

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2020-201
May 2020

**LEE COUNTY
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2018-19 fiscal year, Dr. Gregory Adkins served as Superintendent of the Lee County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Mary Fischer	1
Melisa W. Giovannelli	2
Chris N. Patricca, Vice Chair from 11-20-18	3
Debbie Jordan from 11-20-18	4
Steven K. Teuber through 11-19-18	4
Gwynetta S. Gittens, Chair from 11-20-18	5
Pamela H. LaRiviere, Vice Chair through 11-19-18	5
Betsy Vaughn from 11-20-18	6
Dr. Jane E. Kuckel through 11-19-18	6
Cathleen O'Daniel Morgan, Chair through 11-19-18	7

The team leader was Joan E. Valle, CPA, and the audit was supervised by Kenneth C. Danley, CPA.

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

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LEE COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Lee County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2019-026. Our operational audit disclosed the following:

Finding 1: The District used 2018-19 fiscal year ad valorem tax levy proceeds totaling \$5.5 million for unallowable purposes. In addition, as noted in our report No. 2019-026, the District expended tax levy proceeds during the 2016-17 fiscal year that did not appear to be allowable uses of those proceeds. As of April 2020, the District had restored the \$5.5 million, but the Florida Department of Education had not made a final determination regarding the allowability of expenditures totaling \$1.2 million, which continued to represent questioned costs.

Finding 2: The Board contracted for certain internal auditor services rather than employing an internal auditor as required by State law.

Finding 3: The District did not comply with Board policies by advertising the Director of Fleet and Safety position and documenting verification that the individual hired met the requirements for that position.

Finding 4: Some unnecessary information technology (IT) user access privileges existed that increase the risk that unauthorized disclosure of sensitive personal information of students may occur. A similar finding was noted in our report No. 2019-026.

Finding 5: Some unnecessary or inappropriate IT user access privileges existed that increase the risk that unauthorized disclosure, modification, or destruction of human resources and finance information may occur.

BACKGROUND

The Lee 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 Lee County. The governing body of the District is the Lee County District School Board (Board), which is composed of seven elected members. The appointed Superintendent of Schools is the Executive Officer of the Board. During the 2018-19 fiscal year, the District operated 100 elementary, middle, high, and specialized schools; sponsored 24 charter schools; and reported 92,895 unweighted full-time equivalent students.

FINDINGS AND RECOMMENDATIONS

Finding 1: Ad Valorem Taxation

State law¹ allows the District to levy ad valorem taxes for capital outlay purposes within specified millage rates subject to certain precedent conditions. State law² requires the District to advertise, in advance of adoption of a budget authorizing the expenditure of such tax levy proceeds, the purposes for which the Board intends to spend the proceeds of each such tax levy and to specify in the required notice of tax levy the projects to be funded by the assessment of such taxes. Pursuant to State law,³ allowable uses of ad valorem tax levy proceeds include, among other things, funding new construction and remodeling projects; the maintenance, renovation, and repair of existing schools to correct deficiencies; and the purchase, lease-purchase, or lease of school buses. According to District personnel, budgets are prepared and monitored, and expenditures are reviewed and approved by District personnel to help ensure compliance with the restriction imposed by State law.

The District accounts for ad valorem tax levy proceeds in the Capital Projects – Local Capital Improvement Fund (LCI Fund). For the 2018-19 fiscal year, the District's LCI Fund expenditures totaled \$78.6 million and transfers totaled \$65.5 million. To determine the propriety of District uses of ad valorem tax levy proceeds, we examined District records supporting the LCI Fund transfers totaling \$65.5 million and selected LCI Fund expenditures totaling \$12.6 million. We found that:

