

# STATE OF FLORIDA AUDITOR GENERAL

## Operational Audit

Report No. 2024-092  
December 2023

### SEMINOLE COUNTY DISTRICT SCHOOL BOARD



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2022-23 fiscal year, Serita D. Beamon served as Superintendent of the Seminole County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Kristine Kraus, Chair from 11-22-22	1
Kelley Davis from 11-22-22	2
Karen Almond through 11-21-22	2
Abby Sanchez, Vice Chair	3
Amy Pennock, Chair through 11-21-22	4
Autumn Garick from 11-22-22	5
Dr. Tina Calderone through 11-21-22	5

The team leader was Nicole E. Ryals, CPA, and the audit was supervised by Keith A. Wolfe, CPA.

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

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# SEMINOLE COUNTY DISTRICT SCHOOL BOARD

## SUMMARY

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This operational audit of the Seminole County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2021-055. Our operational audit disclosed the following:

**Finding 1:** District controls over contracting and monitoring vendor services and related payments could be enhanced.

**Finding 2:** Some unnecessary information technology (IT) user access privileges existed that increased the risk for unauthorized disclosure of student social security numbers.

**Finding 3:** Some unnecessary IT user access privileges existed that increased the risk for unauthorized transactions to occur.

## BACKGROUND

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The Seminole 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 Seminole County. The governing body of the District is the Seminole 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 65 elementary, middle, high, and specialized schools; sponsored 6 charter schools; and reported 68,198 unweighted full-time equivalent students.

## FINDINGS AND RECOMMENDATIONS

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### Finding 1: Procurement Procedures

State law<sup>1</sup> authorizes use of continuing contracts to engage firms for professional services for unspecified future projects so long as the estimated cost of each project undertaken pursuant to the contract does not exceed \$4 million. State law<sup>2</sup> also provides that the Board constitutes the contracting agent for the District. Board policies<sup>3</sup> require all contracts having a value of \$100,000 or more be authorized by the Board and signed by the Board Chair and Superintendent. Board policies, however, authorize the Superintendent to issue purchase orders within established budget limitations without further action of the Board.

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<sup>1</sup> Section 287.055(2)(g), Florida Statutes.

<sup>2</sup> Section 1001.41, Florida Statutes.

<sup>3</sup> School Board Policy 6320, *Purchasing and Contracting for Commodities and Contractual Services*.

State Board of Education (SBE) rules<sup>4</sup> provide that, in lieu of requesting competitive solicitations from three or more sources, the District may make purchases at or below the specified prices from contracts awarded by another governmental entity when the contractor engaged in the original contract agrees to provide terms, conditions, and prices at least as favorable as those originally contemplated and such purchases are to the economic advantage of the District.

During the period July 2022 through March 2023, the District expended \$3.8 million for various vendor services. To evaluate District contracting and payment processes, we examined District records supporting selected payments totaling \$2.5 million and found that District controls could be improved.<sup>5</sup> Specifically:

- In December 2020, the Board lawfully entered a continuing contract with a vendor for construction-related services for projects costing less than \$4 million. The continuing contract provided that a scope of work and related estimates were required to be provided to and approved by the Board for each project before work began. District records indicated that in October 2022 District personnel duly issued to the vendor a purchase order for \$20,000 for hurricane preparation services. By December 2022, however, the District had paid the vendor \$361,000 for not only hurricane preparation services, but also for hurricane cleanup and roof repairs. The work was authorized by the District Purchasing Director, but not subsequently approved by the Board or the Superintendent, which was contrary to the existing continuing contract and Board policies.
- In November 2021, the Board lawfully contracted with a vendor for disaster debris removal monitoring services at hourly rates. In October 2022, the Board approved additional monitoring services and hourly rates with the vendor for up to \$1 million. The District, however, paid the vendor a total of \$2 million, including \$1 million for additional services authorized by the District Purchasing Director that had not been approved by the Board or Superintendent. As such, the additional services and expenditure did not comply with State law<sup>6</sup> or Board policies.
- The Board approved the use of another governmental entity's lawfully established contract for hurricane debris removal<sup>7</sup> and issued purchase orders totaling \$710,000 to remove from the District debris caused by two hurricanes. However, for the period November 2022 through March 2023, the District paid \$1,164,000 to the vendor for debris removal services at hourly rates established by the contract, exceeding the Board-approved purchase orders by \$454,000. In addition, during that period, the District paid \$438,000 for pressure washing, grapple truck operation, and other services that were not included in the other entity's original vendor contract. Although the District Purchasing Director authorized the services, the expanded use of the original contract violated the SBE regulatory exception to the required use of the competitive selection process.

