STATE OF FLORIDA AUDITOR GENERAL

Federal Single Audit

Report No. 2016-113
March 2016

POLK COUNTY
DISTRICT SCHOOL BOARD

For the Fiscal Year Ended
June 30, 2015

Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2014-15 fiscal year, Kathyrn M. LeRoy served as Superintendent and the following individuals served as Board members:

	District No.
Hunt Berryman, Vice Chair from 11-18-14	1
Lori Cunningham	2
Hazel Sellers	3
Dick Mullenax, Chair	4
Kay Fields	5
Debra Wright to 11-17-14, Vice Chair	6
Lynn Wilson from 11-18-14	6
Tim Harris	7

The Auditor General conducts 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.

The team leader was Gregory J. Lemieux, CPA, and the audit was supervised by David A. Blanton, CPA.

Please address inquiries regarding this report to Douglas R. Conner, CPA, Audit Supervisor, by e-mail at dougconner@aud.state.fl.us or by telephone at (850) 412-2730.

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POLK COUNTY DISTRICT SCHOOL BOARD

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

The District's basic financial statements, as of and for the fiscal year ended June 30, 2015, were presented fairly, in all material respects, in accordance with prescribed financial reporting standards. Our report on the District's basic financial statements is included in the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

SUMMARY OF REPORT ON FEDERAL AWARDS

Information on the accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis and is not a required part of the District's basic financial statements. Information on the SEFA is fairly stated, in all material respects, in relation to the District's basic financial statements taken as a whole.

We audited the District's compliance with applicable Federal awards requirements. The Child Nutrition Cluster, Magnet Schools Assistance, and Race-to-the-Top programs were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs. However, we did note a noncompliance and control deficiency finding as summarized below.

Federal Awards Finding No. 2015-001: District records did not always evidence that Race-to-the-Top (RTTT) Program information technology (IT) software and related services were obtained at the lowest cost consistent with acceptable quality. In addition, District contracts did not always contain the Federally required contract provisions and the District paid IT software license fees for software that was not operational, resulting in RTTT Program questioned costs of $175,000.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether the Polk County District School Board and its officers with administrative and stewardship responsibilities for District operations had:

- Presented the District's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on a major Federal program;

- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal programs.

The scope of this audit included an examination of the District's basic financial statements and the accompanying SEFA as of and for the fiscal year ended June 30, 2015. We obtained an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

The results of our operational audit of the District are included in our report No. 2016-081.

AUDIT METHODOLOGY

The methodology used to develop the findings in this report included the examination of pertinent District records in connection with the application of procedures required by auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133.

AUDITOR GENERAL
STATE OF FLORIDA

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Sherrill F. Norman, CPA
Auditor General

Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Polk County District School Board, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2016. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement

of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to District management in our operational audit report No. 2016-081.

Purpose of this Report

The purpose of the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
January 29, 2016

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited the Polk County District School Board's compliance with the types of compliance requirements described in the United States Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2015. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133*, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance

with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2015.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2015-001. Our opinion on each major Federal program is not modified with respect to this matter.

District's response to the noncompliance finding identified in our audit is included as **MANAGEMENT'S RESPONSE**. District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over

compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance as described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2015-001 that we consider to be a significant deficiency.

District's response to the internal control over compliance finding identified in our audit is included as **MANAGEMENT'S RESPONSE**. District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Polk County District School Board as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 9, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Polk County District School Board
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	14002	$ 9,128,043	$ -
National School Lunch Program	10.555 (2)	14001, 14003	32,836,671	-
Summer Food Service Program for Children	10.559	14006, 14007	994,510	-
Total United States Department of Agriculture			42,959,224	-
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	336,559	-
Total United States Department of Labor			336,559	-
United States Department of Education:				
Direct:				
Federal Pell Grant Program	84.063	N/A	2,237,572	-
Magnet Schools Assistance	84.165	N/A	3,627,969	-
Safe and Drug-Free and Communities - National Programs	84.184	N/A	137,264	-
Fund for the Improvement of Education	84.215	N/A	69,069	-
Total Direct			6,071,874	-
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	20,140,318	1,015,311
Special Education - Preschool Grants	84.173	266, 267	412,127	-
Total Special Education Cluster			20,552,445	1,015,311
Adult Education - Basic Grants to States	84.002	191, 193	1,285,345	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	28,849,757	341,540
Migrant Education - State Grant Program	84.011	217	1,452,923	-
Career and Technical Education - Basic Grants to States	84.048	161	1,135,155	14,314
Education for Homeless Children and Youth	84.196	127	111,668	-
Charter Schools	84.282	298	115,115	108,086
Twenty-First Century Community Learning Centers	84.287	244	393,784	-
Special Education - State Personnel Development	84.323	361	86,468	-
English Language Acquisition State Grants	84.365	102	1,539,970	-
Mathematics and Science Partnerships	84.366	290	158,602	-
Improving Teacher Quality State Grants	84.367	224	3,217,675	202,175
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395 (3)	RA111, RA211, RG311, RG411, RL111	9,248,469	1,049
Washington District School Board:				
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395 (3)	None	22,509	-
Total Indirect			68,169,885	1,682,475
Total United States Department of Education			74,241,759	1,682,475