- The District transferred 2018-19 fiscal year LCI Fund ad valorem tax proceeds totaling \$4.1 million to debt service funds to pay for the lease-purchase of school buses and, contrary to State law, the lease-purchase was not advertised in the District's 2018-19 fiscal year notice. In response to our inquiries, District personnel indicated that the transfer should have been made from the 2016-17 fiscal year LCI Fund since the lease-purchase of school buses was advertised in that notice.
- Expenditures from the 2018-19 fiscal year LCI Fund totaling \$89,959 for Internet and wide area network (WAN) services were not specified as allowable tax levy uses in State law. In response to our inquiries, District personnel researched records and identified additional Internet and WAN service expenditures totaling \$1.3 million for a total of \$1.4 million that were made from the 2018-19 fiscal year LCI Fund. District personnel indicated that the employee who authorized the expenditures was unaware that the expenditures were not allowable tax levy uses.

In June 2019, the District restored the transfers totaling \$4.1 million and expenditures totaling \$1.4 million to the 2018-19 fiscal year LCI Fund.

In our report No. 2019-026, we similarly questioned LCI Fund costs for the 2016-17 fiscal year that did not appear to be allowable uses of ad valorem tax proceeds. The District provided documentation to the Florida Department of Education (FDOE) regarding the allowability of the questioned costs but, as of April 2020, the FDOE had not made a final determination to resolve \$1.2 million of these costs.

Recommendation: The District should continue efforts to ensure and demonstrate that ad valorem tax levy proceeds are used only for authorized purposes. Such efforts should include

¹ Section 1011.71, Florida Statutes.

² Section 200.065(10)(a), Florida Statutes.

³ Section 1011.71(2), Florida Statutes.

enhanced controls over the use of these proceeds and compliance with FDOE's determination to resolve the remaining questioned costs totaling \$1.2 million.

Finding 2: Internal Audit Function

Effective July 1, 2019, State law⁴ requires that school districts receiving annual Federal, State, and local funds in excess of \$500 million employ an internal auditor. The internal auditor must perform ongoing financial verification of the financial records of the school district, a comprehensive risk assessment of all areas of the school system every 5 years, and other audits and reviews as the Board directs. Employment of an internal auditor allows the Board to direct what and how internal audit services will be done.

During the 2018-19 fiscal year, the District received over \$1 billion in Federal, State, and local funds and had an Internal Audit Department, supervised by a Director who reported to the Executive Director of Financial Services. However, according to District personnel, the Department's primary responsibilities were to perform internal fund audits for the schools, not to perform the internal audit services required by State law. In April 2019, the Board contracted with a certified public accounting (CPA) firm to provide the statutorily required internal audit services because, according to District personnel, the School Board attorney opined that an auditing firm could provide those services.

Additionally, District personnel indicated that the School Board conducted a cost-benefit analysis and determined that hiring a qualified firm was the most cost-effective approach to complying with State law. Notwithstanding this response, absent direction from the FDOE authorizing the District to contract for internal audit services, it is not apparent that the District complied with State law.

Recommendation: We recommend that the District consult with the FDOE to determine whether the Board is authorized to outsource the statutorily required internal audit services and take appropriate action based on such consultation.

Finding 3: Employee Practices and Personnel Records

Effective employment practices require appropriate advertising of position vacancies to ensure that potential candidates are aware of employment opportunities. Such practices also require verifying, before new hires are selected to fill vacancies, that the individuals meet the positions' education and experience requirements.

Board policies⁵ require the Superintendent to advertise position vacancies and ensure that applicants recommended for appointment meet the job description requirements. In February 2018, the District advertised for a Director of Transportation position. Subsequent to interviewing applicants for that position, District personnel split the responsibilities into two positions, the Director of Transportation and a newly created Director of Fleet and Safety and recommended that these positions be filled by the top two applicants interviewed for the Director of Transportation position. In May 2018, the Board approved the job description for the additional Director of Fleet and Safety position, which required a master's

⁴ Section 1001.42(12)(l), Florida Statutes.

⁵ Board Policy 5.05, *Appointment and Reappointment of Personnel*.

degree in business administration or related field and specified work experience but allowed for alternatives to these requirements that the Board may find acceptable.