In response to our inquiries, District personnel indicated that, due to the hurricanes, these services needed to be performed quickly. In addition, District personnel indicated that, although Board policies did not delegate the Superintendent's procurement authority to the District Purchasing Director, the District *Purchasing Manual* provides delegated authority to the Purchasing Director and the Purchasing

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<sup>4</sup> SBE Rule 6A-1.012(6), Florida Administrative Code.

<sup>5</sup> Executive Order 22-218 (for Hurricane Ian which landed on mainland Florida on September 28, 2022), amended by Executive Orders 22-219 and 23-21, and Executive Order 22-253 (for Hurricane Nicole which landed on mainland Florida on November 10, 2022), amended by Executive Order 23-02, declared a state of emergency and provided that certain rules and statutes related to emergency expenditures may be waived provided that the rules and statutes being waived are identified by the District. While the services cited in this finding related to removal of debris caused by the two hurricanes, the District did not identify any waived rules or statutes relating to the services and related costs.

<sup>6</sup> Section 1001.41, Florida Statutes.

<sup>7</sup> The other governmental entity's vendor contract was dated June 2018 and extended through June 2023.

Director approved each of the procurement amounts. However, District records did not demonstrate that the Board or Superintendent approved the additional services at any time. Furthermore, the *Purchasing Manual* does not supersede Board policy-established purchasing thresholds for the Superintendent.

Absent Board or Superintendent approval of applicable contracts entered, or purchase orders issued, District records did not demonstrate compliance with State law, SBE rules, and Board policies and there is an increased risk that services may not be obtained at appropriate levels of quality and the lowest possible cost.

**Recommendation:** The District should enhance procedures to ensure that competitive selection procedures are employed, as required, and Board or Superintendent approval is documented for applicable contracts and purchase orders. If, pursuant to a Governor-issued executive order for a declared state of emergency, the Board decides to waive applicable rules or statutes for emergency expenditures, appropriate records should be maintained to demonstrate that action. In addition, the District should take appropriate action to ensure that the Purchasing Director's delegated purchasing authority in the District *Purchasing Manual* is consistent with Board policies.

#### **Follow-Up to Management's Response**

*Management's response states that "the subsequently approved purchase orders issued pursuant to the previously Board-approved contracts were approved by the Director of Purchasing pursuant to the authority granted by the Superintendent in the approved purchasing manual". Notwithstanding, since the purchasing manual does not supersede the purchasing thresholds established in Board Policy for the Superintendent, the finding stands as presented.*

#### **Finding 2: Information Technology User Access Privileges to Student Social Security Numbers**

The Legislature has recognized in State law<sup>8</sup> that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict individuals from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic evaluations of user information technology (IT) access privileges. Board policies<sup>9</sup> allow designated personnel access to SSNs when such access is required for their job duties and require the District to conduct periodic assessments of risk related to accessing SSNs retained by the District.

The District student information system (SIS) provides for student records data processing and the District maintains former and current student information, including SSNs, in the District SIS. As of August 2018, the District discontinued adding new student SSNs into the SIS but continued to maintain former and current student SSNs obtained before that date. Student SSNs had previously been collected and maintained within the District SIS to, for example, register newly enrolled students and transmit that information to the Florida Department of Education through a secure-file procedure and to facilitate proper processing of student scholarship applications. User IT access privileges in the District SIS are controlled

<sup>8</sup> Section 119.071(5)(a), Florida Statutes.

