



Hendry County School District Performance Audit

**DISCRETIONARY
SALES SURTAX**

Final Report

AUGUST 2022



MGTCONSULTING.COM



August 27, 2022

Michael Swindle, Superintendent of Schools
Hendry County School District
LaBelle Outreach Center
LaBelle, FL 33935

Dear Mr. Swindle

MGT is pleased to submit our final report of the performance audit of Hendry County School District (District) pursuant to Section 212.055(11), Florida Statutes. In accordance with the requirements of Section 212.055(11)(b), the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MGT to conduct a performance audit of the administrative unit(s) related to renovation, replacement, construction, security, and technology improvements to the district's schools and facilities and unit(s); land acquisition, construction, reconstruction, and improvements of school facilities, including costs of retrofitting and providing for technology implementation; equipment acquisition, including safety and security; technology hardware and software acquisition; purchasing and/or leasing of school buses; and servicing of bond indebtedness.

We conducted this performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

The objective of the audit was to fulfill the requirements of Section 212.055(11), Florida Statutes. This statute requires that Florida local governments, with a referendum on the discretionary sales surtax held after March 23, 2018, undergo a performance audit conducted of the program associated with the proposed sales surtax adoption. The audit must be completed at least 60 days before the referendum is held. OPPAGA is charged with procuring and overseeing the audit.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the program associated with the proposed sales surtax adoption based on the following criteria:

1. The economy, efficiency, or effectiveness of the program
2. The structure or design of the program to accomplish its goals and objectives
3. Alternative methods of providing services or products
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments
5. The accuracy or adequacy of public documents, reports, and requests prepared by the District, which relate to the program
6. Compliance of the program with appropriate policies, rules, and laws.

We developed a work plan outlining the procedures to be performed to achieve the above audit objectives. Those procedures and the results of our work are summarized in the Executive Summary and discussed in detail in the

body of the report. Based upon the procedures performed and the results obtained, the audit objectives have been met. We conclude that, with the exception of the findings discussed in the report and based upon the work performed, the departments that expend sales surtax funds have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in Section 212.055(11), Florida Statutes.

MGT of America Consulting LLC

MGT
TAMPA, FLORIDA

Overview of Performance Audit Findings

Hendry County School District
August 2022

Overall, the District Met Expectations in 9 Areas, Partially Met Expectations in 14 Areas, and Did Not Meet Expectations in 2 Areas.

Issue Area (Number of Subtasks Examined)	Overall Conclusion	Did the District Meet Subtask Expectations?		
		Yes	Partially	No
Economy, efficiency, or effectiveness of the program (7)	Partially Met	3	4	0
Structure or design of the program (2)	Met	2	0	0
Alternative methods of providing program services or products (4)	Partially Met	0	2	2
Goals, objectives, and performance measures (3)	Partially Met	0	3	0
Accuracy or adequacy of public documents, reports, and requests prepared by the school district (5)	Partially Met	0	5	0
Compliance with appropriate policies, rules, and laws (5) ¹	Met	4	0	0
All Areas (26)		9	14	2

¹ One research task not addressed above was considered to be not applicable because Hendry County School District does not have any charter schools.

Results in Brief

In accordance with s. 212.055(11), F.S., and Government Auditing Standards, MGT conducted a performance audit of the Hendry County School District programs within the administrative unit(s) that will receive funds through the referendum approved by Resolution adopted by the Hendry County School Board on May 3, 2022. These programs are Facilities and Operations, Transportation, Debt Service, and Information Technology (IT). For each program, the performance audit included an examination of the issue areas identified below.

1. The economy, efficiency, or effectiveness of the program.
2. The structure or design of the program to accomplish its goals and objectives.

3. Alternative methods of providing program services or products.
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.
5. The accuracy or adequacy of public documents, reports, and requests prepared by the county or school district which relate to the program.
6. Compliance of the program with appropriate policies, rules, and laws.

Findings for each of the six issue areas were based on the extent to which the programs met expectations established by audit subtasks. Overall, the audit found that Hendry County School District met expectations in 2 areas and partially met expectations in 5 areas. Of the 26 total subtasks, the audit determined that the

District met expectations in 9, partially met 14, and did not meet expectations in 2 subtasks.

A summary of audit findings by issue area is presented below. A more detailed overview of the findings can be found in the Executive Summary.

Findings by Issue Area —————

Economy, Efficiency, or Effectiveness of the Program

Overall, the Hendry County School District partially met expectations in this area. Although the District has access to program performance and cost information that are adequate to monitor program performance cost, the District does not formally evaluate the Facilities and Operations, Transportation, and IT programs using performance information and other reasonable criteria to assess program performance and cost.

For the Facilities and Operations program, the District uses SchoolDude to keep track of all Facilities and Operations, and safety and security related workorders. SchoolDude provides daily and real-time reporting. The Director uses information, including total number of workorders open, age of workorders, and cost per workorder, stored within SchoolDude to monitor program performance and cost. The Director discusses performance and cost information with the program's staff; however, this is an informal process and there is no documentation evidencing the discussions. Additionally, the program does not formally present performance and cost information to the Superintendent or School Board, unless the information is requested.

MGT reviewed two projects completed during the period July 2020 through May 2022. Based on our comparison of actual start and completion dates, actual costs, and identified deliverables to budgeted data, Facilities and Operations related projects are completed well and on-time. However, the relocation of the data center cost \$956 over budget. Additionally, the Facilities and

Operations program does not currently store data at the project level, rather data is only available at the workorder level.

During the period July 2020 through May 2022, the District's Transportation program purchased eight school buses. The eight buses were purchased at the price negotiated by FDOE of \$91,070 and approved by the School Board on January 12, 2021 and September 7, 2021. The Transportation program's school bus purchasing and leasing program performance and cost appear adequate based on reasonable measures, including the price paid for new school buses using FDOE's negotiated prices. Additionally, the school bus purchases were made within budget as the total amount of the purchases was within the budgeted cost included in the District's final budget for the applicable year. The school bus purchases were also made in a timely manner as the purchases occurred during the fiscal year in which the funds had been appropriated for the purchases.

For the Debt Service function, the District evaluated performance and cost on a monthly basis using the District's budget report. The budget includes detailed information on long-term debt, include debt type, revenue, and appropriations of future payments. The debt service function uses the Debt Service Schedule to keep track of total yearly principal and interest payments. However, there are opportunities for improvements as the District did not make a long-term debt payment on time during the 2021-22 fiscal year which resulted in a late payment penalty totaling \$18,178.29.

The IT program uses Zendesk to store IT related service data. The Zendesk reports reviewed by MGT included reporting on service level agreements to the business and satisfaction surveys. The IT program has proper metrics in place to measure performance of the IT program that are consistent with metrics recommended by the Technology Business Management Council. The performance metrics are reviewed monthly within the IT program. However, the review is not documented and shared only with internal staff

and there is no reporting out to the business units or the School Board. Additionally, cost-related data is not measured.

Although the IT program performance and cost is not formally evaluated, the program's performance and cost appear to be adequate when taking into consideration reasonable measures, including Instructional Tech Spending Per Student and Total Tech Spending Per Student. The IT program did not provide information evidencing that relevant IT related findings were addressed. Additionally, the IT program was not able to provide documentation for projects completed during the period July 2020 through May 2022.

The District established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

MGT recommends that the Facilities and Operations, Transportation, and IT programs enhance performance and cost reporting monitoring procedures to ensure that the programs are evaluated regularly using information that is adequate to assess program performance and cost and appropriately documented. Additionally, performance and cost information should be presented to the School Board on a regular basis.

The structure or design of the program to accomplish its goals and objectives

Overall, the Hendry County School District met expectations in this area. The Facilities and Operations, Transportation, and IT programs organizational structures have clearly defined units, minimal overlapping functions, and administrative layers that minimize costs. Additionally, when comparing the programs organization chart span of control of each of the three programs with the Society of Human Resource Management (SHRM) guidelines, the organizational charts show that the span of control falls within the benchmarks published by the SHRM.

The current staffing levels appear reasonable given the nature of the services provided and program workload.

Alternative methods of providing services or products

Overall, the Hendry County School District partially met expectations in this area. The Facilities and Operations, Transportation, and IT program administrators did not formally evaluate existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. Program administrators currently use a mixture of in-house and contracted personnel to perform the work. Criteria used to determine if a job should be contracted or performed in-house include cost, timeliness, expertise, and quality. However, the evaluations performed by the program administrators are informal and not documented, including the reasonableness of their conclusions.

MGT recommends the Facilities and Operations, Transportation, and IT departments formally assess contracted and/or privatized services to verify effectiveness and cost savings achieved and document the reasonableness of their conclusions.

