Union #79, however, CCPS does not consistently or formally track hours worked for non-exempt employees who are paid a salary rate (as opposed to hourly). CCPS uses the exception-based process for these employees, only tracking time in which the employee does not work (through leave forms) and overtime through overtime approval forms. Further, we noted that some schools/departments allow compensatory time, however, there is not a standardized process for tracking or recording this to ensure that CCPS complies with state and federal laws. See Observation #7. <u>Timesheet Verification by Employee</u> CCPS policies and procedures do not require non-exempt salary employees to certify to the best of their knowledge that the information is true and correct regarding the payroll hours worked and reported on their respective timesheets. Per the FLSA Section 29 CFR 516.2, employers must track and retain hours worked each day for all non-exempt employees, salary and hourly. The FLSA provides an alternative to daily time sheets when an employee works a fixed schedule. However, to comply with the law, the employee must affirmatively confirm each week that he or she worked the fixed period. In the event the employee worked any hours less than or greater than the fixed schedule, the total hours worked each day during a week with any deviation from fixed schedule must be specifically recorded by work day. <u>Timesheet Authorization by Supervisor</u> Currently, there is no requirement for an employee's immediate supervisor to approve time reported pre-payroll. Per inquiry with the Payroll Department, Timekeepers are encouraged to run an Edit Report, panel HB659, before finalizing the timesheet and sending it to payroll. However, we noted that this is not consistently occurring across CCPS. See Observation #2. We further noted that, for the departments/schools that do perform a pre-approval, this review is not documented. Effective documented supervisory-level review and approval of time is an important control measure that will help detect and minimize payroll errors, whether intentional or not.	
Recommendation Summary We recommend CCPS formalize and document the following in its standardized timekeeping policies and procedures (see Observation #2): • Track all non-exempt employees' time, not just by exception. • Decide whether or not compensatory time is allowed. If CCPS chooses to allow compensatory time, CCPS will need to formalize the hour limits and process of approving, documenting, tracking (including pay type code for recording of compensatory time) and reconciling earned and taken compensatory by employees, including development of standardized template/tracking mechanism of hours earned and used for the departments/schools to use for monitoring. • Implement a requirement for all employees to certify that the hours worked and reported on their respective timesheets each pay period is accurate. • Implement a requirement for all timesheets be reviewed and approved by an employee's immediate supervisor pre-payroll. This review can be performed by the Timekeeper, however, it must be additionally reviewed by the employee's immediate supervisor.	

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

4. Timekeeping Tracking, Verification, and Authorization (Continued)

Original Management Action Plan

Response: CCPS will create a formalized written procedure and is currently exploring ERP options that would address recommendations throughout this report.

Responsible Party: Human Resource Department/ Payroll Department

Estimated Completion Date: It is estimated to take several years to identify and implement an ERP software system.

Updated Management Comments as of June 2025

The District has implemented an electronic timekeeping system for District departments. Procedures for school site use, including timesheet tracking, verification, and authorization, may be adjusted as the system is fully implemented District-wide.

Updated Audit Comments as of June 2025

Based on the discussion with Management, RSM noted that two (2) electronic timekeeping solutions are in the piloting and implementation phase. We obtained documentation from Management to verify that the implementation is in process.

Due to the significant changes in technology and process since the original audit in 2019, we recommend that this area be included in the fiscal year 2026 audit plan. A full-scope audit will assess the effectiveness of the updated processes, and any new risks related to the revised timekeeping procedures will be documented and tested as part of that engagement, along with a review of the originally identified risk areas.

A full-scope Timekeeping audit has been proposed for the fiscal year 2026 audit plan. This observation is now closed.

SELF-INSURANCE FUND

Issued January 2020

OBSERVATIONS MATRIX – SELF-INSURANCE FUND

1. Completeness and Accuracy of Data Used in Health Fund Actuarial Analysis	In Process
Observation Summary	
We noted the District does not have controls in place to validate the completeness and accuracy of data provided to Willis Towers Watson (“Willis”) for actuarial analysis of the CCPS health insurance plan. Instead, TPAs provide required data directly to Willis to perform the actuarial analysis. We also noted that CCPS does not have a process in place to obtain or review Service Organization Control (“SOC”) 2 reports on an annual basis for TPAs. The SOC reports may also include complimentary user entity (CCPS) controls that the third party deems the responsibility of the entity to implement. We noted that CCPS does not have a process to validate that all complimentary controls listed in SOC 2 reports are in place.	
Recommendation Summary	
We recommend that CCPS establish procedures to confirm that information provided to Willis by TPAs for actuarial analysis is complete and accurate. This would include reconciliation of data generated by vendors to other sources of information, to confirm accuracy prior to use by Willis for analysis.	
CCPS should also establish a process for Benefits to obtain and review SOC 2 reports, in coordination with CCPS Information Technology, on an annual basis for all third parties who provide administrative services as it relates to the self-insurance process. Management’s review should include assessment of internal control performance, noted deviations, and complimentary user entity controls.	
Original Management Action Plan	
Response: Staff will update consultant contract language regarding audit responsibilities and complete documentation relative to process and audit reviews.	
Responsible Party: Benefits and Wellness Department	
Estimated Completion Date: December 31, 2020	