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Head Start	93.600(4)	N/A	7,674,091	-
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	17,565	-
Assistance Programs for Chronic Disease Prevention and Control	93.945	N/A	1,347	-
Total United States Department of Health and Human Services			7,693,003	-
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	791,236	63,544
Marine Corps Reserve Officers Training Corps	None	N/A	62,124	-
Air Force Junior Reserve Officers Training Corps	None	N/A	79,672	-
Navy Junior Reserve Officers Training Corps	None	N/A	64,581	-
Total United States Department of Defense:			997,613	63,544
Total Expenditures of Federal Awards			$ 126,228,158	$ 1,746,019

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance - National School Lunch Program. - Includes $3,157,815 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(3) ARRA - State Fiscal Stabilization Fund (SFSF) Race-to-the-Top Incentive Grants, Recovery Act. Expenditures total $9,270,978 for CFDA No. 84.395.

(4) Head Start. Expenditures include $3,818,116 for program year 2014 and $3,855,975 for program year 2015.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes
Identification of major programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.553, 10.555 and 10.559	Child Nutrition Cluster
84.165	Magnet Schools Assistance
84.395	ARRA – State Fiscal Stabilization Fund (SFSF) Race-to-the-Top Incentive Grants, Recovery Act
Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	Yes

FEDERAL AWARDS FINDING AND QUESTIONED COSTS

Federal Awards Finding No. 2015-001:

Federal Agency:	**United States Department of Education**
Pass-Through Entity:	**Florida Department of Education (FDOE)**
CFDA Number:	**84.395**
Program Title:	**ARRA – State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants (RTTT), Recovery Act**
Compliance Requirements:	**Allowable Costs/Cost Principles and Procurement**
Finding Type:	**Noncompliance and Significant Deficiency**
Questioned Costs:	**$175,000**

Federal guidance[1] provides that, for an expenditure to be allowable under Federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of the Federal award; must be adequately documented; and must be consistent with policies, regulations, and procedures applicable to other District activities. Also, Federal regulations[2] require that procurement contracts involving Federal funds contain certain provisions, including provisions for access to contractor records that are pertinent to the contract, required retention of records, and termination for cause and convenience.

State Board of Education (SBE) rules[3] provide that the District may acquire information technology (IT) systems through the competitive selection process or by direct negotiation and contract with a provider as best fits the District's needs determined by the Board. While SBE rules provide the Board flexibility in contracting for IT systems, given the extensive complexities and costs of IT systems, it is important that District records demonstrate that the Board's decision results in a procurement at the lowest cost consistent with acceptable quality.

To determine the propriety of RTTT Program expenditures, we selected 25 transactions totaling $2.2 million, from the population of 10,007 RTTT Program expenditure transactions totaling $9.3 million, and examined the supporting District records. Based on our examination and discussions with District personnel, we found that District records did not always document that RTTT Program IT software and related services were obtained at the lowest cost consistent with acceptable quality or that such services were satisfactorily received prior to payment. We also found that District contracts did not always contain the Federally required contract provisions.

According to District records, a District Committee was formed to select a vendor for licensing and professional services associated with the development of student progress assessment and monitoring software and four vendors provided presentations to the Committee, describing the software and related services they could provide for the District. District records indicated that the Committee considered directly negotiating the software and related services' procurement based on specific selection criteria, such as analysis and reporting, platform and security, instructional practices, and data integration. One

[1] United States Office of Management and Budget (OMB) Circular A-87, Attachment A, Section C.

[2] Title 7, Section 3016(i), Code of Federal Regulations.

[3] SBE Rule 6A-1.012(14), Florida Administrative Code.

of the four vendors withdrew from consideration, and the Committee ranked the remaining three vendors in order of preference.