Goals, objectives, and performance measures used by the program to monitor and report program accomplishments

Overall, the Hendry County School District partially met expectations in this area. The IT program vision, strategy, goals and objectives documented in the District's Planning Technology Vision, Framework, and Strategy and IT Department Goals documents are clearly stated, measurable, can be achieved within budget and are consistent with the District's Strategic Plan. However, the Transportation and Facilities and Operations programs did not have written goals and objectives. Although the programs have informal goals, including ensuring that facilities and school buses are safe, there are no formal goals that are clearly stated and measurable.

MGT recommends that the Facilities and Operations and Transportation programs

establish goals and objectives in writing that are clearly stated, measurable, achievable within budget, and consistent with the District's strategic plan.

The accuracy or adequacy of public documents, reports, and requests prepared by the school district which relate to the program

Overall, the Hendry County School District partially met expectations in this area. The District uses its primary website to disseminate important financial and non-financial information. Examples of information located on the website include the annual budgets and annual financial audit reports. The District's website also keeps the community apprised of issues related to the proposed infrastructure sales tax referendum. The District has an informal process to help ensure the accuracy of public information, including review of the information by the applicable program administrator prior to release of the information to the public. However, the District does not have a formal process for evaluating the accuracy of public information and the program administrator's review is not documented.

Although the District's Finance Department section of the website includes relevant financial reports (e.g., budget), the District's website does not provide sufficient financial and non-financial information related to the Facilities and Operations, Transportation, and IT programs. Specifically, MGT found limited project information Facilities and Operations, Transportation, or IT related project information on the District's website. MGT recommends the District improve its processes to ensure that the public has access to project financial and non-finance information that is useful, timely, and accurate, including project budgeted cost, actual cost, estimated completion date, actual completion date, and status.

Compliance of the program with appropriate policies, rules, and laws

Overall, the Hendry County School District met expectations in this area. The Board Attorney

provides transactional and governance legal services to the District. In this capacity, the Board Attorney reviews all contracts requiring board approval for compliance with legal requirements and board policy. The Finance Department reviews and approves expenditure transactions to ensure compliance with applicable Federal, State and local laws, rules, and regulations and grant agreements. In addition, the School Board has adopted various policies that provide guidance on compliance related topics, including grant funds, cash management of grants, and internal controls.

As it relates to the planned uses of the surtax, MGT concludes that program administrators have taken reasonable and timely actions to provide reasonable assurance that planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. The actions taken by the District include the creation of the Surtax Capital Outlay Plan and the creation of a proposed Independent Oversight Committee for the purpose of monitoring and providing advice regarding the implementation of the Surtax Capital Outlay Plan.

TABLE OF CONTENTS

EXECUTIVE SUMMARY I

SUMMARY OF FINDINGS II

DETAILED FINDINGS AND RESULTS 32

MANAGEMENT’S RESPONSE..... 99

Executive Summary

Background

Use of Surtax Funds

Hendry County is situated in the rural agricultural Heartland of Florida. The Hendry County School District (District) has about 7,000 students and close to 1,000 employees. On May 3, 2022, the District approved a resolution to place on the ballot of a referendum, to be held on November 8, 2022, levying a one cent Discretionary Sales Surtax pursuant to Section 212.055(8), Florida Statutes. Section 212.055(11), Florida Statutes, provides requirements associated with such ordinance, including that the Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA) procure the services of a certified public accountant to conduct a performance audit of the program associated with the proposed surtax. Should Hendry County voters approve the sales surtax of one cent, the proceeds will be used to provide for the upgrade and modernization of aging schools and facilities, including:

1. renovation, replacement, construction, security, and technology improvements to the district’s schools and facilities and unit(s);
2. land acquisition, construction, reconstruction, and improvements of school facilities, including costs of retrofitting and providing for technology implementation;
3. equipment acquisition, including safety and security;
4. technology hardware and software acquisition;
5. purchasing and/or leasing of school buses; and
6. servicing of bond indebtedness.

We performed a crosswalk between the six intended uses of the surtax and the functional area responsible for the operations and management of these six intended uses. **Table 1** below presents the results of the crosswalk and where each audited function will be addressed in the report.

Table 1 – Crosswalk Between Intended Uses and Functional Areas

AUDIT SCOPE/USES OF SURTAX FUNDS	FUNCTIONAL AREA			
	FACILITIES AND OPERATIONS	TRANSPORTATION	DEBT SERVICE	INFORMATION TECHNOLOGY
Renovation, replacement, construction, security, and technology improvements to the district’s schools and facilities and unit	X			
Land acquisition, construction, reconstruction, and improvements of school facilities, including costs of retrofitting and providing for technology implementation;	X			X

AUDIT SCOPE/USES OF SURTAX FUNDS	FUNCTIONAL AREA			
	FACILITIES AND OPERATIONS	TRANSPORTATION	DEBT SERVICE	INFORMATION TECHNOLOGY
equipment acquisition, including safety and security				
Equipment acquisition, including safety and security	X			X
Technology hardware and software acquisition				X
Purchasing and/or leasing of school buses		X		
Servicing of bond indebtedness			X	

Facilities and Operations Department

The Facilities and Operations Department is responsible for overseeing all construction, renovations, and maintenance activities within the District's facilities. Its mission is to provide proactive, high quality building maintenance and repairs in a timely and cost-effective manner to support student learning through a safe, clean, healthy environment. They accomplish this through an emphasis on professionalism, quality control, highly trained staff, safety, effective communication, and preventative maintenance.

The Department's work orders are stored within the SchoolDude system and each project and/or maintenance request is assigned an individual work order number. The system also has the ability to track internal costs, including labor and materials. However, the system does not currently track vendor/contracted costs.

Transportation Department

The Transportation Department is responsible for ensuring that there are safe, sufficient, and efficient buses to transport the students to and from the schools. According to the Florida Department of Education's Florida School District 2020-21 Transportation Profiles Report, the District has 61 school buses in its inventory and the District's school buses traveled 903,000 miles annually, including 871,000 route miles and 32,000 field/activity trip miles.

Finance Department

The Finance Department is responsible for the fiscal and financial operations and activities of the District. These activities include budgeting, receiving, and disbursing District funds, financial accounting, payroll, inventory control, records retention, purchasing, and financial supervision of school activity funds. The Department provides analyses of budget and financial issues as required by the Superintendent and the School Board.

The Finance Department is also responsible for ensuring that debt payments are made on-time. The District's long-term debt payments are about \$464,000 annually and the District has not issued new long-term debt since 2018.

Information Technology Department

The Technology Department is dedicated to providing the information, communication, technology, and media literacy it takes to create a 21st Century Learner. All schools are equipped with wireless networks providing instant access to students wherever they may be in their school via a device. Furthermore, each classroom contains an interactive display system that allows teachers to use digital ink. This creates a more dynamic experience for the students and teachers. Each teacher has his or her own computer and website tools to communicate and collaborate with other teachers, as well as with students, parents, and guardians. Teachers host video conferences with other schools, universities, organizations, and authors bringing the world to the students' fingertips.

The District's online student information system, known as FOCUS, allows students, parents, and guardians to access grades, attendance records, food purchases, financial information as well as communicate with teachers.

Audit Objectives

In accordance with Section 212.055(11), Florida Statutes, and Generally Accepted Government Auditing Standards (GAGAS), a certified public accountant must conduct a performance audit of Hendry County School District program areas within the administrative unit(s) that will receive funds through the ordinance approved by on April 2, 2022. Pursuant to the requirements of Section 212.055(11), Florida Statutes, OPPAGA selected MGT to conduct the performance audit of the programs associated with the surtax resolution. Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods to complete the assessment of the six (6) research tasks.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the program associated with the proposed sales surtax adoption based on the following criteria:

1. The economy, efficiency, or effectiveness of the program
2. The structure or design of the program to accomplish its goals and objectives
3. Alternative methods of providing services or products
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments
5. The accuracy or adequacy of public documents, reports, and requests prepared by the District, which relate to the program
6. Compliance of the program with appropriate policies, rules, and laws.