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

1. Completeness and Accuracy of Data Used in Health Fund Actuarial Analysis (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
System and Organization Control (SOC) reports will be reviewed by the District as part of ongoing monitoring activities. Updated Estimated Completion Date: August 2025	Management indicated that remediation was in-progress and this observation was not yet ready for follow-up testing during this round. In prior rounds of follow-up, we noted that Management had implemented an excel spreadsheet to track the receipt and review of SOC reports. During test work, however, we noted that this review process had not yet been consistently applied across all relevant TPAs and the complimentary user access controls listed in their SOC reports. Specifically, two (2) TPAs did not submit a SOC report for at least one (1) of the two (2) years. In addition, the review spreadsheet was not completed or not fully completed for four (4) of the five (5) TPAs. This observation will remain open.

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

2. Solicitation Process for Community Health Partners	Closed
Observation Summary	
Community Health Partners (CHP) has been a vendor of CCPS for over twenty (20) years and maintains active contracts for three (3) different services. While CCPS was able to provide copies of these contracts, as well as evidence of Board approval, there was no evidence or documentation of a competitive solicitation process over any period. While we noted that State Board of Education Rule 6A-1.012 (12) (d) provides an exemption from competitive solicitation for commodities or contractual services when available only from a single source, there is no evidence that CCPS made this determination for CHP.	
Recommendation Summary	
We recommend that CCPS consider competitive solicitation for these three services on an ongoing basis. If CCPS determines that the services provided by CHP would qualify for exemption under State Board of Education Rule 6A-1.012 (12) (d), we recommend that CCPS document this exemption and rationale.	
Original Management Action Plan	
Response: Staff will document appropriate consideration of solicitation of competitive purchasing, exemptions, and rationales. Responsible Party: Benefits and Wellness Department/Purchasing Department Estimated Completion Date: Completed	

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

2. Solicitation Process for Community Health Partners (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
Pursuant to Section 6A-1.012(11)(a), F.S., CCPS contracts with CHP for the provision of medical services, consultation, and administration. Each year, CCPS engages Willis Towers Watson to review these services. As part of this review, Willis Towers Watson conducts a market analysis and advises whether a competitive solicitation would be expected to yield more favorable results. Their findings have consistently supported the continuation of services with CHP.	In prior rounds of follow-up, Management indicated exemption of Community Health Partners (CHP) as a sole-source provider through Rule 6A-1.012(12)(d), F.A.C., but had not yet documented the exemption in alignment with that rule. Since then, Management clarified that the applicable exemption falls under Rule 6A-1.012(11)(a), F.S., which states that purchases of health services, including medical services, consultation, and administration, may be exempt from competitive solicitation. CHP provides these services and is considered exempt under this provision. This observation is now closed.

CONTRACT ADMINISTRATION

Issued July 2021

OBSERVATION MATRIX – CONTRACT ADMINISTRATION REPORT

1. Invoice Review and Supporting Documentation		In Process
Observation Summary		
Invoices are initially received and reviewed by each department. For goods, a designated staff member verifies the correct quantity and specifications were received. For services, someone with direct knowledge confirms completion. Once approved, invoices are sent to Accounts Payable for a secondary review and matching to the purchase order (PO) before payment. We tested thirty-one (31) invoices from nine (9) departments and identified issues related to performance verification, invoice recalculation, payment timeliness, payments outside the contracted scope, and payments without active contracts.		
Recommendation Summary		
We recommend the District develop a distinct standard operating procedure with specific guidance to assist departments in their invoice review. Chapter Seven (7) of the Purchasing Manual currently discusses delivery and inspection of received goods but omits other details relevant to a robust invoice review process.		
Original Management Action Plan		
Response: CCPS is currently updating its Purchasing Manual to include a more robust detail for the procedure for reviewing and approving invoices based upon recommendations and best practice and will provide a checklist to assist with the process. Responsible Party: Purchasing Department Estimated Completion Date: Fiscal Year 2021 - 2022		
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025	
The Purchasing Manual is still undergoing revisions, with an updated target completion date of August 2025. Although the original plan was to finalize the manual following the FY24 audit to incorporate feedback from both RSM and the Auditor General, recent changes in leadership have impacted the timeline. A new Legal Counsel is being brought up to speed, and internal discussions are ongoing regarding who should lead the effort, as Purchasing, Finance, and Maintenance have each taken on roles independently. Leadership is working to establish a clear point of direction to move the update forward. Updated Estimated Completion Date: August 2025	Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.	