<sup>9</sup> Board Policy 8350, *Confidentiality*, and Board Policy 8305, *Information Security*.

by security profiles based on the employee's job code; however, principals or supervisors may approve additional access privileges of individual personnel as necessary.

As of May 2023, the District SIS contained SSNs for 201,921 former and 17,756 current District students and 3,823 employees had access to that information. We examined District records supporting the access privileges of 30 users and found that none of the 30 users, including teachers, school resource officers, nurses, and other employees, had a demonstrated need to view student SSNs. According to District personnel, a District review of SIS access privileges to student SSNs had not been performed. Subsequent to our inquiry, District personnel indicated that other student identifiers would be used, eliminating the need for access to student SSNs. In May 2023 the student SSN access for the 3,823 employees was removed; however, District did not document the basis for eliminating all access to student SSNs.

The existence of unnecessary user IT access privileges and lack of periodic evaluations increases the risk of unauthorized disclosure of sensitive personal information and the possibility that such information may be used to commit a fraud against current or former District students.

**Recommendation:** The District should continue efforts to ensure that individuals do not have unnecessary access to sensitive personal information of students. Such efforts should include documented periodic evaluations of user access privileges to ensure that the privileges are appropriately restricted. In addition, the District should document the basis for eliminating access to student SSNs or document designated personnel access to SSNs when such access is required for their job duties.

### **Finding 3: Information Technology Access Privileges to Human Resources and Finance Applications**

Access controls are intended to protect data and IT resources from unauthorized disclosure, modification, or destruction. Effective access controls provide employees access to IT resources based on a demonstrated need to view, change, or delete data and restrict employees from performing incompatible functions or functions outside of their areas of responsibility. These controls include assigning a security administrator responsibility for granting employee IT access privileges and limiting such access privileges based on the employee's job duties. In addition, periodic evaluations of assigned IT access privileges are necessary to ensure that employees can only access those IT resources that are necessary to perform assigned job duties.

As part of our audit, we requested and obtained a July 2023 list of the 47 District personnel with access to the human resources (HR) application and the 38 District personnel with access to the finance application and noted 6 employees had access to both applications. To determine whether the assigned IT access privileges were consistent with each employee's job duties, we requested for examination District records supporting the access privileges for the 79 individual users and found that 26 users had unnecessary or incompatible access privileges. Specifically:

- 18 District employees, including 6 benefits personnel, 3 payroll employees, 2 application software specialists, 2 assistant superintendents, and 5 others, had unnecessary access to the HR application to add and update employee and job-related information such as employee name, employee address, job code, and salary plan. The 6 benefits personnel also had the ability to add payroll payments.

- 5 District employees, including 3 of the 18 District employees with unnecessary access to the HR application, had unnecessary access to the finance application for inputting journal entries. The 5 employees included a secretary, an application software specialist, a procurement agent, a risk management specialist, and an assistant director of school bus operations.
- The payroll manager and 2 other payroll employees had necessary access to the HR application to process payroll and add payroll payments, such as refunds for benefit deductions; however, the employees also had incompatible access to update employee and job-related information such as employee name, employee address, job code, salary plan, and direct deposit information.
- 3 HR employees had necessary access to the HR application to add and update employee and job-related information such as employee name, employee address, job code, and salary plan, but had incompatible access to add additional payroll payments. In addition, 1 of the employees also had the ability to update direct deposit information.

Subsequent to our inquiry, in October 2023 the District removed the unnecessary access privileges of the employees.