Project Scope

The subject auditee for the performance audit is Hendry County School District. We conducted this audit from July 2022 through August 2022 in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Project Methodology

Our audit included the selection and examination of transactions and records occurring during the period July 2020 through May 2022. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

In conducting our audit, we:

- Reviewed applicable laws, rules, District policies and procedures, and other guidelines, and interviewed District personnel to obtain an understanding of the administration of District Services.
- Obtained an understanding of selected District information technology (IT) controls, assessed the risks related to those controls, evaluated whether selected general IT controls were in place, and tested the effectiveness of the selected controls.
- Examined reports and data used by management to monitor program performance and cost to determine whether the information appeared to be adequate to monitor program performance and cost.
- Inquired with applicable management to determine whether the audited programs were periodically evaluated.
- Analyzed the data contained in the District's work orders system (i.e., SchoolDude) to determine if it was sufficiently detailed to allow the District to monitor the utilization of staff, equipment, and materials.
- Examined the District's Annual Financial Reports for fiscal years ending June 30, 2020, and June 30, 2021, and the State of Florida Auditor General's Operational Audit Report issued January 2022, to determine whether the District had any findings affecting the audited programs and, if so, if management had taken appropriate action to correct the findings.
- Evaluated program performance by comparing to peer districts where sufficient data was available.
- Examined two Facilities and Operations program-related projects to determine whether the projects were completed well, within budget or a reasonable amount, and completed on-time.
- Examined District purchasing policies and procedures to determine whether the policies and procedures addressed the use of competitive procurement, volume discounts, and special pricing agreements.

EXECUTIVE SUMMARY



- Examined the audited departments' organizational charts and compared staffing levels to Span of Control benchmarks obtained from the Society for Human Resource Management (SHRM) to determine whether the organizational structure appears to minimize overlapping functions, excessive administrative layers, and minimizes administrative costs.
- Examined the audited departments' organizational charts and performed analytical procedures to determine whether the staffing appeared appropriate given the nature of the services provided and program workload.
- Inquired with audited departments' management regarding evaluations of in-house services and activities to assess the feasibility of alternative methods of providing services and the assessment of contracted services.
- Inquired with audited departments' management to identify the program's goals and objectives, measures used to evaluate program performance, and internal controls in place to determine whether clear, measurable, and achievable goals have been established for the program, sufficient measures are in place to evaluate program performance, and internal controls provide reasonable assurance that goals and objectives will be met.
- Reviewed the District website to identify the types of documents available related to the audited programs and reviewed the documents to determine the types of performance and cost data publicly available.
- Reviewed the District website to determine whether information appeared to be posted timely and made inquiries regarding corrections to data previously posted on the website.
- Inquired with audited departments' management to gain an understanding of the processes and controls established to determine whether the departments have established a process to ensure compliance with applicable federal, state, and local laws and regulations; contracts; and grant agreements.
- Made inquiries with the Board Attorney, CFO, and audited department directors to determine how the District verified that planned uses of the surtax comply with applicable state laws, rules, and regulations.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading MANAGEMENT'S RESPONSE. MGT did not audit the actions taken by management as described in the MANAGEMENT'S RESPONSE section of this report.

Research Tasks Overall Findings

Overall Conclusion:

Hendry County School District has appropriate controls and processes in place to manage the upgrade and modernizing of aging schools and facilities surtax. However, we noted that the District could improve its processes related to Facilities and Operations, Transportation, and Information Technology programs and the Debt Service function.

Facilities and Operations

Research Task 1: The economy, efficiency, or effectiveness of the program – Partially Met

Finding Summary: Overall, the District's Facilities and Operations program partially ensured that Facilities and Operations services were administered in an economic, efficient, and effective manner.

Research Task 2: The structure or design of the program to accomplish its goals and objectives - Met

Finding Summary: Overall, the Facilities and Operations program ensured that the structure of the programs providing Facilities and Operations services was appropriate to accomplish their goals and objectives.

Research Task 3: Alternative methods of providing services or products – Not Met

Finding Summary: Overall, the Facilities and Operations program did not ensure that the use of alternative services was formally evaluated, assessed the effectiveness of contracted or privatized services and ensured the conclusions of the assessments were appropriately documented, and implemented changes to service provision when cost savings were identified for Facilities and Operations.

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Not Met

Finding Summary: The Facilities and Operations program has not established goals and objectives in writing. Although the District established relevant internal controls, the District controls do not ensure that program goals and objectives were met since no goals and objectives have been established.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

Finding Summary: The Facilities and Operations program partially ensured the accuracy and adequacy of public documents, reports, and requests prepared by the District which relate to the program.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

Finding Summary: The District has an appropriate process to assess, and internal controls appeared sufficient, to ensure compliance with applicable federal, state, and local laws, rules, and regulations. Program administrators had taken reasonable and timely actions to address noted instances of noncompliance. Program administrators had also properly assessed whether planned uses of the surtax complied with state laws, rules, and regulations.

Transportation

Research Task 1: The economy, efficiency, or effectiveness of the program - Met

Finding Summary: Overall, the District ensured that the school bus purchasing/leasing services were administered in an economic, efficient, and effective manner.

Research Task 2: The structure or design of the program to accomplish its goals and objectives - Met

Finding Summary: Overall, the District ensured that the structure of the programs providing school bus purchasing/leasing services was appropriate to accomplish their goals and objectives.

Research Task 3: Alternative methods of providing services or products – Partially Met

Finding Summary: Overall, the District did not ensure that the use of alternative transportation services was formally evaluated, assessed the effectiveness of contracted or privatized transportation services and ensured the conclusions of the assessments were appropriately documented, and implemented changes to service provision when cost savings were identified. However, MGT found that the school bus purchasing/leasing program is operating efficiently, and MGT did not identify possible opportunities for alternatives service delivery methods that have the potential to generate cost savings.

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Not Met

Finding Summary: The Transportation program did not establish goals, objectives, and performance measures. Although the District established relevant internal controls, District controls do not ensure that program goals and objectives were met since no goals and objectives have been established.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

Finding Summary: The Transportation program partially ensured the accuracy and adequacy of public documents, reports, and requests prepared by the District which relate to the program. The District

should publish additional non-financial information for the purchase or leasing of school buses program, information such as the number of buses purchased, total cost per bus, bus purchase related procurement documents.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

Finding Summary: The District has an appropriate process to assess, and internal controls appeared sufficient, to ensure compliance with applicable federal, state, and local laws, rules, and regulations for transportation services. Transportation Department administrators had taken reasonable and timely actions to address noted instances of noncompliance. Transportation Department administrators had also properly assessed whether planned uses of the surtax complied with state laws, rules, and regulations.

Debt Service

Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service. The tables below present our conclusions for each of the research tasks that were determined to be applicable to Debt Service.

Research Task 1: The economy, efficiency, or effectiveness of the program – Partially Met

Finding Summary: Overall, the District partially ensured that Debt Service activities were administered in an economic, efficient, and effective manner. However, there are opportunities for improvements as the District failed to make a long-term debt payment on time during the 2021-22 fiscal year which resulted in a late payment penalty of \$18,178.29.

Research Task 2: The structure or design of the program to accomplish its goals and objectives – Not Applicable

Finding Summary: This research task is not applicable to Debt Service.

Research Task 3: Alternative methods of providing services or products – Not Applicable

Finding Summary: This research task is not applicable to Debt Service.

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Not Applicable

Finding Summary: This research task is not applicable to Debt Service.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

Finding Summary: The Debt Service function partially ensured the accuracy and adequacy of public documents, reports, and requests prepared by the Debt Service function. The Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the

information on the District’s website. However, this process is not documented in writing and the District does not have processes in place to ensure the accuracy of financial information prior to publishing the information on the website.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

Finding Summary: The District has an appropriate process to assess, and internal controls appeared sufficient, to ensure compliance with applicable federal, state, and local laws, rules, and regulations for transportation services. Transportation Department administrators had taken reasonable and timely actions to address noted instances of noncompliance. Transportation Department administrators had also properly assessed whether planned uses of the surtax complied with state laws, rules, and regulations.

Information Technology

Research Task 1: The economy, efficiency, or effectiveness of the program – Partially Met

Finding Summary: Overall, the District partially ensured that Information Technology (IT) services were administered in an economic, efficient, and effective manner. The District appears to have the proper metrics in place to measure performance of the IT organization. However, the District indicated that costs are not measured.

Research Task 2: The structure or design of the program to accomplish its goals and objectives – Met

Finding Summary: Overall, the District ensured that the structure of the programs providing IT services was appropriate to accomplish their goals and objectives.

Research Task 3: Alternative methods of providing services or products – Partially Met

Finding Summary: Overall, the District partially ensured that the use of alternative IT services was formally evaluated, assessed the effectiveness of contracted or privatized services and ensured the conclusions of the assessments were appropriately documented, and implemented changes to service provision when cost savings were identified. The IT Department evaluates cost, expertise and support needed when determining whether a service should be outsourced or performed in-house. However, this evaluation is informal and there is no documentation that shows that the conclusion reached is reasonable.