OBSERVATION MATRIX – CONTRACT ADMINISTRATION REPORT (CONTINUED)

2. Centralization of Contract Data		In Process
Observation Summary		
The District's contract management processes are decentralized and lack centralized data storage, resulting in inconsistent document versions and incomplete information. Contracts are maintained separately by different parties, leading to missing key data points and discrepancies between listings from Legal and Purchasing. Without a centralized database, the District lacks comprehensive insight into its contractual obligations and vendor relationships, hindering agility in responding to contract-related issues.		
Recommendation Summary		
The Legal and Purchasing departments already track valuable contract data. We recommend the District combine these listings along with the following additional data points: contract name and type, vendor name and contact information, contract and purchase order amounts, insurance requirements, and documentation of required contract approvals. To facilitate the amalgamation of this data, the District may consider purchasing software to assist in the collection and management of key contract and vendor data. Ongoing maintenance of the master file should be assigned to an individual or department to encourage accountability.		
Original Management Action Plan		
Response: CCPS is updating its contract routing system and will be evaluating contract management software to verify contracts are routed, executed, and stored in an easy to read and accessible electronic format. Responsible Party: Purchasing, Legal, Facilities, and District Operations Estimated Completion Date: It is estimated two years will be necessary to properly review, solicit and implement an electronic software program that will be suitable for CCPS needs.		
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025	
The District is continuing implementation of OpenGov's contract management module, though progress has been delayed due to system issues and a transition in General Counsel. The module is not yet ready for testing, and the routing process remains under development. To support implementation, the District has requested a new OpenGov liaison and is exploring alternatives like Contract Safe. Internally, roles around contract execution are being clarified, and one buyer has been assigned as the contract lead, with consideration of adding contract administrators by department. Updated Estimated Completion Date: December 2025	Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.	

OBSERVATION MATRIX – CONTRACT ADMINISTRATION REPORT (CONTINUED)

3. Contract Data Consistency		In Process
Observation Summary		
During our review of the eleven (11) sampled agreements, we noted a wide variety of documentation constituted the final agreement. While some purchases are inherently lower risk than others and may not require expansive contract documentation, without a formalized process to determine which type of contract document to use, the District may be vulnerable to additional contractual risk. We found that POs were often used in lieu of formal contracts and that each department had a different understanding of when this is an acceptable practice. We also noted that documentation was inconsistent related to piggyback contracts, and agreements documenting the vendor's relationship with CCPS did not exist.		
Recommendation Summary		
We recommend the District enhance the current policies and procedures to clearly define the different avenues available for contract initiation and documentation. Specifically, the District should consider creating guidance to inform when a PO may be used in lieu of a contract, and what approvals are required. The District may also consider creating thresholds for requiring separate signed agreements with piggybacked vendors, depending on the complexity of the contract used. For example, simple contracts used to purchase commodities at fixed rates may use the original entities' agreement, but separate, signed acknowledgements should be used for complex service agreements.		
Original Management Action Plan		
Response: CCPS is updating its Purchasing Manual and standard operating procedures to define when a contract is necessary and when a purchase order's terms and conditions are sufficient. The definition will include thresholds. Responsible Party: Purchasing and Legal Departments Estimated Completion Date: Fiscal Year 2021 – 2022		
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025	
Contract routing processes will be addressed through the updated Purchasing Manual, targeted for completion in August 2025, and the implementation of OpenGov, expected by December 2025. Updates will include a revised routing form, clearer procedural guidance, and a contract checklist developed in coordination with other departments. Updated Estimated Completion Date: August 2025	As part of our FY24 <i>Purchasing and Procurement Compliance</i> audit, RSM reviewed five (5) piggyback agreements and five (5) sole source agreements and noted that contract documentation was inconsistent; POs were used in lieu of formal contracts for seven (7) of the total ten (10) samples. We further noted that the Purchasing Manual has not yet been updated to define when a PO may be used in lieu of a contract and what documentation is required for piggyback procurements. Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.	

