

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-073
November 2023

**ST. JOHNS COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2022-23 fiscal year, Tim Forson served as Superintendent of the St. Johns County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Beverly Slough, Vice Chair from 11-22-22	1
Anthony Coleman Sr.	2
Jennifer Collins from 11-22-22	3
Bill Mignon, Chair through 11-21-22	3
Kelly Barrera, Chair from 11-22-22, Vice Chair through 11-21-22	4
Patrick Canan	5

The team leader was Sue Granger, and the audit was supervised by Ivo Njabe, 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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ST. JOHNS COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the St. Johns County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2021-145. Our operational audit disclosed the following:

Finding 1: District capital planning procedures continue to need improvement.

Finding 2: Twenty-eight percent of the District personnel had not completed required ethical conduct training and 25 percent of the school personnel had not completed required youth mental health awareness and assistance training.

BACKGROUND

The St. Johns 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 St. Johns County. The governing body of the District is the St. Johns County District School Board (Board), which is composed of five elected members. The appointed Superintendent of Schools is the Executive Officer of the Board. During the 2022-23 fiscal year, the District operated 47 schools, including 44 elementary, K-8, middle, high, virtual, and alternative schools; 1 technical college; 2 juvenile justice programs; sponsored 3 charter schools; and reported 50,414 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Facilities Work Program

State law¹ requires the Board to annually prepare a district educational facilities plan that addresses long-range facilities planning and requires the first year of the plan to constitute the capital outlay budget required by State law. The plan is to include, among other things, a 5-year facilities work program that must be updated each year² and electronically submitted to the Florida Department of Education (FDOE).

The facilities work program should identify, among other things, the amount of revenue remaining in the capital outlay budget that is already obligated and that represents unexpended revenue still on hand but not available for current capital outlay expenditures. In response to our inquiry, FDOE personnel explained that revenue “already obligated” means a construction contract has been signed that obligates the District to pay for work or service.

According to District personnel, the Executive Director for Planning and Government Relations annually prepares the facilities work program, which is reviewed by the Superintendent, Deputy Superintendent of

¹ Section 1013.35(2) and (5), Florida Statutes.

² Section 3.1(4), *State Requirements for Educational Facilities* (2014).

Operations, and Chief of Staff. To evaluate District facility needs presented in the facilities work program for the 2022-23 fiscal year, we requested District records supporting the presented information. We found that, although the amounts presented were generally supported, the \$221 million amount presented as revenue remaining in the capital outlay budget that was already obligated included \$155 million that was not supported by signed construction contracts.

In response to our inquiry, District personnel indicated that the \$155 million represented amounts that had been set aside, including \$72 million set aside until a project could be identified, \$31 million set aside for a new school, \$15 million set aside for existing schools, and \$37 million set aside for other projects. Notwithstanding, although we requested, District records were not provided to correlate the \$155 million to any construction contracts.

Absent appropriate support, there is a risk that District capital outlay needs may be miscommunicated to and misunderstood by the Board and the public. In addition, when available funds are not correctly identified and reported in the 5-year facilities work program, financing needs may not be appropriately planned for future capital projects. A similar finding was noted in our report No. 2021-145.

Recommendation: The District should enhance procedures to ensure that all amounts presented on the 5-year facilities work program are appropriately supported and verified. Such enhancements should include presenting only the amount supported by signed construction contracts as the facilities work program amount of revenue remaining in the capital outlay budget that is already obligated and that represents unexpended revenue still on hand but not available for current capital outlay expenditures.

Follow-Up to Management's Response

Management's response states that "the \$155 million, while not 'obligated' pursuant to FDOE staff definition, it is clearly obligated and specifically assigned to capital outlay projects...". Notwithstanding, since the District certifies to the FDOE the accuracy of the information in the facilities work program and the \$155 million set aside did not meet the FDOE-defined meaning of obligated, the District should obtain documented clarification from the FDOE to determine whether the facilities work program was accurate as presented or should be amended and resubmitted to the FDOE.