According to District personnel, a review of IT access privileges to the HR and finance applications had been performed in March 2022; however, District records did not evidence that review and no reviews had been subsequently conducted. While other District controls (e.g., budget monitoring and automated system-generated e-mails to affected employees when direct deposit changes are made) mitigate some of the risk associated with the access control deficiencies, effective access privilege monitoring and records documenting the monitoring results and applicable actions would increase District assurance that District data and resources are adequately protected against unauthorized disclosure, modification, or destruction and that any unauthorized actions that may occur will be timely detected.

**Recommendation:** The District should identify and define access privileges assigned to roles within the HR and finance applications to ensure that such privileges are limited to those necessary for employees to perform their assigned duties. The District should also periodically evaluate user IT access privileges to ensure that the privileges appropriately restrict employees from performing incompatible functions and functions outside their areas of responsibility.

## ***PRIOR AUDIT FOLLOW-UP***

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The District had taken corrective actions for findings included in our report No. 2021-055.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from April 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. 2021-055.
- 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, logging and monitoring, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined selected user access privileges to District enterprise resource planning (ERP) system human resources (HR) and finance applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether the access privileges prevented the performance of incompatible duties. We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed. Specifically, we tested the access privileges for the:
  - 41 users who had update access privileges to selected critical ERP system HR application functions.
  - 32 users who had update access privileges to selected critical ERP system finance application functions.
  - 6 users who had update access privileges to both selected critical ERP system HR application functions and finance application functions.
- Evaluated District procedures to prohibit former employee access to electronic data files. We reviewed selected user access privileges for 31 of the 533 employees who separated from District employment during the period July 2022 through April 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.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers (SSNs). Specifically, from the population of 3,823 employees who had access to student SSNs, we examined the access privileges of 30 selected employees to evaluate the appropriateness and necessity of the access privileges based on the employee's assigned job duties.
- Inquired whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the audit period.
- Determined whether the District used the Florida Department of Education (FDOE) evaluation instrument required by Section 1002.33(6)(b), Florida Statutes, and SBE Rule 6A-6.0786, Florida Administrative Code, to evaluate the two charter school applications received during the 2020-21 and 2021-22 fiscal years for fiscal viability of the charter schools and the competency of the staff responsible for operating the charter schools before the charters were granted. In addition, we also determined whether the District properly monitored the new charter schools to evaluate whether the charter school applicants received the appropriate training at least 30 days before the first day of classes pursuant to Section 1002.33(6)(f), Florida Statutes.
- 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 FDOE.

- Reviewed organization charts, audit plans, and audit agendas to determine whether the District employed an internal auditor during the audit period and whether the internal auditor reported directly to the Board or its designee as required by Section 1001.42(12)(l), Florida Statutes, and performed the duties specified in that section. We also determined whether the internal auditor developed audit work plans based on annual risk assessments considering input from other finance and administrative management.
- From the population of expenditures totaling \$25.8 million and transfers totaling \$34.1 million for the period July 2022 through March 2023, from nonvoted capital outlay tax levy proceeds, discretionary sales tax proceeds, and other restricted capital project funds, examined documentation supporting selected expenditures and transfers totaling \$1.4 million and \$11.3 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.
- Pursuant to Section 1013.64(6)(d)2., Florida Statutes, obtained from the FDOE the 2021 cost of construction report of District student station costs. For the two construction projects completed during the 2021 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 Board minutes identifying surplus property deletions and disposals during the audit period, interviewed District personnel, and reviewed District records to evaluate the District's surplus property control procedures.
- Examined documentation supporting the District's annual tangible personal property (TPP) physical inventory process to determine whether the inventory results were reconciled to the property records, appropriate follow-up was made for any missing items, and law enforcement was timely notified for any items that could not be located and considered stolen.
- Evaluated District procedures for identifying and inventorying attractive items pursuant to Florida Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- From the three significant construction projects with expenditures totaling \$7.3 million for the period July 2022 through March 2023, selected one construction management project with a guaranteed maximum price contract totaling \$16 million and examined documentation for selected project expenditures totaling \$1.9 million to determine compliance with Board policies and District procedures and applicable provisions of State law and rules. Specifically, we examined District records to determine whether:
  - The construction manager was properly selected pursuant to Section 255.103, Florida Statutes.
  - District personnel properly monitored subcontractor selection and licensures.
  - The architect was properly selected pursuant to Section 287.055, Florida Statutes, and adequately insured.
  - Appropriate Board policies and District procedures addressing the negotiation and monitoring of general conditions costs had been established.
  - Documentation supporting the selected payments was sufficient and complied with the contract provisions.
  - The projects progressed as planned consistent with established benchmarks, and were cost effective, and the contractors performed as expected.
  - The District made use of its sales tax exemption to make direct purchases of materials, or documented its justification for not doing so.