OBSERVATION MATRIX – CONTRACT ADMINISTRATION REPORT (CONTINUED)

4. Vendor Performance Monitoring and Evaluation		In Process
Observation Summary		
Through discussions with various District departments, we noted that a formal District-wide process for monitoring and evaluating vendors does not exist. While the Purchasing and Legal departments are generally consulted if issues escalate, the day-to-day management of performance is inconsistent across departments. Some departments address issues as they arise by conducting informal, non-documented discussions with the vendor, while one department issues monthly report cards grading vendors on a scale of A-F, with anything below a C resulting in a formal, documented discussion. While vendor evaluations are performed when a contract has expired and may be renewed, ongoing and annual evaluations are not consistently executed. The effort necessary to evaluate vendors largely depends on the complexity of the goods purchased or the service performed. Determining the adequacy of performance on service-related contracts, however, may require a more structured evaluation than fixed price purchases for simple goods.		
Recommendation Summary		
Given the volume of contracts, the District may consider setting thresholds to determine which vendors require evaluation (e.g., contracts over/under \$100,000). We recommend implementing a formal vendor performance monitoring program. Staff assigned to each contract should be familiar with its terms, milestones, expiration, and deliverables to accurately assess performance. Evaluations should occur at least annually and include scoring on communication, work quality, timeliness, budget control, safety, cooperation, and compliance. While the Purchasing Manual references a Vendor Performance Form for noncompliance, the District may consider expanding this tool for ongoing performance monitoring.		
Original Management Action Plan		
Response: CCPS is establishing a work review group to define a more thorough process for monitoring and evaluating contractors for contract performance and quality assurance. Responsible Party: Purchasing, Legal, District Operations Estimated Completion Date: Fiscal Year 2021-2022		
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025	
The District is updating its vendor performance evaluation process as part of the Purchasing Manual revision. While end users, including Maintenance, are responsible for conducting evaluations, Purchasing is developing formal guidance to support consistency in review and documentation. This guidance will align with the upcoming invoice checklist and incorporate a risk-based approach. Updates will be finalized and implemented with the manual by August 2025. Updated Estimated Completion Date: December 2025	Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.	

STIMULUS FUNDING

Issued March 2023

OBSERVATION MATRIX – STIMULUS FUNDING

3. Procurement Compliance	In Process
Observation Summary	
During our review procedures, we noted State and Federal compliance issues regarding procurement of goods and services. Per discussion with Management, the District has not formally documented detailed procurement procedures based on various dollar thresholds to guide day-to-day purchasing activities. Management stated, however, that generally, buyers within the Purchasing department are expected to obtain at least three (3) quotes for purchases over \$10,000, formally solicit bids for purchases over \$35,000, or otherwise comply with Florida Statute 287. As part of our testing of thirty-one (31) expenditures, we noted seven (7) samples did not contain evidence that the expected number of quotes were obtained, and thus, did not comply with these requirements. As part of our procedures, we issued a questionnaire to the Purchasing department to gauge adherence to federal requirements set forth in 2 CFR § 200 which is required for the utilization of federal grant funding. Based on Management's responses to the questionnaire, several procurements lacked the required federal provisions.	
Recommendation Summary	
We recommend that the Purchasing department document all requirements for purchases at various dollar thresholds, covering the number of quotes needed, how quotes may be received, and when formal solicitations are required. Both State and Federal requirements should be included. Procedural documents should also reference federal contract provisions and review expectations. Specific attention should be made to address piggyback documentation requirements, related party transactions, and the various exemptions to procurement methods. All purchases made through federally awarded funds should automatically trigger a review for compliance with federal purchasing and contractual requirements, including contract provisions, solicitation documents, and sole source documentation. Management should consider creating a checklist that encapsulates the various requirements based on purchase amount and funding source.	
Original Management Action Plan	
Response: The thresholds for federal purchases and the requirements needed to make these purchases are outlined in several current policies and administrative procedures. The Purchasing Department, based on this recommendation, intends to review and evaluate means and methods to strengthen awareness within the District. The intent will also be to verify a streamlined workflow is created to verify compliance. The Purchasing Department will conduct research to evaluate internally by benchmarking other like-sized districts in Florida and use that information to develop an improved process. The data and research gathered will be reviewed internally with Senior Leadership for potential implementation by December 31, 2023. Responsible Party: Senior Director of Financial Services and Senior Director of Federal, State, and Competitive Grants Estimated Completion Date: December 31, 2023	

OBSERVATION MATRIX – STIMULUS FUNDING (CONTINUED)

3. Procurement Compliance (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
Purchasing and the FSCG Department have developed a training PPT and Checklist for staff (and other end users) that outlines the requirements of federal funded purchases. The intent is to post both to the website and make available to staff (and end users) at trainings and quick emails when questions arise. Also, the items will be shared from the start with end-users who requested a grant or are listed as a grant manager etc. The purchasing has updated the PO Terms & Conditions to include all pertinent federal language. Language is being added to the Purchasing Manual which is going through a complete revision and will be completed by August 1, 2025. Updated Estimated Completion Date: August 1, 2025	Per Management, remediation actions related to a federal procurement checklist/review workflow have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.