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Partially Met

Finding Summary: The goals, objectives, and performance measures used by the District to monitor and report program accomplishments for the IT program partially appeared to be appropriate and sufficient. While the IT program has established relevant internal controls, the program has not established a formal process for setting program goals and objectives and evaluating program performance and progress towards meeting its stated goals and objectives.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

Finding Summary: The IT program partially ensured the accuracy and adequacy of public documents, reports, and requests prepared by the District which relate to the program. While the District provides overall budget information, it does not provide public access to program performance and cost information for the IT program.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

Finding Summary: The District has an appropriate process to assess, and internal controls appeared sufficient, to ensure compliance with applicable federal, state, and local laws, rules, and regulations for IT services. IT administrators had taken reasonable and timely actions to address noted instances of noncompliance. IT administrators had also properly assessed whether planned uses of the surtax complied with state laws, rules, and regulations.

SUMMARY OF FINDINGS

Facilities and Operations

Research Task 1: The economy, efficiency, or effectiveness of the program – Partially Met

FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
1.1	Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.	Met	
1.2	Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.	Partially Met	MGT recommends that the Facilities and Operations program enhance performance and cost reporting monitoring procedures to ensure that the program is evaluated regularly using information that is adequate to assess program performance and cost and the evaluation and assessment criteria are documented in the District's records. Additionally, performance and cost information should be presented to the School Board on a regular (e.g., monthly or quarterly) basis.
1.3	Review findings and recommendations included in any relevant internal or external reports on program performance and cost.	Met	
1.4	Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	Met	
1.5	Evaluate program performance and cost based on reasonable measures, including best practices.	Met	
1.6	Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.	Partially Met	MGT recommends the Facilities and Operations program continue its efforts to complete all projects within budget. Additionally, the Facilities and Operations program should enhance data tracking procedures to ensure that they

SUMMARY OF FINDINGS
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FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
			can track data at the project level as well as the work order level.
1.7	Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	Met	

Research Task 2: The structure or design of the program to accomplish its goals and objectives - Met

FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
2.1	Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.	Met	
2.2	Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Met	

Research Task 3: Alternative methods of providing services or products – Not Met

FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
3.1	Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.	Did Not Meet	MGT recommends the Facilities and Operations program formally evaluate existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. The evaluations should be performed periodically to ensure that the program is assessing alternative methods of providing services. Additionally, MGT recommends all evaluation related documents and materials, including the reasonableness of the conclusion(s) are stored within District records.
3.2	Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.	Did Not Meet	MGT recommends the Facilities and Operations program formally assess contracted and privatized services to verify effectiveness and cost savings achieved and

SUMMARY OF FINDINGS
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FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
			document the reasonableness of their conclusions.
3.3	Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	Did Not Meet	MGT recommends that Facilities and Operations management develop policies and procedures to evidence the evaluation or assessment of contracted services and the determination as to whether changing service delivery methods would reduce program costs.
3.4	Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities.	Did Not Meet	MGT recommends the Facilities and Operations program formally assess contracted and privatized services to verify effectiveness and cost savings achieved and document the reasonableness of their conclusions. Opportunities include outsourcing of reactive maintenance services, preventative maintenance cycles, and transportation services. Additionally, an expert third party evaluation of the efficacy of the current various maintenance, operations, and transportation delivery methods would benefit the District in making an objective decision, as smaller districts often lack the capacity of expert operational professionals.

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Not Met

FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
4.1	Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District's strategic plan.	Did Not Meet	MGT recommends the Facilities and Operations program establish goals and objectives that are clearly stated, measurable, achievable within budget, and consistent with the District's strategic plan.
4.2	Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.	Did Not Meet	MGT recommends that the Facilities and Operations program management establish measures that will assess program progress towards meeting its stated goals

SUMMARY OF FINDINGS
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FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
			and objectives, once those goals and objectives are established.
4.3	Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.	Did Not Meet	Once goals and objectives are established, Facilities and Operations management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
5.1	Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.	Partially Met	MGT recommends that the District publish additional non-financial information for Facilities and Operations program related projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.
5.2	Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program.	Did Not Meet	MGT recommends that the Facilities and Operations program implement a process to ensure the accuracy of publicly available information. The process should include a review of publicly available information by management and documentation that the review took place before the information is made publicly available.
5.3	Determine whether the public has access to program performance and cost information that is readily available and easy to locate.	Partially Met	MGT recommends the Facilities and Operations program enhance procedures to ensure that program performance and cost information is published on the District's website, readily available, and easy to locate. Performance and cost information should include, at minimum, ongoing and upcoming projects with a description, budgeted costs, actual costs, estimated completion date, and actual completion date.

SUMMARY OF FINDINGS
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FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
5.4	Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.	Partially Met	MGT recommends that the Facilities and Operations program implement a process to ensure the accuracy of publicly available information. The process should include a review of publicly available information by management and documentation that the review took place before the information is made publicly available.
5.5	Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections.	Partially Met	MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections, including notifying the public of the correction via the District's website and social media pages.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
6.1	Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	Met	
6.2	Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.	Met	
6.3	Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.	Met - See subtasks 1.3 and 1.4	
6.4	Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax	Met	

SUMMARY OF FINDINGS
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FACILITIES AND OPERATIONS SUBTASK		CONCLUSION	RECOMMENDATION
	are in compliance with applicable state laws, rules, and regulations.		
6.5	Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used.	Not Applicable. The CFO indicated that Hendry County School District does not have any charter schools.	

Transportation

Research Task 1: The economy, efficiency, or effectiveness of the program - Met

TRANSPORTATION SUBTASK		CONCLUSION	RECOMMENDATION
1.1	Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.	Met	
1.2	Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.	Met	
1.3	Review findings and recommendations included in any relevant internal or external reports on program performance and cost.	Met	
1.4	Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	Not Applicable – no deficiencies in program performance and/or cost identified in reports, evaluations, or audit.	
1.5	Evaluate program performance and cost based on reasonable measures, including best practices.	Met	
1.6	Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.	Met	
1.7	Determine whether the program has established written policies and procedures to	Met	

SUMMARY OF FINDINGS
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TRANSPORTATION SUBTASK	CONCLUSION	RECOMMENDATION
take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.		

**Research Task 2: The structure or design of the program to accomplish its goals and objectives
- Met**

TRANSPORTATION SUBTASK	CONCLUSION	RECOMMENDATION
2.1 Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.	Met	
2.2 Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Met	

Research Task 3: Alternative methods of providing services or products – Partially Met

TRANSPORTATION SUBTASK	CONCLUSION	RECOMMENDATION
3.1 Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.	Did Not Meet	MGT recommends the purchasing/leasing of school buses program formally evaluates existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. Additionally, MGT recommends all evaluation related documents and materials, including the reasonableness of the conclusion(s) are stored within District records.
3.2 Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.	Not Applicable. No activities related to school bus purchasing and/or leasing or transporting the students to and from the schools are contracted. All these activities are performed in-house.	

SUMMARY OF FINDINGS



TRANSPORTATION SUBTASK		CONCLUSION	RECOMMENDATION
3.3	Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	Did Not Meet	MGT recommends that Transportation program management develop policies and procedures to evidence the evaluation or assessment of contracted services and determine whether changing service delivery methods would reduce program costs.
3.4	Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities.	Met	

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Not Met

TRANSPORTATION SUBTASK		CONCLUSION	RECOMMENDATION
4.1	Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District's strategic plan.	Did Not Meet	MGT recommends the Transportation program establish written goals and objectives that are clearly stated, measurable, achievable within budget, and consistent with the District's strategic plan.
4.2	Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.	Did Not Meet	MGT recommends that the Transportation program management establish measures that will assess program progress towards meeting its stated goals and objectives, once those goals and objectives are established.
4.3	Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.	Did Not Meet	Once goals and objectives are established, Transportation program management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

TRANSPORTATION SUBTASK		CONCLUSION	RECOMMENDATION
5.1	Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.	Partially Met	MGT recommends that the District publish additional non-financial information for the purchase/leasing of school buses program, information such as the number of buses purchased, total cost per bus, and bus purchase related procurement documents.
5.2	Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program.	Did Not Meet	MGT recommends that the program implement a process to ensure that the review of publicly available information is documented before the information is made publicly available when purchasing or leasing school buses.
5.3	Determine whether the public has access to program performance and cost information that is readily available and easy to locate.	Partially Met	MGT recommends enhancing procedures to ensure that the public has access to program performance and cost information that is readily available and easy to locate. The information should include details on school bus purchasing activities, including number of buses purchased, total cost per bus, and bus purchase related procurement documents.
5.4	Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.	Partially Met	MGT recommends that the purchasing/leasing of school buses program implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.
5.5	Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections.	Partially Met	MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections, including notifying the public of the correction via the District's website and social media pages.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

SUMMARY OF FINDINGS
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TRANSPORTATION SUBTASK		CONCLUSION	RECOMMENDATION
6.1	Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	Met	
6.2	Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.	Met	
6.3	Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.	Met	
6.4	Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.	Met	
6.5	Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used.	Not applicable. The CFO indicated that Hendry County School District does not have any charter schools.	

