



# STATE OF FLORIDA AUDITOR GENERAL

DAVID W. MARTIN, CPA



## Summary

**Report Number:** [2015-117](#)

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

**Report Period:** **FYE 06/30/2014**

**Release Date:** **03/04/2015**

### 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 a certain matter involving the District's internal control over financial reporting and its operation that we consider to be a significant deficiency, as summarized below. However, this significant deficiency is not considered to be a material weakness.

#### SIGNIFICANT DEFICIENCY

Finding No. 1: Improvements were needed in financial reporting procedures to ensure that account balances and transactions are properly reported on the financial statements.

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. 2: The District needed to enhance its procedures to require verification of eligibility of all dependents covered by the District's health insurance plan.

Finding No. 3: District controls over food service collections needed improvement.

Finding No. 4: District records did not evidence that proceeds totaling \$3,243 from the sale of scrap metal were used for authorized public purposes.

Finding No. 5: The District did not timely perform required background screenings for certain contractual personnel.

Finding No. 6: Procurement procedures could be enhanced to provide for routine review of required statements of financial interests for consideration in making procurement decisions.

Finding No. 7: The Board had not adopted a policy prescribing the minimum insurance coverage requirements for design professionals, and the District had not established procedures to timely review certificates of insurance evidencing that design professionals obtained required insurance.

Finding No. 8: Improvements were needed in controls over the reporting of instructional contact hours for adult education classes to the Florida Department of Education.

## 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, and Improving Teacher Quality 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 noncompliance and control deficiency findings as summarized below.

Federal Awards Finding No. 2014-001: Deficiencies in determining eligibility and performing verification of free and reduced price meal students resulted in \$12,182 of questioned costs.

Federal Awards Finding No. 2014-002: Deficiencies in identifying students claimed for free and reduced price meals resulted in \$37,471 of questioned costs and \$11,405 of overpayments to a food service management company.

### Audit Objectives and Scope

Our audit objectives were to determine whether the Jackson 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. 2014-081.

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, 2014. 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.**