- 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; and Section 1011.62(12), Florida Statutes (2022).
- 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); and SBE Rule 6A-1.094124, Florida Administrative Code.
- Evaluated District controls over the collection of District childcare fees.
- Evaluated severance pay provisions in the two employee contracts with severance pay provisions to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- From the compensation payments totaling \$245.3 million to 9,043 employees during the period July 2022 through March 2023, examined District records supporting compensation payments totaling \$56,896 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.
- Determined whether the appointed Superintendent's compensation for the audit period was in accordance with State law, rules, and Board policies.
- 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 \$18.4 million and records supporting related payments totaling the same amount made to 3,950 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).
- Evaluated Board policies and District procedures addressing the ethical conduct of school personnel, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, and the investigation responsibilities for all reports of alleged misconduct to determine whether those policies and procedures were effective and sufficient to ensure compliance with Section 1001.42(6) and (7)(b)3., Florida Statutes.
- From the population of 36 canceled purchasing cards (P-cards) during the audit period, examined documentation for 19 cardholders to determine whether the District timely canceled the P-cards in accordance with Board policies and District procedures.
- From the population of general expenditures totaling \$137.9 million during the period July 2022 through March 2023, examined District records supporting 30 selected expenditures totaling \$391,331 to determine whether the expenditures were reasonable, correctly recorded, and adequately documented; for a valid District purpose; properly authorized and approved; and in compliance with applicable laws, contract terms, and Board policies.
- From the population of expenditures related to disaster recovery services totaling \$4.6 million for the period July 2022 through March 2023, examined supporting documentation, including the contract documents, for selected expenditures totaling \$3.1 million to evaluate the reasonableness of District actions, including District compliance with applicable State laws, State Board of Education (SBE) rules, contract terms, and Board policies.
- 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**

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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 style with a large initial "S".

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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SERITA BEAMON  
*Superintendent*

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December 7, 2023

Sherrill F. Norman  
State of Florida Auditor General  
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Tallahassee, FL 32399

Dear Ms. Norman:

Thank you for your letter dated November 8, 2023, communicating a list of preliminary and tentative findings and recommendations arising from your operational audit of the Seminole County District School Board. We appreciate the time and effort of your staff in undertaking the operational audit in a professional manner. The audit process can be a valuable part of continued improvement for the District.

Please let this letter serve as our written statement of explanation concerning the findings you identified in your letter.

## **Finding 1: Procurement Procedures**

### Recommendation:

The District should enhance procedures to ensure that competitive selection procedures are employed, as required, and Board or Superintendent approval is documented for applicable contracts and purchase orders. If, pursuant to a Governor-issued executive order for a declared state of emergency, the Board decides to waive applicable rules or statutes for emergency expenditures, appropriate records should be maintained to demonstrate that action. In addition, the District should take appropriate action to ensure that the Purchasing Director's delegated purchasing authority in the District Purchasing Manual is consistent with Board policies.

### Response:

Regarding the auditor's opinion that "the work was authorized by the District Purchasing Director, but not subsequently approved by the Board or the Superintendent, which was contrary to the existing continuing contract and Board policies", per policy 6320 - PURCHASING AND CONTRACTING FOR COMMODITIES AND CONTRACTUAL SERVICES - Purchase Order Approval Exceptions #2, the Superintendent is authorized to issue purchase orders in accordance with bids awarded without further action of the Board so long as the obligation created does not exceed the applicable appropriation within the District budget.