Debt Service

Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service. The tables below present our conclusions for each of the research tasks that were determined to be applicable to Debt Service

Research Task 1: The economy, efficiency, or effectiveness of the program – Partially Met

DEBT SERVICE SUBTASK		CONCLUSION	RECOMMENDATION
1.1	Review any management reports/data that program administrators use on a regular basis	Met	

SUMMARY OF FINDINGS
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DEBT SERVICE SUBTASK	CONCLUSION	RECOMMENDATION
1.2 Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.	Met	
1.3 Review findings and recommendations included in any relevant internal or external reports on program performance and cost.	Met	
1.4 Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	Not Applicable – no deficiencies in program performance and/or cost identified in reports, evaluations, or audit.	
1.5 Evaluate program performance and cost based on reasonable measures, including best practices.	Did Not Meet	MGT recommends the District enhance procedures to ensure that all debt payments are made in a timely manner, including documenting evidence that all debt payments related invoices are forwarded to the appropriate personnel for review and payment processing.
1.6 Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service.	
1.7 Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined	

SUMMARY OF FINDINGS
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DEBT SERVICE SUBTASK		CONCLUSION	RECOMMENDATION
		debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service.	

Research Task 2: The structure or design of the program to accomplish its goals and objectives – Not Applicable to Debt Service

DEBT SERVICE SUBTASK		CONCLUSION	RECOMMENDATION
2.1	Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service.	
2.2	Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service.	

Research Task 3: Alternative methods of providing services or products – Not Applicable to Debt Service

SUMMARY OF FINDINGS



DEBT SERVICE SUBTASK	CONCLUSION	RECOMMENDATION
3.1 Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service.	
3.2 Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service	
3.3 Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service	
3.4 Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As	

SUMMARY OF FINDINGS
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DEBT SERVICE SUBTASK	CONCLUSION	RECOMMENDATION
	such, we determined that certain research tasks are not applicable to Debt Service	

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Not Applicable to Debt Service

DEBT SERVICE SUBTASK	CONCLUSION	RECOMMENDATION
4.1 Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District's strategic plan.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service	
4.2 Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we determined that certain research tasks are not applicable to Debt Service	
4.3 Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.	Not Applicable - Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. As such, we	

SUMMARY OF FINDINGS
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DEBT SERVICE SUBTASK		CONCLUSION	RECOMMENDATION
		determined that certain research tasks are not applicable to Debt Service	

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

DEBT SERVICE SUBTASK		CONCLUSION	RECOMMENDATION
5.1	Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.	Partially Met	MGT recommends the District implement a process for verifying the accuracy of financial information, and documenting that verification, prior to publishing information.
5.2	Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program.	Partially Met	MGT recommends that the Debt Service function implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.
5.3	Determine whether the public has access to program performance and cost information that is readily available and easy to locate.	Met	
5.4	Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.	Partially Met	MGT recommends that the Debt Service function implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.
5.5	Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections.	Partially Met	MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

SUMMARY OF FINDINGS
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DEBT SERVICE SUBTASK		CONCLUSION	RECOMMENDATION
6.1	Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	Met	
6.2	Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.	Met	
6.3	Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.	Met	
6.4	Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.	Met	
6.5	Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used.	Not Applicable - The CFO indicated that Hendry County School District does not have any charter schools.	

Information Technology

Research Task 1: The economy, efficiency, or effectiveness of the program – Partially Met

INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
1.1	Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.	Partially Met	MGT recommends the District create a methodology to begin measuring IT costs alongside performance. The Technology Business Management Council provides guidance and a starting point for the District to review. It would also be of great benefit to seek business and board input as

SUMMARY OF FINDINGS
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INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
			to the cost metrics they may be interested in.
1.2	Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.	Partially Met	MGT recommends the District create a methodology to begin measuring program and IT costs alongside performance. MGT also recommends the District develop a cadence to review and report on IT costs regularly with visibility to the business departments and Board. The District should consider the Technology Business Management Council's top 10 metrics when developing measures. It would also be of great benefit to solicit input from the business departments and the Board on what metrics are important to them.
1.3	Review findings and recommendations included in any relevant internal or external reports on program performance and cost.	Met	
1.4	Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	Met	
1.5	Evaluate program performance and cost based on reasonable measures, including best practices.	Met	
1.6	Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.	Did Not Meet	MGT recommends the District institute a project management methodology that at a minimum takes into account tracing project resourcing, schedule, and budget. If the burden is too great for the staff to take on this extra discipline, the District could consider setting a project threshold and requiring projects of a certain complexity and cost to have extra discipline applied.
1.7	Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	Met	

**Research Task 2: The structure or design of the program to accomplish its goals and objectives
- Met**

INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
2.1	Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.	Met	
2.2	Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Met	

Research Task 3: Alternative methods of providing services or products – Partially Met

INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
3.1	Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.	Did Not Meet	MGT recommends that administrators document their evaluation of whether to perform an activity in-house or contract with a vendor. Additionally, MGT recommends that the District create a service catalog that tracks the cost to provide the services it provides which is a first step if the District chooses to use a firm to assist with a benchmarking exercise.
3.2	Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.	Partially Met	MGT recommends that the District create a service catalog that tracks the cost to provide the services it provides which is a first step if the District chooses to use a firm to assist with a benchmarking exercise.
3.3	Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	Did Not Meet	MGT recommends that IT program management develop policies and procedures to evidence the evaluation or assessment of contracted services and the determination as to whether changing service delivery methods would reduce program costs.
3.4	Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services,	Met	

SUMMARY OF FINDINGS
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INFORMATION TECHNOLOGY SUBTASK	CONCLUSION	RECOMMENDATION
based on a review of similar programs in peer entities.		

Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments – Partially Met

INFORMATION TECHNOLOGY SUBTASK	CONCLUSION	RECOMMENDATION
4.1 Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District's strategic plan.	Met	
4.2 Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.	Partially Met	MGT recommends the District adopt a formal, documented process that involves regular review of goals throughout the year. There are many best practice standards available with Objectives and Key Results (OKRs) being one of those. Using a best practice goal setting process will ensure that not only are goals set, but they are regularly tracked, reviewed and updated or changed when needed. Issues and roadblocks will be detected earlier and well before the end of the year, when it is too late to pivot. A best practice goal setting process also keeps goals front and center for better team focus.
4.3 Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.	Partially Met	MGT recommends that IT program management ensure that appropriate policies and procedures are developed to support program goals and objectives.

Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the District which relate to the program – Partially Met

INFORMATION TECHNOLOGY SUBTASK	CONCLUSION	RECOMMENDATION
5.1 Assess whether the program has financial and non-financial information systems that provide	Partially Met	MGT recommends the District implement a process for verifying

SUMMARY OF FINDINGS
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INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
	useful, timely, and accurate information to the public.		the accuracy of financial information, and documenting that verification, prior to publishing information.
5.2	Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program.	Partially Met	MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections.
5.3	Determine whether the public has access to program performance and cost information that is readily available and easy to locate.	Partially Met	MGT recommends enhancing procedures to ensure that the public has access to program performance and cost information that is readily available and easy to locate. The information should include details on the IT related activities, including number of work orders open, number of duplicate work orders, and cost.
5.4	Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.	Partially Met	MGT recommends that the IT program implement a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.
5.5	Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections.	Partially Met	MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections.

Research Task 6: Compliance of the program with appropriate laws, rules, and policies - Met

INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
6.1	Determine whether the program has a process to assess its compliance with applicable (i.e.,	Met	

SUMMARY OF FINDINGS
♦ ♦ ♦

INFORMATION TECHNOLOGY SUBTASK		CONCLUSION	RECOMMENDATION
	relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.		
6.2	Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.	Met	
6.3	Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.	Met	
6.4	Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.	Met	
6.5	Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used.	Not Applicable. The CFO indicated that Hendry County School District does not have any charter schools.	

