# Summary

**Report Number:** 2014-144

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

**Report Period:** FYE 06/30/2013

**Release Date:** 03/20/2014

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

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; however, we noted certain additional matters as summarized below.

ADDITIONAL MATTERS

Finding No. 1: Bank account reconciliation procedures could be improved.

Finding No. 2: The District did not have procedures, such as reconciliations of health insurance billings to payroll records, to ensure that Board contributions toward health insurance premium payments are only for eligible participants and that contribution amounts are consistent with Board-approved salary schedules.

Finding No. 3: The District could enhance certain capital asset subsidiary records.

Finding No. 4: Controls over facilities maintenance activities could be enhanced.

Finding No. 5: Controls over monitoring school bus drivers could be enhanced.

Finding No. 6: Improvements were needed in controls over the reporting of instructional contact hours for adult general education classes to the Florida Department of Education.

Finding No. 7: 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. 8: Some inappropriate or unnecessary information technology (IT) access privileges existed.

Finding No. 9: The District needs to enhance its IT disaster recovery procedures.

Summary of Report on Federal Awards

We audited the District's Federal awards for compliance with applicable Federal requirements. The Title I, and Special Education Cluster 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, except for the Special Education Cluster programs. Noncompliance and control deficiency findings are summarized below.

Federal Awards Finding No. 1: The District did not have adequate procedures to monitor its compliance with the Special Education Cluster programs maintenance of effort requirement, resulting in a maintenance of effort shortfall of $397,208.43.

Federal Awards Finding No. 2: The District used Title I proceeds for expenditures incurred outside the period of availability, resulting in $82,179 of questioned costs.

Federal Awards Finding No. 3: The District charged Federal programs $69,564 for health insurance premiums for employees who did not participate in the District's health insurance program.

## Audit Objectives and Scope

Our audit objectives were to determine whether the Union 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. 2013-162.

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, 2013. 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.

---

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