Policy po100 - Definitions, states that the use of the term "Superintendent" or "superintendent" in school board policy implies the authority to delegate responsibilities to appropriate staff members unless prohibited by law.

Per policy po6320, The Superintendent is authorized to publish a purchasing manual defining guidelines and procedures for conducting the functions of purchasing in accordance with the policy.

The Purchasing Manual was published and approved by the Superintendent in November 2020. In the Purchasing Manual, the authority to approve purchase orders in excess of \$25,000 was delegated to the Purchasing Director.

In using this contract with a PO, the subsequent Purchase Order on the previously Board-awarded continuing services contract not in excess of the budget appropriation did not need to be approved by the Board. The Superintendent delegated the Purchasing Authority to the Purchasing Director. The Purchasing Director approved the subsequent Purchase Order pursuant to the previously awarded contract.

Regarding the auditor's opinion that "additional services and expenditures did not comply with State law or Board policies", 1TB 21220049B-LL was approved by the Board on November 16, 2021 and Amendment 1 to 1TB 21220049B-LL was approved by the Board on October 25, 2022 approving a contract with DP&O for disaster debris removal monitoring services at hourly rates.

Policy po100 - Definitions, states that the use of the term "Superintendent" or "superintendent" in school board policy implies the authority to delegate responsibilities to appropriate staff members unless prohibited by law.

As per policy 6320 - PURCHASING AND CONTRACTING FOR COMMODITIES AND CONTRACTUAL SERVICES - Purchase Order Approval Exceptions #2, the Superintendent is authorized to issue purchase orders in accordance with bids awarded without further action of the Board so long as the obligation created does not exceed the applicable appropriation within the District budget.

Per policy po6320, The Superintendent is authorized to publish a purchasing manual defining guidelines and procedures for conducting the functions of purchasing in accordance with the policy.

The Purchasing Manual was published and approved by the Superintendent in November 2020. In the Purchasing Manual, the authority to approve purchase orders in excess of \$25,000 was delegated to the Purchasing Director.

In using this previously board-awarded contract with a subsequent PO, the Purchase Order did not need to be approved by the Board. The Superintendent had delegated the Purchasing Authority to the Purchasing Director. The Purchasing Director approved the subsequent Purchase Order pursuant to the previously awarded contract.

Regarding the auditor's opinion that "the District paid for services that were not included in the other entity's original vendor contract. Although the District Purchasing Director authorized the services, the expanded use of the original contract violated the SBE regulatory exception to the required use of the competitive selection process,, the Statewide Mutual Aid Agreement with Miami-Dade County ITB-17-015-CV, Emergency Debris and Hazardous Tree Removal was approved by the Board on October 28, 2022 and ratification for approval of use of contractor pursuant to the Statewide Mutual Aid Agreement ITB-17-015-CV, was approved by the Board on November 15, 2022. ITB-17-015-CV scope of services include disaster debris removal and

all associated cleanup of debris, and provides the option to add other disaster response and recovery work or conditions at established rates.

As per policy 6320 - PURCHASING AND CONTRACTING FOR COMMODITIES AND CONTRACTUAL SERVICES - Purchase Order Approval Exceptions #2, the Superintendent is authorized to issue purchase orders in accordance with bids awarded without further action of the Board so long as the obligation created does not exceed the applicable appropriation within the District budget.

Policy po100 - Definitions, states that the use of the term "Superintendent" or "superintendent" in school board policy implies the authority to delegate responsibilities to appropriate staff members unless prohibited by law.

Per policy po6320, The Superintendent is authorized to publish a purchasing manual defining guidelines and procedures for conducting the functions of purchasing in accordance with the policy.