In June 2018, the Board approved the transfer of an employee, who was one of the top two applicants previously interviewed for the Director of Transportation position, to fill the Director of Fleet and Safety position. However, District records did not evidence the Board was notified that the Director of Fleet and Safety position had not been advertised or that the individual's education was not verified prior to his recommendation for the position. District personnel indicated that the Director of Fleet and Safety position was not advertised because the individual selected to fill the position was selected from the pool of applicants for the Director of Transportation position, which had already been advertised. In addition, District personnel indicated that, although the individual's education was not verified, the District considered his previous work experience, which was verified, to be more relevant to the duties of the position.

Absent advertising for position vacancies and ensuring that individuals hired to fill position vacancies meet the requirements for the positions as determined acceptable by the Board, there is an increased risk that the District may not hire the most qualified individuals.

Recommendation: The District should comply with Board policies and maintain records to demonstrate that vacancies are properly advertised and that, when employees are transferred to new positions or new hires are selected to fill vacant positions, the individuals meet the education and experience requirements for the positions.

Finding 4: Information Technology User Access Privileges to Sensitive Personal Student Information

The Legislature has recognized in State law⁶ 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 employees from accessing information unnecessary for their assigned job duties and provide for documented, periodic evaluations of information technology (IT) user access privileges to help prevent personnel from accessing sensitive personal student information inconsistent with their duties.

Pursuant to State law,⁷ the District identified each student using a Florida education identification number obtained from the FDOE. Student SSNs are maintained within the District student information system (SIS) to, for example, register newly enrolled students and transmit that information to the FDOE through a secure-file procedure, and provide student transcripts to colleges, universities, and potential employers based on student-authorized requests. Board policies⁸ allow designated District employees access to sensitive personal student information in the exercise of their respective job duties; however, as of June 2019, the District had not established procedures to perform periodic evaluations of access privileges to the information to ensure that the access is based on a demonstrated need.

⁶ Section 119.071(5)(a), Florida Statutes.

⁷ Section 1008.386, Florida Statutes.

⁸ Board Policy 4.19, *Student Records*.

As of June 2019, the District SIS contained sensitive personal information for 234,186 former and 51,214 current students, and 1,040 employees had continuous IT user access privileges to this information. According to District personnel, the SIS did not have a mechanism to differentiate access privileges to current student information from access privileges to former student information, and the employees with access to both current and former student information did not always have a demonstrated need for such access.

As part of our audit procedures, we examined District records supporting 40 selected employees' access privileges to former and current student SSNs in the District SIS. We found that 17 employees, including teachers and support staff, did not have a demonstrated need for such access. Subsequent to our inquiries, in July 2019 the District performed and documented an evaluation of the access privileges of employees with access to student SSNs and removed the access privileges of 700 employees, including the 17 employees in our examination.

The existence of unnecessary access privileges increases the risk of unauthorized disclosure of sensitive personal student information and the possibility that such information may be used to commit a fraud against current or former District students. A similar finding was noted in our report No. 2019-026.

Recommendation: The District should continue efforts to ensure that only employees with a demonstrated need to access the sensitive personal information of students be granted such access. Such efforts should include:

- **The implementation of procedures to require and ensure the performance of documented periodic evaluations of assigned IT user access privileges and the timely removal of any unnecessary access privileges detected. If a user only requires occasional access to the sensitive personal information of students, the privileges should be granted only for the time needed.**
- **An update to the SIS to differentiate IT user access privileges to current student information from access privileges to former student information.**

Finding 5: Information Technology User Access Privileges to Business Application

Access controls are intended to protect data and IT resources from unauthorized disclosure, modification, or destruction. Effective access controls grant employees access to IT resources based on demonstrated need to view, change, or delete data and restrict individuals from performing incompatible functions or functions outside their areas of responsibility. Documenting periodic evaluations of assigned access privileges helps ensure that IT users cannot access or modify IT resources that are unnecessary or incompatible with their assigned job responsibilities. District IT personnel indicated that IT users who transfer or discontinue employment have their access privileges modified or removed as appropriate; however, a complete evaluation of IT user access privileges to the District business application had not been performed in several years.