Finding 2: Ethical Conduct and Youth Mental Health Awareness Training

State law³ requires the Board to adopt policies establishing standards of ethical conduct for all employees. Such policies must require personnel to complete training on the standards and report alleged misconduct by other personnel and school officers which affects the health, safety, or welfare of a student. The Board adopted standards of ethical conduct⁴ for instructional and noninstructional staff members that provide, among other things, that it is each staff member's responsibility to report alleged misconduct by personnel affecting the health, safety, or welfare of students. Staff members are required to complete annual training on the standards and, after each training course is completed, the District online reporting system is to be updated to identify those who completed the course.

³ Section 1001.42(6), Florida Statutes.

⁴ Board Policy No. 6.106, *Expectation of Ethical Conduct for Instructional and Administrative Personnel*.

In addition, pursuant to State law,⁵ the District received a mental health assistance allocation totaling \$2.3 million for the 2022-23 fiscal year to establish or expand school-based mental health care services and related training. State law⁶ requires the District to designate a school safety specialist who, among other things, is to ensure that school personnel receive required youth mental health awareness and assistance training.

We found that the District designated a school safety specialist for monitoring mental health training and, according to District personnel, the online reporting system transmits automatic updates monthly to staff members identifying the ethical conduct training courses not completed. However, the District had not established procedures to follow-up with applicable employees to ensure that the required ethical conduct and youth mental health training was completed timely.

Our examination of District records, as of June 30, 2023, disclosed that 1,610 (28 percent) of the 5,810 District employees had not completed the required ethical conduct training and 1,225 (25 percent) of the 4,831 school personnel had not completed the required youth mental health training. In response to our inquiry, District personnel indicated that the District did not always monitor ethical conduct training to ensure that all employees completed the training and that, moving forward, the District will provide written instructions to ensure that employees timely complete assigned ethical conduct courses. District personnel also indicated that youth mental health training opportunities were limited because of difficulties scheduling school staff for training.

Without proper training on standards of ethical conduct and child abuse reporting, school personnel may not appropriately identify and promptly report misconduct affecting the health, safety, or welfare of a student. Absent required youth mental health awareness and assistance training, a mental health services need may not be timely identified and appropriately met and, absent documentation evidencing such training, the District cannot demonstrate compliance with State law.

Recommendation: The District should establish effective procedures to ensure required ethical conduct and youth mental health awareness and assistance training is timely completed. Such procedures could include monthly notices to supervisors and the school safety specialist to follow up with applicable staff to ensure completion of the required training.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2021-145, except that Finding 1 was also noted in that report as Finding 3.

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.

⁵ Section 1011.62(13), Florida Statutes.

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

We conducted this operational audit from March 2023 through October 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected District processes and administrative activities. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2021-145.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records, as well as events and conditions, occurring during the 2022-23 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for

perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Board policies, District procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Reviewed Board information technology (IT) policies and District procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, application access, authentication, monitoring, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources.
- Evaluated District procedures to prohibit former employee access to electronic data files. We also reviewed selected user access privileges for 24 of the 41 administrative employees who separated from District employment during the period July 2022 through May 2023 to determine whether the access privileges were timely deactivated.
- Determined whether the District had a comprehensive IT disaster recovery plan in place that was designed properly, operating effectively, and had been recently tested.
- Examined selected application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, we examined the access privileges of the 76 District employees and 9 contractors who had access to sensitive personal student information to evaluate the appropriateness and necessity of the access privileges based on assigned job duties.
- Inquired whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the audit period.
- From the population of expenditures totaling \$65.1 million and transfers totaling \$20 million for the period July 2022 through March 2023 from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$6.6 million and \$11.8 million, respectively, to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section 1011.71(2), Florida Statutes.
- From the population of \$4.9 million total workforce education program funds expenditures for the period July 2022 through March 2023, selected 30 expenditures totaling \$920,248 and examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- From the population of 229 industry certifications eligible for 2022-23 fiscal year performance funding, examined 30 selected certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- Examined District records supporting 2,494 reported contact hours for 28 selected students from the population of 18,855 contact hours reported for 208 adult general education instructional students during the Fall 2022 Semester to determine whether the District reported the instructional

contact hours in accordance with State Board of Education (SBE) Rule 6A-10.0381, Florida Administrative Code.