EMPLOYEE RECRUITING AND ONBOARDING

Issued August 2024

OBSERVATION MATRIX – EMPLOYEE RECRUITING AND ONBOARDING

1. Interview Documentation Retention	In Process
Observation Summary	
Our review of new hire documentation found that interview records were not retained for seven (7) of the twenty-five (25) sampled hires. Board Policy AP3120 requires interviews for Principals, Assistant Principals, District Administrators, Instructional, and Support Staff. According to Florida's General Records Schedule GS1-SL, interview documentation - such as notes, evaluations, and rating sheets - must be retained for four (4) years after a position is filled, and for two (2) years for non-selected applicants. Without this documentation, the District cannot confirm compliance with Board Policy or state retention requirements. A lack of records limits the District's ability to defend hiring decisions or interview practices if challenged. Maintaining complete interview records promotes transparency, accountability, and consistency, particularly when non-HR staff conducts interviews.	
Recommendation Summary	
We recommend the following: • Implement a centralized electronic system to store interview documentation, ensuring records are secure, organized, and easily retrievable. Access controls should be established to protect confidentiality. This functionality should be considered as part of the upcoming Recruit and Hire expansion. • Reinforce documentation and retention expectations through mandatory training for all hiring managers and relevant administrative staff. Training should emphasize the importance of retaining interview notes, evaluations, and related materials.	
Original Management Action Plan	
Response: Human Resources will work with our District Coordinator for document retention for utilization of our current DocVault system to allow all hiring managers to upload by site/dept. by year for all interview documentation. DocVault system has the ability to set retention schedules on documents and this is a product our sites and departments work with so training will be minimal. Training will be conducted on the procedures for retention and what is required documentation during interviews. Responsible Party: Human Resources staffing Estimated Completion Date: October 30, 2024	

OBSERVATION MATRIX – EMPLOYEE RECRUITING AND ONBOARDING (CONTINUED)

1. Interview Documentation Retention (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
The HR Department is working on a process to create an efficient way for principals and departments to share interview questionnaires for retention. The HR Department will be utilizing the Frontline Recruit and Hire Interview questionnaire system, and we are currently exposing a small test group in the system. Working on a SOP to allow those to be scanned to doc vault and stored by site, by position by month for ease of finding them. Estimated Completion Date: September 2025	Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.

OBSERVATION MATRIX – EMPLOYEE RECRUITING AND ONBOARDING (CONTINUED)

2. I-9 Compliance	Closed
Observation Summary	
In our sample of twenty-five (25) new hires, we noted one (1) instance (4%) where Section 2 of Form I-9 was not completed within the required three (3) business days of the employee's start date. While Section 1 was completed on time by the employee, HR is responsible for the timely completion of Section Two (2), which includes verifying eligibility documents. Form I-9 is required under federal law (IRCA of 1986) to verify employment eligibility and prevent the hiring of unauthorized workers. Section One must be completed by the employee no later than their first day, and Section 2 by the employer within three (3) business days. Noncompliance can result in fines ranging from \$272 to \$27,018 per violation, posing both financial and reputational risks.	
Recommendation Summary	
We recommend the District reinforce documentation and timeliness expectations to all personnel within the hiring process through mandatory training. Because the hiring managers are tasked with supporting timely I-9 completion, expectations related to the form should be reinforced in the hiring manager training sessions.	
Original Management Action Plan	
Response: Re-training and cross training will be conducted with all HR staff on I-9 compliance and timeliness. Updates will be done on current SOP's (Standard Operating Procedures) to verify compliance. Responsible Party: Human Resources Screening Staff Estimated Completion Date: October 30, 2024	

OBSERVATION MATRIX – EMPLOYEE RECRUITING AND ONBOARDING (CONTINUED)

2. I-9 Compliance (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
HR staff completed training on the I-9 process, and the Standard Operating Procedure (SOP) was updated to reflect current requirements. Supporting documentation, including the training date and materials, was provided to RSM for review.	RSM reviewed documentation provided by Management, including updated hiring manager training materials and related training session sign-in sheets. Our review confirmed that I-9 compliance expectations, including documentation and timeliness requirements, were reinforced through mandatory training sessions for hiring managers. In addition, we selected a sample of eight (8) I-9s to test timeliness compliance and found no exceptions. This observation is now closed.