As part of our procedures, we examined District records and identified 93 employees with update access to the human resources (HR) and finance modules within the District business application. Our evaluation of selected access privileges granted to 30 of these employees disclosed some access privileges that permitted certain employees to perform incompatible functions. Specifically, we found that:

- 5 payroll employees had HR module update access privileges that allowed them to process payroll transactions and modify the data underlying the transactions, including the ability to add or update pay rates and grades.
- A business services coordinator had finance module update access privileges that allowed her to process vendor payments and add or update vendor information.

Subsequent to our inquiries, in July and August 2019 District personnel removed certain access privileges for these employees to eliminate the unnecessary access privileges.

While District controls (e.g., monitoring budgets, along with payroll and expenditure processing controls) mitigate some risks associated with these access control deficiencies, inappropriate access privileges increase the risk that unauthorized disclosure, modification, or destruction of District data may occur without timely detection. In addition, absent periodic evaluations of assigned access privileges, the District lacks assurance that the assigned access privileges remain appropriate and necessary for the performance of employees' assigned job responsibilities.

Recommendation: The District should ensure that assigned access privileges restrict employees from performing duties outside their area of responsibility. In addition, the District should establish documented periodic evaluations of IT user access privileges to determine whether such privileges are necessary and timely remove any inappropriate or unnecessary access privileges detected.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2019-026, except that Findings 1 and 4 were also noted in our report No. 2019-026, as Findings 2 and 14, respectively.

OBJECTIVES, SCOPE, AND METHODOLOGY

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

We conducted this operational audit from April 2019 to April 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit 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. 2019-026.
- 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 programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls, 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; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the 2018-19 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 District information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security and user authentication.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. From the 93 employees with access to the human resources and finance modules with the District business application, we examined the access privileges of 30 selected employees to determine the appropriateness and necessity of the access based on employees' job duties and user account functions and whether the access prevented the performance of incompatible duties.