DETAILED FINDINGS AND RESULTS

Facilities and Operations

RESEARCH TASK 1: ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM

Finding: Overall, the District's Facilities and Operations program partially met expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of management reports/data that program administrators use to monitor program performance and cost. The Director of Facilities, Operations, and Transportation indicated that the District uses SchoolDude to keep track of all facilities, operations, and safety and security related work orders. SchoolDude is a web-based system that can be accessed by any computer with a login and password. Teachers or staff (site manager, bookkeeper, etc.) will enter a work order into the system and the work order automatically routes to the Area Foreman (East or West) who will then assign it to a technician or call a contractor if it's a specialized issue (e.g., cameras, fire alarms, etc.). The Director uses information stored within SchoolDude to monitor program performance and cost. Information within SchoolDude includes total number of work orders open, age of work orders, and cost per work order. SchoolDude provides daily/real-time reporting. SchoolDude also had a feature that benchmarked the District performance to other school districts using SchoolDude; however, this feature was removed during a recent system update.

MGT obtained and reviewed a report generated from SchoolDude to gain an understanding of the performance and cost information stored within the system and to determine if the information is adequate to monitor program performance and cost. MGT confirmed that the report incorporated relevant performance and cost information including:

- ♦ Workorder Description
- ♦ Workorder Priority Level (e.g., Emergency, High, Medium, Low, Safety, and Scheduled).
- ♦ Status (e.g., Closed, Complete, Declined, Duplicate Request, Void, New Request, and Work in Process).
- ♦ Days Aged
- ♦ Total Costs
- ♦ Purpose (e.g., Health Inspection, Preventive Maintenance, Reactive Maintenance, Summer Project, and Vandalism).

Exhibit 1 illustrates the format of a report generated from SchoolDude and some of the information that can be extracted from the system.

Exhibit 1 – Extract from Report Generated from SchoolDude

WOID	Description	Priority	Status	Days Aged	Request Date	Target Completion	Actual Completion	Created Date	Labour Hours	Total Costs	Purpose
31879	Renovate Building 6 into the New Data Center and IT Department offices. Work Order #1	High	Closed Work Orders	127	2/22/2021		6/29/2021	3/1/2021	606	\$23,327.66	Reactive Maintenance
33348	Interior and exterior walls have water damage.	Medium	Closed Work Orders	66	7/27/2021		10/21/2021	7/27/2021	179	\$7,271.94	Reactive Maintenance
31325	Request for removal of all carpeting in the Clewisston Board Room, Dir. Egley's office, and Mr. Swindle's Office, due to our health issues regarding mold and mildew growing between the walls and underneath the flooring. Replace with either linoleum or a varnish/clear coat on existing flooring. Time Available: 8 - 4:00	Medium	Closed Work Orders	68	1/13/2021		3/22/2021	1/13/2021	110	\$4,330.22	Reactive Maintenance
32744	Prepare site for new portable.	Medium	Closed Work Orders	18	5/14/2021		6/1/2021	5/14/2021	65.5	\$4,070.27	Reactive Maintenance

Source: Extracted from SchoolDude and provided by the Director of Facilities, Operations, and Transportation

The information stored within SchoolDude appears to be adequate to monitor program performance and cost.

Subtask 1.1 Conclusion:

Based on the analysis performed, the District Facilities and Operations program monitored program performance and cost in real-time through the SchoolDude software system. SchoolDude provides performance metrics, including number of work orders open, work orders completed, and time to complete work orders. SchoolDude also provides materials and labor cost information. This subtask is met.

Subtask 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost – Partially Met.

MGT gained an understanding of the performance metrics used by the Facilities and Operations program to evaluate performance. According to MGT's inquiries with the Director of Facilities, Operations, and Transportation, measures used to assess program performance and cost include the number of work orders open, days to close work orders, duplicate work orders, and cost. Facilities and Operations program management can assess program performance and cost information in real time and program performance is discussed multiple times a week. However, this is an informal process, and the discussions are not documented. Additionally, the School Board is not regularly provided a report to assess performance for the Facilities and Operations program. The School Board members can request a performance report at any time, but a report is not regularly provided to them on a consistent basis.

Subtask 1.2 Conclusion:

The Director of Facilities, Operations, and Transportation can evaluate the performance of the Facilities and Operations program and the cost of services provided in real-time using relevant criteria such as

number of duplicate work orders, number of days to close work orders, and cost per work order. However, no formal evaluation is performed and documented. Additionally, the program does not present performance reports to the Superintendent or School Board on a regular basis. The Superintendent or School Board may request performance reports at any time, but no performance reports are presented to them regularly without a request. Accordingly, this subtask is partially met.

Subtask 1.2 Recommendation:

MGT recommends that the Facilities and Operations program enhance performance and cost reporting monitoring procedures to ensure that the program is evaluated regularly using information that is adequate to assess program performance and cost and the evaluation and assessment criteria are documented in the District's records. Additionally, performance and cost information should be presented to the School Board on a regular (e.g., monthly or quarterly) basis.

Subtask 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January of 2022 to determine if the reports included any findings relevant to our audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance or cost identified in the audits. MGT determined that Finding 1 – District school safety policies and procedures need improvement to ensure and demonstrate compliance with State law is relevant to the Facilities and Operations program audit objectives. **Exhibit 2** presents the summary of Finding 1 from the Auditor General's Operational Audit Report.

Exhibit 2 – Summary of Finding 1 from the Auditor General's Operational Audit Report

HENDRY COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Hendry County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-030. Our operational audit disclosed the following:

Finding 1: District school safety policies and procedures need improvement to ensure and demonstrate compliance with State law.

Source: State of Florida Auditor General Operational Audit – Hendry County District School Board Report No. 2022-100

MGT also inquired with the Director of Facilities, Operations, and Transportation and the CFO about other relevant internal or external reports on program performance and cost. The Director and CFO indicated that no other relevant internal or external reports on program performance and cost have been issued.

Subtask 1.3 Conclusion:

The Auditor General's Operational Audit Report issued on January 14, 2022, included a finding related to the District's school safety policies and compliance with State law. This finding was determined to be

relevant to the Facilities and Operations program. The results of MGT's follow-up work are detailed in subtask 1.4 below. This subtask is met.

Subtask 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January of 2022 to determine if the reports included any findings relevant to our audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance and/or cost identified in the audits.

MGT's review of prior audit findings disclosed that the Auditor General's Operational Audit Report issued on January 14, 2022, included a finding related to the District's school safety policies and compliance with State law. This finding was determined to be relevant to the Facilities and Operations program. To determine whether management took reasonable and timely actions to address the finding, MGT inquired with District management. District management indicated that the District has put into draft form policy changes to Board Policy No. 8420 – Emergency Management, Emergency Preparedness, and Emergency Response Agencies. The changes made to Board Policy No. 8420 include the language of "meet the requirements of the State Board of Education Rules," lays out the responsibilities of the District's School Safety Specialist and law enforcement officers for conducting regular training for emergency situations, and the requirement of implementing a mobile panic alert system to be placed across the school's campuses. These changes are set to ensure the District is able to demonstrate compliance with State law and also incorporate recent amendments made to Section 943.687 and Section 394.463, Florida Statutes. The new policy is scheduled to be advertised as required by State statute and is planned to be voted on by the School Board by October 15, 2022.

Subtask 1.4 Conclusion:

MGT's review indicated that District management had taken timely and appropriate actions to correct deficiencies related to the District's school safety policies and compliance with State law. This subtask is met.

Subtask 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation, and reviewed the reports generated from SchoolDude to gain an understanding of the reports reviewed by management to assess performance and costs. Additionally, MGT obtained and reviewed 2020-21 Florida school district annual plant maintenance operations and cost information from the Florida Department of Education's website to determine whether the Facilities and Operations program cost appeared reasonable when compared to peer districts. Peer districts were selected based on population size and total number of enrolled students. **Table 2** presents the results of our comparison.

Table 2 – Cost Per Gross Square Foot and Cost Per Capital Outlay Full-Time Equivalent Student

School District	Total Cost Per Gross Square Foot (includes Operations & Maintenance)	Total Cost Per Capital Outlay Full-Time Equivalent Student (includes operations & Maintenance)
Hendry	\$4.56	\$963.98
Columbia	\$5.16	\$1,159.68
DeSoto	\$6.28	\$1,317.67
Glades	\$5.55	\$1,542.28
Monroe	\$6.44	\$1,900.25
Sumter	\$5.55	\$1,455.37

Source: Florida Department of Education's Florida School District Annual Plant Maintenance and Operations Cost Information

Subtask 1.5 Conclusion:

MGT evaluated the following elements of program performance and cost, including cost per gross square foot and cost per capital outlay full-time equivalent student. The evaluation included a comparison to the performance and cost of Facilities and Operations program services in Columbia, DeSoto, Glades, Monroe, and Sumter school districts. The comparison disclosed that District's performance generally met established benchmarks. This subtask is met.

Subtask 1.6 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget – Partially Met.

