Summary

Report Number: 2014-071

Report Title: Osceola County District School Board – Operational Audit

Release Date: 12/20/2013

Our operational audit disclosed the following:

PERSONNEL AND PAYROLL

Finding No. 1: The Board had not established a documented process to identify instructional personnel entitled to differentiated pay using the factors prescribed in Section 1012.22(1)(c)4.b., Florida Statutes.

Finding No. 2: The District did not obtain required background screenings of certain District employees.

CASH CONTROLS

Finding No. 3: Controls over electronic funds transfers could be enhanced.

CAPITAL OUTLAY FUNDING

Finding No. 4: District records did not always evidence that ad valorem tax levy proceeds were only used for authorized purposes, resulting in $20,136 of questioned costs.

CONSTRUCTION ADMINISTRATION

Finding No. 5: Contrary to Section 287.055, Florida Statutes, the District entered into two construction projects that had total expenditures in excess of $2 million each, without competitively selecting the construction management entities.

Finding No. 6: The District needed to establish policies and procedures for negotiating, documenting, and monitoring general conditions costs for guaranteed maximum price projects.

Finding No. 7: The District needed to enhance its procedures for monitoring the subcontractor selection process for construction projects.

Finding No. 8: The District needed to enhance its procedures for monitoring payment requests from construction management entities.

Finding No. 9: The District needed to strengthen its controls to ensure that the Board approves all construction project change orders.

FACILITIES ADMINISTRATION AND MONITORING

Finding No. 10: Controls over facilities construction and maintenance activities could be enhanced.

PROCUREMENT

Finding No. 11: Controls over payments for contractual services could be enhanced.

Finding No. 12: Controls over the use of purchasing cards could be strengthened.

ADULT EDUCATION PROGRAMS

Finding No. 13: Improvements were needed in controls over workforce development expenditures and unspent funds associated with workforce development funds and adult education tuition and fees.

Finding No. 14: The District needed to strengthen its controls to ensure the accurate reporting of instructional contact hours for adult general education classes to the Florida Department of Education.

INVENTORIES

Finding No. 15: Controls over transportation and food service inventories could be enhanced.

VIRTUAL INSTRUCTION PROGRAM

Finding No. 16: Controls over virtual instruction program (VIP) operations and related activities could be enhanced by developing and maintaining comprehensive, written VIP policies and procedures.

Finding No. 17: VIP provider contracts were deficient in that contracts did not include all provisions required by State law.

Finding No. 18: The District could enhance its procedures to ensure that, in the future, the required number of VIP options is offered.

Finding No. 19: The District needed to strengthen controls to ensure that VIP students and their parents are notified of the availability of computing resources and that qualified VIP students are provided computing resources.

Finding No. 20: District records did not evidence that required background screenings were performed for VIP provider employees and contracted personnel.

Finding No. 21: The District needed to enhance its procedures to ensure that residual VIP funds are properly restricted for use as required by State law.

INFORMATION TECHNOLOGY

Finding No. 22: Some inappropriate or unnecessary information technology (IT) access privileges existed.

Finding No. 23: The District did not timely deactivate network access privileges of former employees.

Finding No. 24: District IT security controls related to user authentication and configuration management needed improvement.

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