The Purchasing Manual was published and approved by the Superintendent in November 2020. In the Purchasing Manual, the authority to approve purchase orders in excess of \$25,000 was delegated to the Purchasing Director.

The scope of authorized services pursuant to ITB-17-015-CV include disaster debris removal and all associated cleanup of debris, and provides the option to add other disaster response and recovery work or conditions at established rates.

In using this previously board-awarded contract with a subsequent PO, the Purchase Order did not need to be approved by the Board. The Superintendent had delegated the Purchasing Authority to the Purchasing Director. The Purchasing Director approved the subsequent Purchase Order pursuant to the previously awarded contract.

Regarding the auditor's opinion that "District records did not demonstrate that the Board or Superintendent approved the additional services at any time" and "the Purchasing Manual does not supersede Board policy-established purchasing thresholds for the Superintendent", Board policy po6320 directed the Superintendent to publish a purchasing manual defining guidelines and procedures for conducting the functions of purchasing. Under policy po100, the Superintendent has the authority to delegate responsibilities to staff. The Superintendent approved the Purchasing Manual in November 2020 wherein the authority to approve purchase orders in excess of \$25,000 was delegated to the Purchasing Director. The contracts for the vendors in question were previously approved and awarded by the Board. Pursuant to policy po6320, the Superintendent is authorized to issue purchase orders in accordance with bids previously awarded without further action of the Board so long as the obligation created does not exceed the applicable appropriation within the District budget. The subsequently approved purchase orders issued pursuant to the previously Board-approved contracts were approved by the Director of Purchasing pursuant to the authority granted by the Superintendent in the approved purchasing manual, and did not exceed the applicable budget appropriation.

**Finding 2: Information Technology User Access Privileges to Student Social Security Numbers**

Recommendation:

The District should continue efforts to ensure that individuals do not have unnecessary access to sensitive personal information of students. Such efforts should include documented periodic evaluations of user access privileges to ensure that the privileges are appropriately restricted. In addition, the District should document the basis for eliminating access to student SSNs or document designated personnel access to SSNs when such access is required for their job duties.

Response:

Direct access to student SSNs was turned off in 2018. The District action that took place in May 2023 pertained to DOE issued "Student Alias." The DOE initiated "Student Alias" identifiers in lieu of SSN identifiers. Unfortunately, the state-mandated field of "Student Alias" often contained student SSNs followed by an "X"; unintentionally allowing access to student SSNs even after they were officially removed. Following the findings of the Auditor General, the field of "Student Alias" was also turned off and is no longer being used by the District.

The District has and will continue its due diligence in ensuring that sensitive information is only accessible as needed. The District will continue its quarterly review of elevated user access and expand the review to include additional users as needed. Any future access to SSNs, when such access is required for performing a District function, will be evaluated, and documented.

**Finding 3: Information Technology Access Privileges to Human Resources and Finance Applications**

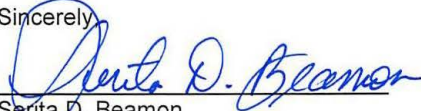
Recommendation:

The District should identify and define access privileges assigned to roles within the HR and finance applications to ensure that such privileges are limited to those necessary for employees to perform their assigned duties. The District should also periodically evaluate user IT access privileges to ensure that the privileges appropriately restrict employees from performing incompatible functions and functions outside their areas of responsibility.

Response:

The School Board of Seminole County (SBSC) concurs with this recommendation and has implemented quarterly reviews of user access in its Oracle/PeopleSoft ERP system. The IS Project Manager is in charge of scheduling and conducting quarterly security reviews. Key stakeholders who will review Oracle/PeopleSoft user access include District level executive leadership, the Chief Technology Officer (CTO), and the IS Project Manager who is responsible for oversight of the Oracle/PeopleSoft ERP system. If, during these quarterly reviews, an individual is determined to have unnecessary access to data, then the account will be modified within two (2) hours following the review.

Sincerely,



Serita D. Beamon  
Superintendent