Facilities and Operations program related activities are stored within SchoolDude. Currently, the District is using SchoolDude to store data at the work order level. MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of how the District tracks Facilities and Operations related projects. Per the Director of Facilities, Operations, and Transportation, all activities are tracked at the work order level, even the more expensive and time-consuming projects, including the relocation of the data center. Bigger and more expensive and time-consuming projects are assigned a unique work order number, and everything related to the project is recorded under this work order.

MGT also inquired with the CFO to determine if the accounting system tracks data at the project level. Per the CFO, the District started tracking at the project level in July 2022. As a result of the District not tracking data at the project level, the MGT team was not able to verify the projects completed during the period July 1, 2020 through May 31, 2022. MGT relied on the information provided by the Director of Facilities, Operations, and Transportation to gain an understanding of the projects completed, including number of projects and the nature of the projects. According to the Director of Facilities, Operations, and Transportation, two projects were completed during this time. The projects included the relocation of the data center and the installation of vestibules across all schools within the District. MGT selected these two projects for audit testing. For these two projects, MGT performed the following:

- a. To determine if the projects were completed well, MGT reviewed the project narratives to gain an understanding of the projects, including project cost, expectations, and budgets. MGT then compared the budgeted cost to the actual cost and project start date with the estimated completion date and actual completion date and ensured the project was included in the listing of work orders reviewed by the independent inspector.
- b. To determine if the projects were completed at a reasonable cost, MGT reviewed the project narratives to gain an understanding of the projects, including project cost, expectations, and

budgets. MGT also requested bid documentation to determine whether the projects were completed at a reasonable cost. However, the Director of Facilities, Operations, and Transportation indicated that these projects did not go out to bid. A large portion of the work related to the relocation of the data center was performed by in-house staff, and the activities that were contracted to 13 individual vendors did not reach the \$50,000 threshold for competitive procurement individually. The individual vendors' contracted amounts per activity ranged from \$480 to \$44,150. Although these projects individually were not subject to the competitive procurement process, there was an opportunity to combine certain activities into a single contract that could potentially generate some cost savings by going through the procurement process.

The Vestibules project was broken down by school location and at the time it was determined that each location was a separate project with different contracts for each location. However, all the Vestibules project related work was performed by the same vendor. The Director indicated that the current CFO implemented a new practice in which a project similar to the Vestibules project would now be awarded via a single contract and go through the competitive bid process as this has the potential to generate cost savings.

- c. To determine if the projects were completed on time, MGT reviewed the projects narratives to gain an understanding of the projects, including start dates and estimated completion dates. MGT then compared the budgeted project start date with the estimated completion date and actual completion date.
- d. To determine if the projects were within budget, MGT reviewed the projects narratives to gain an understanding of the projects, including budgets and cost. MGT then compared the budgeted costs to the actual costs.

Table 3 below presents detail information on the two projects tested.

Table 3 – Projects Completed During July 1, 2020 through May 31, 2022

Project Description	Project Type	Budgeted Cost	Actual Cost	Estimated Completion Date	Actual Completion Date
Relocation of Data Center for HCSB	Construction	\$200,000	\$200,955.87	7/1/2021	7/1/2021
Vestibules, One Point Entry for all 10 Schools in Hendry County	Safety and Security	\$150,000	\$140,766.00	9/23/2021	5/25/2022

Source: Created by MGT from information provided by the Facilities and Operations Department for the two Facilities and Operations and security projects.

Subtask 1.6 Conclusion:

Based on the comparison of actual start and completion dates, actual costs, and identified deliverables to budgeted data, one Facilities and Operations program related project was completed well and on time but was slightly over budget. The relocation of the data center was completed approximately \$956 over budget, which represents approximately 0.48 percent of the original \$200,000 budget. The vestibules project was completed under budget but was completed approximately eight months behind schedule. The Director of Facilities, Operations, and Transportation indicated that the first nine schools were done on time and Country Oaks Elementary School did not like the plan the District had established. As such, the Facilities and Operations program had to redo pricing and wait on materials. Additionally, the two Facilities and Operations projects did not go through the competitive bid process, therefore MGT was

unable to assess whether the projects were budgeted at a reasonable cost. Furthermore, the program does not currently store data at the project level and only at the work order level. This subtask is partially met.

Subtask 1.6 Recommendation:

MGT recommends the Facilities and Operations program continue its efforts to complete all projects within budget. Additionally, the Facilities and Operations program should continue to enhance its project management and data tracking procedures to ensure that the District completes projects at a reasonable cost and tracks data at the project level as well as the work order level.

Subtask 1.7 – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation and reviewed relevant School Board Policies to determine if management established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. School Board policies reviewed include the following:

- ♦ School Board Policy No. 6320 - Purchasing and Contracting for Commodities and Contractual Services
- ♦ School Board Policy No. 6320.01 - Vendor Preference
- ♦ School Board Policy No. 6325 - Procurement - Federal Grants-Funds
- ♦ School Board Policy No. 6440 - Cooperative Purchasing
- ♦ School Board Policy No. 6450 - Local Purchasing
- ♦ School Board Policy No. 6460 - Vendor Relation

The School Board policies establish processes to ensure that the District takes maximum advantage of competitive procurement, volume discounts, and special pricing agreements. For example, Policy No. 6320 – Purchasing and Contracting for Commodities and Contractual Services states that “competitive solicitations shall be requested from three or more sources for the purchase of any authorized commodities or contractual services in an amount greater than \$25,000.” Additionally, Policy No. 6440 – Cooperative Purchasing states that “the School Board recognizes the advantage of centralized purchasing in that volume buying tends to maximize value for each other dollar spent.” Policy No. 6440 also authorizes the School Board and/or the Superintendent to negotiate interlocal purchasing agreements for services, supplies, and equipment for the purpose of maximizing the purchasing power for goods and services. The School Board policies are applicable to all District departments, including the Facilities and Operations program.

Subtask 1.7 Conclusion:

The District established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. This subtask is met.

RESEARCH TASK 2: STRUCTURE OR DESIGN OF THE PROGRAM

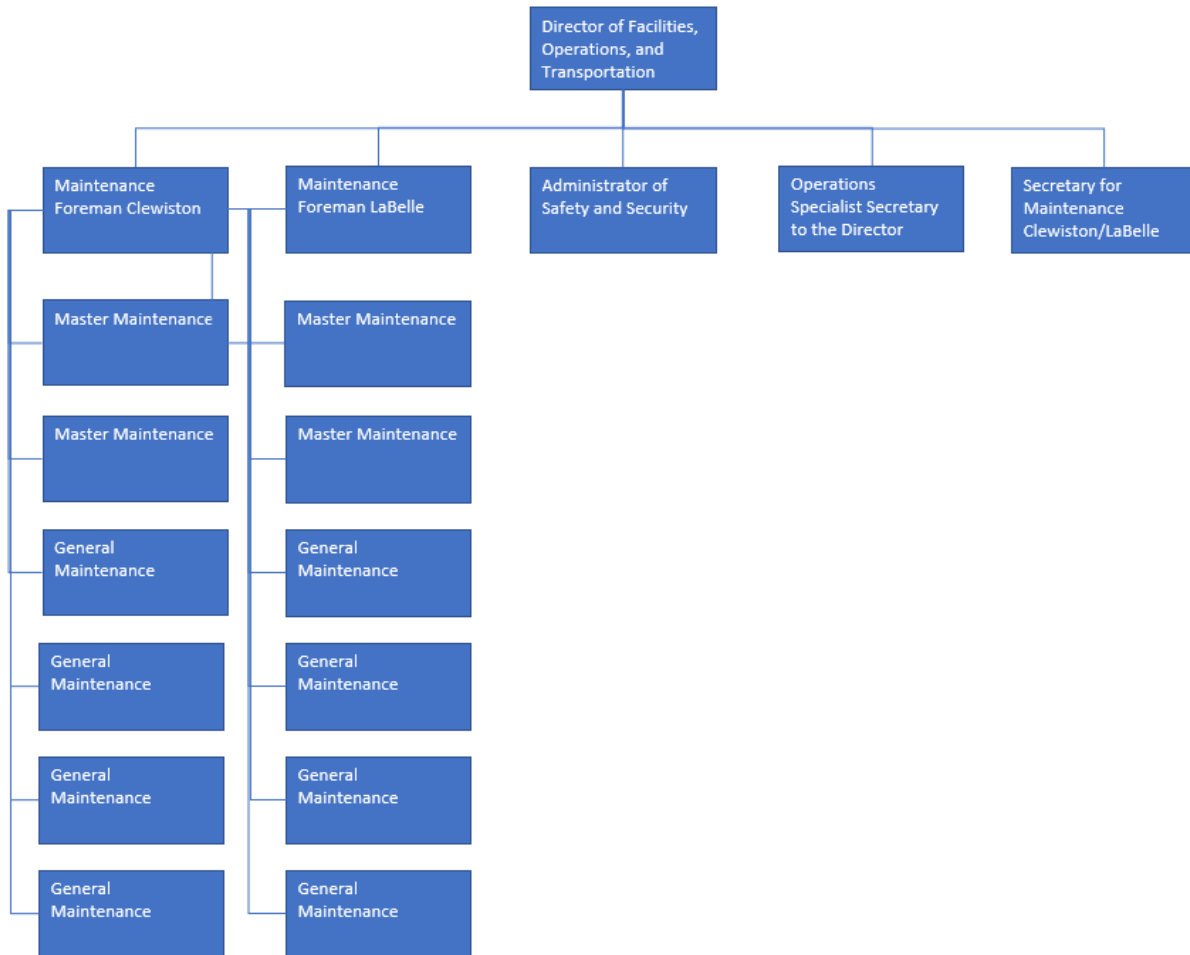
Finding: Overall, the Facilities and Operations program met expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs – Met.