OBSERVATION MATRIX – EMPLOYEE RECRUITING AND ONBOARDING (CONTINUED)

3. Job Descriptions	Closed
Observation Summary During our review, we found that many job descriptions used in recruiting and hiring had not been reviewed or updated in over three (3) years, with key details potentially outdated. Board Policy PO3600 emphasizes the importance of staff understanding their duties and authorizes the Superintendent to maintain job descriptions that outline qualifications, skills, essential functions, and physical requirements. Of the twelve (12) job descriptions reviewed, eight (8), or 66%, had not been updated in over three (3) years, and two (2) had not been revised in over five (5) years. While current policy does not define a required review schedule, outdated descriptions may present legal and compliance risks, particularly related to anti-discrimination and disability accommodations. They can also hinder the hiring process, leading to misaligned candidates, increased turnover, and higher recruitment costs. Recommendation Summary We recommend the following: • Implementation of a regular review cadence for all District job descriptions. These reviews should occur at least once every three (3) years, or more frequently if staff availability allows. Significant changes in responsibilities, technology, or District needs should warrant as-needed, ad-hoc reviews. The District may consider existing software capabilities or supplemental software packages to facilitate these updates. • Expectations related to reviews (including who performs them, when, and where updated documents should be maintained), should be documented and communicated within the HR Department.	
Original Management Action Plan Response: HR will develop a new review procedure similar to our policy and procedures review process. Job descriptions will be assigned by department to a department owner who will be responsible for review and update two times per year, fall and spring. This review will be conducted in person with the Director of Compensation and the Chief of HR to verify compliance. HR staff will monitor the review date cycle and inform the job description owner of the due dates for review. New job descriptions or significant changes to job descriptions may come during or outside of this review cycle so they may be approved by the board in a timely manner. Job descriptions are currently housed in the portal and a report can be generated for review to set which job descriptions are due within the three-year period. Responsible Party: Human Resources Compensation Staff Estimated Completion Date: February 2025	

OBSERVATION MATRIX – EMPLOYEE RECRUITING AND ONBOARDING (CONTINUED)

3. Job Descriptions (Continued)	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
The District has implemented a formal job description review process with timelines established for biannual reviews. The first test of this process was completed at the March 2025 Board meeting. Job descriptions have been assigned to department owners, with reviews conducted under the direction of the Director of Compensation and the Chief Human Resources Officer. Supporting evidence, including review timelines and updated job descriptions, was provided to RSM by email.	As part of our follow-up, RSM reviewed the District’s implementation of a formal job description review process. We selected a sample of ten (10) job descriptions and verified that reviews were performed in alignment with the management action plan and revised SOP. Supporting documentation, including review timelines and updated job descriptions, was also reviewed and no exceptions were noted. This observation is now closed.

PURCHASING AND PROCUREMENT COMPLIANCE

Issued September 2024

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE

1. Vendor File Management	In Process
Observation Summary Monitoring and controls over vendor data are limited, with key safeguards missing to verify accuracy, completeness, and proper updates to vendor information. <u>Vendor Data Monitoring and Controls:</u> Vendor records are not consistently reviewed for accuracy, completeness, or timely updates. Key controls are missing to confirm that vendor data is current and properly maintained. <u>Segregation of Duties:</u> Sixteen users outside the Purchasing Department have access to create or update vendor records in the TERMS system. This weakens segregation of duties. Best practices recommend centralized control of the vendor master file within Purchasing to reduce operational and financial risk. <u>Vendor Data Maintenance:</u> In addition to TERMS, the Purchasing Department uses a separate spreadsheet created in 2018 to track vendor names and numbers due to duplicate entries. Without routine reconciliation between systems, outdated or inconsistent data may persist, increasing the risk of errors and ineffective oversight. <u>W-9 Forms:</u> Three (3) of fifteen (15) vendor profiles reviewed (20%) lacked W-9 forms. Missing or outdated W-9s may result in penalties and complicate vendor identity verification. <u>Conflict of Interest Forms:</u> Twelve (12) of twenty-five (25) purchase samples (48%) lacked conflict of interest documentation. This includes four (4) vendors with contracts over \$50,000 and eight (8) between \$10,000 and \$49,999. While standard language exists in purchase orders, vendors are not required to formally attest. Without a formal process, the District risks entering inappropriate or undisclosed relationships.	
Recommendation Summary We recommend the District improve vendor data controls through the following actions: • Centralize vendor data ownership within the Purchasing Department, with Finance limited to support roles. • Designate TERMS as the system of record and reconcile it with the manual spreadsheet; implement periodic data reviews. • Create a vendor intake checklist to be included in each vendor file, with required items such as a completed application, W-9, and conflict of interest form (as applicable). • Consider implementing an online vendor portal to streamline submissions, enable annual updates, and restrict POs for unregistered or outdated vendors.	