- Evaluated Board security policies and procedures governing the classification, management, and protection of sensitive and confidential information.
- Examined selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether a comprehensive, written IT risk assessment had been developed to document the District's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- Evaluated Board policies and District procedures and examined supporting documentation to determine whether audit logging and monitoring controls were configured in accordance with IT best practices.
- Evaluated District procedures for protecting the sensitive personal information of students, including social security numbers. Specifically, from the population of 1,040 individuals who had access to sensitive personal student information, we examined District records supporting the access privileges of 40 selected employees to evaluate the appropriateness and necessity of the access privileges based on the employee's job duties.
- Determined whether the Board had adopted policies and procedures over the inspection and copying of public records and whether such policies and procedures were followed in responding to public requests for information.
- Examined Board policies, District procedures, and records related to official complaints and legal actions involving the Board, the Superintendent, or other employees while on official District business to determine whether the Board was appropriately notified.
- Examined the District Web site to determine whether the 2018-19 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes.
- Determined whether the Board employed an internal auditor as required by Section 1001.42(12)(l), Florida Statutes.
- Examined District records supporting the November 2018 half-cent discretionary sales surtax levy to determine whether the levy was pursuant to an ordinance enacted by a majority of the Board and a statement that included a brief general description of the projects to be funded by the surtax was placed on the ballot and approved by a majority of the electors of the County as required by Section 212.055(2), Florida Statutes.
- From the population of expenditures totaling \$96.7 million and transfers totaling \$71.1 million during the audit period from nonvoted capital outlay tax levy proceeds, Public Education Capital Outlay funds, impact fees, and other restricted capital project funds, examined documentation supporting selected expenditures totaling \$13.9 million and all transfers to determine District compliance with the restrictions imposed on the use of these resources, including Section 1011.71(2)(e), Florida Statutes.
- From the population of 2,005 property deletions during the audit period with a net book value of \$241,275, selected 20 property deletions with a net book value of \$54,548 and examined supporting documentation to determine whether the deletions were properly supported, timely investigated, and Board approved.
- For the three real property acquisitions totaling \$18 million during the period July 2015 through June 2019, determined whether the District followed applicable Board policies and obtained the required property appraisals in compliance with Section 1013.14, Florida Statutes.
- From the population of \$9.8 million total workforce education program funds expenditures for the audit period, selected 20 expenditures totaling \$2.1 million 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 566 industry certifications eligible for the 2018-19 fiscal year performance funding, examined 30 selected certifications to determine whether the District maintained documentation for student attainment of the industry certifications.
- From the population of 256,554 contact hours for 2,130 adult general education instructional students during the 2018 Fall semester, examined District records supporting 1,661 reported contact hours for 30 selected students to determine whether the District reported the instructional contact hours in accordance with State Board of Education Rule 6A-10.0381, Florida Administrative Code.
- Examined District records to determine whether supervisory personnel documented review and approval of time worked.
- Examined District records to determine whether overtime was properly documented, approved, and paid.
- Examined District records related to the 2017-18 and 2018-19 fiscal years administrative salary schedules to determine whether the Board properly approved salary schedules.
- 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.
- Examined District records supporting the eligibility of:
 - 26 selected District recipients of the Florida Best and Brightest Teacher Scholarship Program awards from the population of 3,530 District teachers who received scholarship awards totaling \$5.4 million during the audit period.
 - 4 selected charter school recipients of the awards from the population of 443 charter school teachers who received scholarship awards totaling \$606,893 during the audit period.
- Evaluated District procedures to implement the Florida Best and Brightest Principal Scholarship Program pursuant to Section 1012.732, Florida Statutes. We also examined District records to determine whether the District submitted to the Florida Department of Education accurate information about the number of classroom teachers and the list of principals, as required by Section 1012.731(4), Florida Statutes, and whether the District timely awarded the correct amount to each eligible principal.
- For the one significant construction management project started during the audit period, examined District records to determine whether the architect and construction manager were properly selected. For the one construction management project in progress during the audit period with expenditures totaling \$7 million, we:
 - Evaluated District procedures for monitoring subcontractor selection and licensure and examined District records to determine whether such procedures ensured subcontractors were properly selected and licensed.
 - Determined whether the District established appropriate policies and procedures addressing negotiation and monitoring of general conditions costs.
 - Examined District records supporting 11 payments totaling \$4.9 million to determine whether District procedures for monitoring payments were adequate and payments were sufficiently supported.
- From the population of Board member travel expenses totaling \$10,152 during the audit period, examined District records supporting seven selected expenses totaling \$3,274 to determine

whether the expenses were properly supported and reimbursed in accordance with Section 112.061, Florida Statutes.

- From the population of purchasing card (P-card) transactions totaling \$21.5 million during the period July 1, 2018, through May 27, 2019, examined documentation supporting 76 selected transactions totaling \$103,763 to determine whether purchases were split into separate transactions to circumvent established P-card transaction limits.
- Examined District records related to the four school resource officer contracts, including payments totaling \$4.8 million during the audit period, to determine whether:
 - The contracts clearly specified deliverables, time frames, documentation requirements, and compensation.
 - Satisfactory receipt of deliverables was documented before payments were made.
 - The payments complied with contract provisions.
- Examined District records to determine whether indoor air quality service providers were competitively selected. In addition, from the population of indoor air quality expenditures totaling \$2.1 million during the audit period, we examined documentation supporting 40 selected transactions totaling \$644,208 to determine whether:
 - Services were necessary, satisfactorily received, and conducted by qualified service providers. Specifically, we examined records to evidence site inspections were conducted prior to commencement of services, District personnel reviewed evidence of contractor work after services were completed, and provider certifications were maintained.
 - Service providers were paid in accordance with contract terms.
- Evaluated the adequacy of District policies and procedures over fuel inventories and equipment to determine whether such procedures ensured the proper use and monitoring of such resources.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



PERSONAL | PASSIONATE | PROGRESSIVE

THE SCHOOL DISTRICT OF LEE COUNTY

Gregory K. Adkins, Ed.D.