Notwithstanding the Committee's selection process, in March 2014, the Board entered into a 2-year $700,000 licensing and professional services contract, containing automatic 1-year renewals if not canceled within 30 days of contract expiration, with another vendor that was not one of the four vendors in the Committee's selection process. In response to our inquiry, District personnel indicated that the Superintendent directly negotiated with and selected this vendor based on her assessment of the vendor's ability to offer a customized software platform. However, District personnel could not provide documentation to demonstrate the factors considered in evaluating the vendor selected or the cost estimates used in the direct negotiation with the vendor. Absent such, District records did not evidence that the software and related services were obtained at the lowest cost consistent with acceptable quality.

Additionally, contrary to Federal regulations, the $700,000 contract did not contain the required contract provisions related to access to contractor records, required retention of records, or termination for cause or convenience. In response to our inquiry, District personnel indicated that the Federally required contract provisions were missing due to the District's unfamiliarity with Federal contract requirements. Without the Federally required contract provisions, the District is limited in its ability to effectively monitor the contract services, terminate the contract if necessary, and demonstrate compliance with Federal regulations.

The $700,000 contract also required the completion of specific services by July 31, 2014, as identified by benchmarks in Phase 1 of the contract. These benchmarks included, but were not limited to, active directory integration and the development of an assessment system platform and tools which, according to District personnel, were essential to the make the software operational. In April 2015, the vendor invoiced the District $350,000 for product license fees that granted District personnel access to use the software. The District paid $175,000 to the vendor but withheld remaining payments pending the software becoming operational. Absent documentation to evidence the satisfactory receipt of services prior to payment, there is an increased risk that services will not be received consistent with Board expectations and Federal program requirements. The District did not cancel the contract after the initial 2-year period, which expired on June 30, 2015, automatically extending the contract for 1 year because, according to District personnel, it was believed that the vendor would ultimately complete the project.

According to District personnel, as of February 18, 2016, the vendor still had not completed the Phase 1 benchmarks and, consequently, the software was still not operational. As such, the $175,000 represents RTTT Program questioned costs.

Recommendation: For future contracts, the District should ensure that District records document that the services were obtained at the lowest cost consistent with acceptable quality, the contracts contain the Federally required contract provisions, and services are satisfactorily received prior to payment. In addition, the District should provide documentation to the grantor (FDOE) supporting the allowability of the questioned costs, totaling $175,000, or restore the moneys to the RTTT Program.

District Contact Person: Pennie Zuercher, Director of Accounting

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

Listed below is the District's summary of the status of prior audit findings on Federal programs:

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
Cherry Bekaert, LLP		There were no prior Federal audit findings.		

MANAGEMENT'S RESPONSE

SCHOOL BOARD OF POLK COUNTY

P.O. BOX 391
BARTOW, FLORIDA 33831

(863) 534-0500

1915 SOUTH FLORAL AVENUE
BARTOW, FLORIDA 33830

Board Members
BOARD CHAIR
KAY FIELDS
DISTRICT 5

HUNT BERRYMAN
DISTRICT 1

LORI CUNNINGHAM
DISTRICT 2

HAZEL SELLERS
DISTRICT 3

DICK MULLENAX
DISTRICT 4

LYNN WILSON
DISTRICT 6

TIM HARRIS
DISTRICT 7

C. WESLEY BRIDGES, II
General Counsel

Administration
JACQUELINE M. BYRD
Superintendent

March 9, 2016

Sherrill F. Norman
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

The responses to the Preliminary and Tentative Finding on the Federal single audit for fiscal year ending June 30, 2015 has been completed. Please accept this letter along with the attached as the submission from the Polk County Schools federal single audit.

If you have any questions on the responses, you may contact Pennie Zuercher, Director of Accounting, at (863) 534-0539 or by email at pennie.zuercher@polk-fl.net .

Sincerely,

Jacqueline M. Byrd
Superintendent

Attachment

Polk County Schools - an equal opportunity institution for education and employment

The Mission of Polk County Public Schools is to provide a high quality education for all students.

Polk County District School Board
Management Response to Preliminary and Tentative Findings
Federal Single Audit for Fiscal Year 2014-15

Audit Recommendation: For future contracts, the District should ensure that District records document that the services were obtained at the lowest cost consistent with acceptable quality, the contracts contain the Federally required contract provisions, and services are satisfactorily received prior to payment. In addition, the District should provide documentation to the grantor (FDOE) supporting the allow ability of the questioned costs, totaling $175,000, or restore the moneys to the RTTT Program.

Management Response: *The District will establish procedures requiring future contracts to include documentation that the services obtained are at the lowest cost consistent with acceptable quality; the contracts contain the Federally required contract provisions; and services are satisfactorily received prior to payment of the contract. Corrective Action will be completed by June 30, 2016.*