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

1. Vendor File Management (Continued)

Original Management Action Plan

Response:

Segregation of Duties: The District understands the importance of segregation of duties and will ensure that only Purchasing Department staff maintains ownership to vendor data. The Purchasing Department will work with Technology to review user access to vendor data at a minimum twice a year to ensure compliance.

Maintenance of Vendor Data: The TERMS vendor database is currently estimated to have more than 32,000 vendors, with approximately 20,000 “active” vendors. Of these active vendors, the District may utilize approximately 4,000 annually. The Purchasing Department is the owner of the vendor data and has been working to update and inactivate unused and/or older vendors, however, it is a time-consuming process with limited resources. In order to improve this process, the Purchasing department will work with Technology staff to automatically mark any vendors without Purchase Order activity in the last two years as “inactive”. This will significantly reduce on the number of “active” vendors in the system and assist with maintenance and management of the vendor data. Staff will develop a periodic review process to confirm that “active” vendor data remains accurate.

Vendor Intake Checklist: Staff will develop a vendor intake checklist, which will be saved within the vendor file upon completion. The checklist will include the following: the completed vendor application form, W9, and conflict of interest attestation.

Vendor Portal: The Purchasing Department will also work with the Technology Department to develop an online vendor portal in which vendors will be responsible for submitting information, attaching required forms, and providing annual updates.

Responsible Party: Purchasing and Technology Departments

Estimated Completion Date: June 30, 2025

Updated Management Comments as of June 2025

The District continues to enhance its vendor management process through a phased approach. Recent efforts have focused on collecting required documentation for new vendors through manual review, while legacy vendor records are pending further review. Enhancements include new data fields developed by IT to track W-9s and conflict-of-interest disclosures, as well as integration of TERMS data into the Portal to support filtering, reporting, and future automation.

The District is also evaluating improvements to vendor inactivation workflows. While OpenGov remains in use for vendor submissions, it does not support long-term vendor management; therefore, additional process improvements are in progress.

Estimated Completion Date: May 2026

Updated Audit Comments as of June 2025

Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date.

This observation will remain open.

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

2. Procurement Compliance	In Process
Observation Summary	
As part of our procedures, we reviewed thirty-one (31) procurements and ten (10) additional piggyback/sole source purchases to assess compliance with District purchasing requirements. We noted the following: - Three purchases (\$11,988–\$30,000) lacked evidence of the required three vendor quotes. Although Management cited limited vendor options, no justification or supporting documentation was provided. - The District has a procurement checklist, but its use is not mandatory and was not included in the samples reviewed. Incomplete documentation and inconsistent adherence to procurement procedures may expose the District to compliance risks and potential financial penalties, particularly when federal funds are used.	
Recommendation Summary	
We recommend the District require use of the procurement checklist and retain it upon completion. The checklist should be updated to confirm compliance with District policies, including public advertisement, bid openings, and competitive quotes. Purchases lacking the required number of quotes should only be approved once a valid exemption (e.g., sole source) is documented. No purchase should be approved in TERMS without supporting documentation.	
Original Management Action Plan	
Response: The Purchasing Department developed a standard operating checklist for the collection of quotes, review of requisitions and other responsibilities. The checklist created is not a mandatory process but is used as guidance. The checklist will be reviewed and updated with other SOPs to verify all activities of a quote or solicitation are completed and have all the appropriate documentation. Responsible Party: Purchasing Department Estimated Completion Date: December 31, 2024	

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

2. Procurement Compliance	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
The District is in the process of developing a comprehensive procurement manual and related Standard Operating Procedures (SOPs). This effort remains ongoing as staff continue to formalize, document, and refine key procurement processes. Estimated Completion Date: August 2025	Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

3. Purchase Order System Controls	In Process
Observation Summary During our review of the District’s current ERP system, TERMS, we identified two (2) control gaps that may pose risks to the District’s procurement processes. See details below. <u>Spend Monitoring and Control</u> TERMS does not alert users when purchase orders near their limits, allowing invoices to exceed POs without warning. While Accounts Payable works to resolve overages and reports can compare PO values to spending, these reports may not be regularly reviewed. Although no overspending was found in our samples, the lack of automated controls presents a risk to budget management. <u>Purchase Order Approval Segregation of Duties</u> TERMS allows users to both create and approve their own requisitions. We identified four Purchasing Buyers with this ability. Some departments use manual forms, requiring Buyers to enter and approve requests in the system. While no inappropriate approvals were noted, this presents a segregation of duties risk and may reduce processing efficiency. These control gaps increase the risk of overspending, unauthorized purchases, and financial noncompliance.	
Recommendation Summary We recommend the following: • Implement a system control to flag or block overspending on POs by generating warnings as limits are approached. • Introduce a detective control to identify overspent POs through TERMS reports. Require written, approved justification when alternative funding is used. • Require all purchase requisitions to be created in TERMS. Once adopted, restrict users from creating and approving their own requisitions to support segregation of duties. • Add a system control to flag invoices dated before the purchase order and require justification for each instance.	