- Examined the District Web site to determine whether the 2022-23 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the District Web site contained, for each public school within the District and for the District, the required graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- Evaluated severance pay provisions in the one employee contract containing such provisions to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- From the compensation payments totaling \$281.6 million to 6,556 employees during the period July 2022 through March 2023, examined District records supporting compensation payments totaling \$49,195 to 30 selected employees to determine whether the rate of pay complied with the Board-approved salary schedule and whether supervisory personnel reviewed and approved employee reports of time worked.
- Examined District records for the audit period supporting the teacher salary increase allocation received pursuant to Chapter 2022-156, Laws of Florida, Specific Appropriation 86, totaling \$13.6 million and records supporting related payments totaling the same amount to 3,006 instructional personnel to determine whether the District submitted required reports (salary distribution plan and expenditure report) to the FDOE and used the allocation in compliance with Section 1011.62(14), Florida Statutes (2022).
- Examined District records for the period July 2022 through March 2023 for 30 employees and 23 contractor workers selected from the population of 6,215 employees and 6,000 contractor workers to assess whether individuals who had direct contact with students were subjected to the required fingerprinting and background screening.
- Examined Board policies, District procedures, and related records for volunteers for the audit period to determine whether the District searched prospective volunteers' names against the Dru Sjodin National Sexual Offender Public Web site maintained by the United States Department of Justice, as required by Section 943.04351, Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures addressing the ethical conduct of instructional and noninstructional personnel, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, to ensure compliance with Section 1001.42(6), Florida Statutes.
- Evaluated the effectiveness of Board policies and District procedures for investigating all reports of alleged misconduct by personnel if the misconduct affects the health, safety, or welfare of a student and also notifying the result of the investigation to the FDOE pursuant to Section 1001.42(7)(b)3., Florida Statutes.
- From the three significant construction projects with contracts totaling \$184.1 million, selected one construction project with a contract total of \$59.5 million and examined District records to evaluate compliance with Board policies, District procedures, and provisions of State law and rules. Specifically, we examined District records for the project to determine whether:
 - The District verified that the Board pre-qualified bidders for construction and required the bid to be accompanied by evidence that the bidder held an appropriate certificate or licensure and proper insurance pursuant to Section 1013.46(2), Florida Statutes.

- The District used a reasonable method to advertise the solicitation of competitive bids and whether the lowest bidder was selected pursuant to Section 1013.46, Florida Statutes.
- The architects were properly selected pursuant to Section 287.055, Florida Statutes, and adequately insured.
- The Board approved all change orders pursuant to Section 1013.48, Florida Statutes.
- Project expenditures totaling \$41.3 million as of March 2023 were sufficiently supported and complied with the contract provisions.
- Board reviewed and approved all plans and specifications pursuant to Sections 1013.37(2) and 1013.38, Florida Statutes.
- The contractor furnished a payment and performance bond as required by Section 1013.47, Florida Statutes.
- The District provided for the required independent inspections prior to occupancy pursuant to Section 1013.50, Florida Statutes.
- The District provided required project inspections during construction for compliance with Florida Building Code and Fire prevention Code.
- Reviewed the District's 5-year facilities work program for the 2022-23 through 2026-27 fiscal years to determine whether the District maintained records that supported the information reported in the program and whether the first year of the program was consistent with the District capital outlay budget as required by Sections 1013.35 and 1013.61, Florida Statutes.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2022 calendar year cost of construction reports of District student station costs. For the one construction project completed during the 2022 calendar year, we examined District records to determine whether the District accurately reported student station costs and complied with the student station cost limits established by Section 1013.64(6)(b)1., Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07 and 1006.12, Florida Statutes; Section 1011.62(12), Florida Statutes (2022); and SBE Rules 6A-1.0018(15) and 6A-1.0018(7)(e), Florida Administrative Code.
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Section 1012.584, Florida Statutes; Section 1011.62(13), Florida Statutes (2022); Section 1006.07(6)(b), Florida Statutes; and SBE Rule 6A-1.094124, Florida Administrative Code.
- Evaluated the sufficiency of District procedures to determine whether District charter schools were required to be subjected to an expedited review pursuant to Section 1002.345, Florida Statutes.
- Examined District records and evaluated construction planning processes for the audit period to determine whether the processes were comprehensive, included consideration of restricted resources and other alternatives to ensure the most economical and effective approach, and met District short-term and long-term needs.
- Evaluated District procedures for determining maintenance department staffing needs. We also determined whether such procedures included consideration of appropriate factors and performance measures that were supported by factual information.
- From the population of non-compensation expenditures that individually exceeded \$1,000 and totaled \$93.5 million for the period July 2022 through March 2023, examined documentation supporting 30 selected payments for expenditures totaling \$180,934 to determine whether the

