



# STATE OF FLORIDA AUDITOR GENERAL DAVID W. MARTIN, CPA



## Summary

**Report Number:** [2010-129](#)

**Report Title:** **Bradford County District School Board – Financial, Operational, and Federal Single Audit**

**Report Period:** **FYE 06/30/2009**

**Release Date:** **03/11/2010**

### Summary of Report on Financial Statements

Our audit disclosed that the District's basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

### Summary of Report on Internal Control and Compliance

We noted certain matters involving the District's internal control over financial reporting and its operation that we consider to be significant deficiencies as summarized below. However, these significant deficiencies are not considered 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; however, we noted certain additional matters as summarized below.

#### SIGNIFICANT DEFICIENCIES

**Finding No. 1:** Improvements are needed in District procedures to ensure that certain account balances, transactions, and note disclosures are properly reported on the financial statements.

**Finding No. 2:** The District did not maintain adequate detailed subsidiary records for certain capital assets.

**Finding No. 3:** Weaknesses were noted in internal control over cash collections at the District office, including an inadequate separation of duties and ineffective use of and accountability for prenumbered receipts.

**Finding No. 4:** The District did not have procedures in place to ensure payments were made properly in accordance with lease documents.

#### ADDITIONAL MATTERS

**Finding No. 5:** Procedural enhancements could be made to sufficiently and appropriately evidence employee work time.

**Finding No. 6:** The District's disaster recovery plan could be enhanced.

**Finding No. 7:** The District lacked written policies and procedures for certain information technology (IT) functions.

**Finding No. 8:** The District had not classified its data according to sensitivity or level of significance, and had not maintained documentation of user access authorization.

**Finding No. 9:** The District had not implemented an IT security awareness training program.

Finding No. 10: The District did not have a formal program change methodology that documented the program change process and did not restrict programmers from accessing or updating production programs and data.

Finding No. 11: Certain IT security controls related to logging and user authentication needed improvement.

#### Summary of Report on Federal Awards

We audited the District's Federal awards for compliance with applicable Federal requirements. The Child Nutrition Cluster, Title I, Special Education Cluster, ARRA – Child Nutrition Discretionary Grants Limited Availability, and Hazard Mitigation programs were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that were applicable to the major Federal programs tested. However, we did note compliance and internal control findings as summarized below.

Federal Awards Finding No. 1: The District had not implemented controls to ensure the accountability and safeguarding of the District's tangible personal property, the lack of which impacts the major Federal programs.

Federal Awards Finding No. 2: District records indicated that two teachers did not meet the highly qualified requirements to work in the Title I program.

Federal Awards Finding No. 3: The District did not obtain the required semiannual certifications for five employees whose salaries were charged to the Special Education program.

Federal Awards Finding No. 4: The District should enhance procedures to ensure that grantor approval is obtained, when required, before purchasing capital equipment from Federal funds.

#### Audit Objectives and Scope

Our audit objectives were to determine whether the Bradford 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;
- Established internal controls that promote and encourage: 1) compliance with applicable laws, rules, regulations, contracts, and grant agreements; 2) the economic and efficient operation of the District; 3) the reliability of records and reports; and 4) the safeguarding of District assets;
- 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; and
- Taken corrective actions for findings included in our report No. 2009-153.

The scope of this audit included an examination of the District's basic financial statements and the Schedule of Expenditures of Federal Awards as of and for the fiscal year ended June 30, 2009. 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, both in manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

### 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*.

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**Management's response is included in the audit report as Exhibit A.**