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

3. Purchase Order System Controls (Continued)

Original Management Action Plan

Response: The Purchasing Department will work with Technology to implement controls within the TERMS system to provide a warning on any Purchase Orders that are nearing exhaustion. Furthermore, the Purchasing Department will provide training sessions for staff members as necessary to verify compliance with the review and monitoring of spending. In addition, a TERMS report will be created to identify any POs that have been overspent to monitor compliance.

The Purchasing Department currently collects manual signatures from department heads to verify the entering and approving of requisitions is segregated due to limitations with the current ERP. Moving forward, the Purchasing Department will enforce the approval process to take place within the TERMS system to create purchase requisitions. Requiring the approval process to take place within the TERMS system will require providing training sessions for Principals and Department heads.

Responsible Party: Purchasing and Technology Departments

Estimated Completion Date: June 30, 2025

Updated Management Comments as of June 2025

While system alerts for approaching PO limits have not yet been implemented, the District has conducted extensive user training and reduced the number of open POs, which has helped minimize instances of overspending.

Purchasing has introduced a process where notes entered on requisitions will trigger notifications to end users, improving communication and visibility around purchasing activity.

Estimated Completion Date: May 2026

Updated Audit Comments as of June 2025

Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date.

This observation will remain open.

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

4. Standard Operating Procedures	In Process
Observation Summary As part of our review, we obtained relevant purchasing policies and procedures. We identified areas where detailed standard operating procedures (SOPs) are not yet in place. See details below. <u>Purchase Order Spend Monitoring:</u> No SOP exists for monitoring PO spend. End-users are expected to track their own spending, but there is no written guidance on how or when this should occur. Invoices may exceed PO amounts without a consistent review process. <u>Noncompliance Disciplinary Action:</u> Purchasing tracks violations using a standardized form, with one hundred and four (104) issued from July 1, 2023, to June 30, 2024. Seventeen departments had two (2) or more violations. No procedures define consequences for repeated noncompliance, which may allow issues to persist. <u>Physical Safeguards:</u> Procedures do not specify how procurement documents should be stored. Documents may be saved in various locations, increasing the risk of loss, incomplete records, or damage. <u>Commodity Rotation:</u> There is no guidance requiring the rotation of commodity assignments among Buyers. Lack of rotation may increase the risk of conflicts of interest or vendor favoritism. Documented SOPs promote consistency, reduce errors, and support operational continuity during staff turnover.	
Recommendation Summary We recommend the Purchasing Department expand its standard operating procedures (SOPs) to include detailed guidance on the following: • PO Monitoring: Assign end-users responsibility for tracking PO spend and outline how to do so in TERMS. If system controls are added (see Observation #3), include instructions in the SOP. • Procurement Violations: Define potential penalties and consequences for repeated violations. Consider inter-departmental meetings with Purchasing, Finance, IT, and non-compliant users to address recurring issues. • Document Safeguarding: Specify who is responsible for securing procurement documents and how they should be stored. • Commodity Rotation: Outline procedures for rotating commodity assignments among Buyers to reduce potential conflicts of interest. SOPs should clearly define responsibilities, timelines, and task execution to support consistent practice and accountability.	

OBSERVATION MATRIX – PURCHASING AND PROCUREMENT COMPLIANCE (CONTINUED)

4. Standard Operating Procedures (Continued)	
Original Management Action Plan	
Response: The Purchasing Department developed a standard operating checklist for the collection of quotes, review of requisitions and other responsibilities. The checklist created is not a mandatory process but is used as guidance. The checklist will be reviewed and updated with other SOPs to verify all activities of a quote or solicitation are completed and have all the appropriate documentation. Responsible Party: Purchasing Department Estimated Completion Date: December 31, 2024	
Updated Management Comments as of June 2025	Updated Audit Comments as of June 2025
The development of the procurement manual and supporting SOPs remains in progress. Leadership has increasingly recognized the importance of documenting procedures, particularly for tasks requiring specialized knowledge, and is now prioritizing written guidance to promote consistency and continuity across the department. Estimated Completion Date: August 2025	Per Management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date. This observation will remain open.



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