Superintendent

2855 Colonial Boulevard, Fort Myers, FL 33966 | O: 239.337.8300 | F: 239.337.8378

April 30, 2020

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

Dear Ms. Norman,

We are in receipt of your report of the preliminary and tentative audit findings for the Operational Audit 2019-026. Our District has worked diligently to address the findings from our previous audit, and it is evidenced by the reduction in the number of findings. We continue to remain focused on efficiency and fiscal accountability, and we respectfully offer our feedback and proposed corrective actions.

Finding 1 (Ad Valorem Taxes): We continue to maintain that our expenditures from this funding source were appropriate. The Florida Department of Education agreed that \$2.7 million of the \$3.9 million of the questioned costs were appropriate, however, we still await feedback on the remaining amount. As a matter of procedure, we have instituted an additional review process for all expenditures from our ad valorem funds in order to ensure we comply with all applicable statutes, rules, and regulations.

Finding 2 (Board Internal Audit Services): Upon receipt of the preliminary and tentative findings, our District has been in regular contact with the Office of General Counsel of the FDOE. Our board's attorneys are working to get necessary guidance from them in order to craft a more complete response to this audit finding. To date, the FDOE is continuing to analyze the issue and pertinent statutory provisions but has indicated to the District that they are not yet ready to provide the guidance necessary under Finding 2. The FDOE has indicated that it anticipates it will need an additional fourteen (14) days to complete its analysis. As a result, the District will continue to work with FDOE and is committed to taking all actions necessary to comply with the FDOE's guidance, once received. We believe that we are within the letter and spirit of the law to utilize a contracted auditor, and we will provide additional information as we complete our conversations with the FDOE.

BOARD MEMBERS MARY FISCHER, CHAIR, DISTRICT 1 | DEBBIE JORDAN, VICE CHAIR, DISTRICT 4 | MELISA W. GIOVANNELLI, DISTRICT 2
CHRIS N. PATRICCA, DISTRICT 3 | GWYNETTA S. GITTENS, DISTRICT 5 | BETSY VAUGHN, DISTRICT 6 | CATHLEEN O'DANIEL MORGAN, DISTRICT 7
GREGORY K. ADKINS, Ed.D., SUPERINTENDENT | KATHY DUPUY-BRUNO, ESQ., BOARD ATTORNEY

Ms. Sherrill Norman
April 30, 2020
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Finding 3 (Director of Fleet and Safety): The District provided extensive information related to the facts and circumstances of the hiring of this position. It was our intent to, and our belief that we did, follow District process for advertising. The audit did discover that we did not obtain appropriate transcripts documenting education. We have reiterated our documented process with applicable parties and will perform reviews to prevent future occurrences.

Findings 4 and 5 (User Access Privileges): Both of these findings relate to ensuring only authorized and necessary parties have access to privileged information. We agree that our processes should be refined to help protect confidential information and ensure appropriate protection of segregation of duties. To that end, we will institute a process for periodic evaluations of assigned IT user access privileges and the timely removal of unnecessary access.

Please contact us with any additional information, questions, or comments. We appreciate the feedback and collaborative work with the Auditor General's Office.

Sincerely,



Gregory K. Adkins, Ed.D.
Superintendent

Cc: Mary Fischer, Board Chair, Lee County School Board
Members, Lee County School Board
Kathy Dupuy-Bruno, School Board Attorney
Ami Desamours, Chief Financial Officer
Ken Savage, Chief Operations Officer
Angela Pruitt, Chief Human Resources Officer
Trey Davis, Chief Information Officer

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GREGORY K. ADKINS, Ed.D., SUPERINTENDENT | KATHY DUPUY-BRUNO, ESQ., BOARD ATTORNEY