expenditures were reasonable, correctly recorded, adequately documented, for a valid District purpose, properly authorized and approved, and in compliance with applicable State laws, SBE rules, contract terms and Board policies; and applicable vendors were properly selected.

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

AUTHORITY

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

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive, flowing style.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Tim Forson
Superintendent of Schools

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SCHOOL BOARD

Beverly Slough
District 1

Anthony E. Coleman Sr.
District 2

Jennifer Collins
District 3

Kelly Barrera
District 4

Patrick Canan
District 5

November 28, 2023

Ms. Sherrill F. Norman, CPA
State of Florida Auditor General
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

RE: St. Johns County School District's Written Response to the Preliminary and Tentative Audit Findings for the fiscal year ended June 30, 2023

Dear Ms. Norman,

The purpose of this letter is to follow up on the November 7, 2023, email communicating the list of preliminary and tentative audit findings and recommendations arising from the operational audit of the St. Johns County District School Board (the District) for the fiscal year ended June 30, 2023. Our response is as follows:

Finding No. 1 Facilities Work Program

District Response: We respectfully disagree with this audit finding. This finding is based upon the premise that "obligated" means a signed construction contract that obligates the District to pay for work or service. Our inquiries with Florida Department of Education (FDOE) personnel in the Office of Educational Facilities, indicated to District personnel that obligated is not solely defined as a signed construction contract. In the 5-Year District Facilities Work Program User's Manual (Manual) it states that "the Capital Outlay Projects Funds Balance carried forward from Total Balance carried forward is the amount of revenue from all other capital outlay projects remaining in the capital outlay budget that is already obligated and represents unexpended revenue that is still on hand but is not available for current capital outlay expenditures". In addition, the Manual does not define "obligated" in any manner, let alone as a signed construction contract. Furthermore, the District clearly obligates revenue through an annual approved capital outlay budget to fund capital outlay expenditures. Consequently, these funds are not available for other current capital outlay expenditures, as they are already obligated to their original purpose. As indicated above, the educational facilities plan addresses long- range facilities planning to fund growth.

The St. Johns County School District will inspire good character and a passion for lifelong learning in all students, creating educated and caring contributors to the world.

Ms. Sherrill F. Norman, CPA
State of Florida Auditor General
November 28, 2023
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The \$155 million, while not “obligated” pursuant to FDOE staff definition, it is clearly obligated and specifically assigned to capital outlay projects in the District’s annual capital outlay budget. Moreover, the approved capital outlay budget is presented and adopted by our Board during the annual Truth in Millage process in conjunction with the requisite public hearings. It has been our experience that there have not been any “miscommunication or misunderstanding” by either our Board or by members of the public.


St. Johns County School District has always completed this complicated form for the 5-Year District Facilities Plan with accuracy and in accordance with our Capital Outlay Budget. We strongly disagree with the assertion that \$221 million dollars was left out or not reported. It was reported based on our understanding of the categories provided.

Finding No. 2 – Ethical Conduct and Youth Mental Health Awareness Training

District Response: We will establish effective procedures to ensure required ethical conduct and youth mental health awareness and assistance training is timely completed. We will include monthly reminders to site administrators and the school safety specialist to ensure completion of the required training.

Please feel free to contact my office if you have any questions concerning these matters.

Sincerely,


Tim Forson
Superintendent of Schools
St. Johns County School District

cc: School Board Members
Cabinet Members