MGT reviewed the Facilities and Operations Department organizational structure. The Department is led by the Director of Facilities, Operations, and Transportation. Within the Facilities and Operations Department, the Director has five direct reports. The Department is currently fully staffed with 18 staff members, including the Director of Facilities, Operations, and Transportation. **Exhibit 3** presents the current organizational structure of the Facilities and Operations Department. (next page)

Exhibit 3 - Facilities and Operations Department Organizational Structure



Source: Facilities and Operations Department

Organizational span of control refers to the number of subordinates that can be managed effectively and efficiently by executive/director level staff and middle management staff. Middle management typically includes manager and supervisor level staff.

MGT compared the Facilities and Operations Department's organization chart span of control with Society of Human Resource Management (SHRM) guidelines. The Facilities and Operations Department

organizational charts show that the span of control falls within the benchmarks published by the SHRM. For example, the Maintenance Foreman has six direct reports, which falls between the 25th and median percentile for middle management level.

In addition, MGT examined the Facilities and Operations Department's organizational structure and noted that the direct reports of the Director of Facilities, Operations, and Transportation in the Facilities and operations side include the Secretary for Maintenance, Operations Specialist Secretary, Administrator Safety and Security, and the two Maintenance Foremen. The Master Maintenance and General Maintenance staff members report to the Maintenance Foreman of the region. This reporting structure has clearly defined units, minimizes overlapping functions, and excessive administrative layers.

Subtask 2.1 Conclusion:

Based on the analysis performed, the Facilities and Operations Department organizational structure has clearly defined units, minimizes overlapping functions, and excessive administrative layers. This subtask is met.

Subtask 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation and HR personnel to gain an understanding of the process for assessing staffing levels given the nature of the services provided and program workload. Per the Director of the Facilities, Operations, and Transportation, the Department has not requested an additional position for the Facilities and Operations since he took over as Director in January of 2021. The Department is currently fully staffed with 18 staff members, including:

- ♦ Director of Facilities, Operations, and Transportation
- ♦ Operations Specialist Secretary
- ♦ Administrator of Safety and Security
- ♦ Maintenance Secretary
- ♦ Maintenance Foreman (for the Clewiston Region)
- ♦ Maintenance Foreman (for the LaBelle Region)
- ♦ Master Maintenance (two in the Clewiston Region)
- ♦ Master Maintenance (two in the LaBelle Region)
- ♦ General Maintenance (four in the Clewiston Region)
- ♦ General Maintenance (four in the LaBelle Region)

The Director of Facilities, Operations, and Transportation indicated that he looks at overtime and time it takes to complete work orders when evaluating and adjusting staffing levels. MGT performed an analysis of overtime hours worked by Facilities and Operations Department and Transportation Department staff to determine whether the staffing appeared sufficient/not excessive to complete the work assigned. Audit procedures disclosed that approximately 64% of OT related payments for the Facilities and Operations Department and Transportation Department were for bus driver related activities. It appears that the overtime hours are due to a shortage of bus drivers. There is no evidence that the Facilities and Operations staff are having to work a significant number of overtime hours to perform their tasks.

Subtask 2.2 Conclusion:

Based on the procedures performed, current program staffing levels appear reasonable given the nature of the services provided and program workload. This subtask is met.

RESEARCH TASK 3: ALTERNATIVE METHODS OF PROVIDING PROGRAM SERVICES

Finding: Overall, the Facilities and Operations program did not meet expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 3.1 – Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of the process use to formally evaluate existing in-house services and assess the feasibility of alternative methods of providing services, such as outside contracting and privation. The Facilities and Operations program contracts with vendors to perform tasks that the program's in-house staff cannot perform themselves. The Director of Facilities, Operations, and Transportation indicated that they perform an analysis to determine which option (e.g., performing the work in-house or outsourcing) is more beneficial to the District when taking into consideration quality, time, and cost. However, this process is an informal process which is not documented, and the District was not able to provide evidence that the analysis took place.

Subtask 3.1 Conclusion:

The Director of Facilities, Operations, and Transportation reported that they perform an analysis to determine which option (e.g., performing the work in-house or outsourcing) is more beneficial to the District when taking into consideration quality, time, and cost. However, this process is an informal process and not documented. As such, program administrators did not formally evaluate existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. This subtask is not met.

Subtask 3.1 Recommendation:

MGT recommends the Facilities and Operations program formally evaluates existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. The evaluations should be performed periodically to ensure that the program is assessing alternative methods of providing services regularly. Additionally, MGT recommends all evaluation related documents and materials, including the reasonableness of the conclusion(s) are stored within the District records.

Subtask 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to very effectiveness and cost savings achieved and determine the reasonableness of their conclusions – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of the process use to assess contracted and/or privatized services to verify the effectiveness and cost savings achieved. The Director of Facilities, Operations, and Transportation indicated that when the District does not have the capacity to perform the tasks, they contract with a vendor from the vendor listing, if

appropriate. The Facilities and Operations program evaluates all work to make sure the work is up to code. The program also has an outside architect who reviews work orders and in-house projects to make sure those projects are correct and up to code. The Director of Facilities, Operations, and Transportation indicated that the Facilities and Operations program is always looking for the most cost-effective methods to perform their tasks.

Subtask 3.2 Conclusion:

The Director of Facilities, Operations, and Transportation indicated that the Facilities and Operations program assesses contracted and/or privatized services to verify effectiveness and cost savings achieved. However, this assessment is not documented in writing and MGT was not able to obtain documentation that the assessment took place. This subtask is not met.

Subtask 3.2 Recommendation:

MGT recommends the Facilities and Operations program formally assess contracted and/or privatized services to verify effectiveness and cost savings achieved and document the reasonableness of their conclusions.

Subtask 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services – Not Met.

The Facilities and Operations program made no formal evaluations or assessments to consider changing service delivery methods with the purpose of reducing program costs without significantly affecting the quality of services.

Subtask 3.3 Conclusion:

Based on the analysis performed, Facilities and Operations management provided no evidence that evaluations were performed or changes to service delivery methods were made as a result of the evaluations. This subtask is not met.

Subtask 3.3 Recommendation:

MGT recommends that Facilities and Operations management develop policies and procedures to evidence the evaluation or assessment of contracted services and the determination as to whether changing service delivery methods would reduce program costs.

Subtask 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of the method used by the District to perform Facilities and Operations related services. Per the Director of Facilities, Operations, and Transportation, the Facilities and Operations program currently uses a mixture of in-house personnel and contractors to perform their duties. The Director of Facilities, Operations, and Transportation, indicated that the factors considered to determine if a task will be performed by in-house staff include cost, expertise, quality, and time. For example, an outside vendor will install security doors and facilities staff will install the wiring. However, there is no formal documentation of cost-benefit analysis of alternative service delivery.

Subtask 3.4 Conclusion:

Based on the procedures performed, the factors considered to determine if a task will be performed by in-house staff include cost, expertise, quality, and time. However, the reasonableness of the conclusion(s) is not documented. There is no formal documentation of cost-benefit analysis of alternative service delivery. This subtask is not met.

Subtask 3.4 Recommendation:

MGT recommends the Facilities and Operations program formally assess contracted and privatized services to verify effectiveness and cost savings achieved and document the reasonableness of their conclusions. Opportunities include outsourcing of reactive maintenance services, preventative maintenance cycles, and transportation services. Additionally, an expert third party evaluation of the efficacy of the current various maintenance, operations, and transportation delivery methods would benefit the District in making an objective decision, as smaller districts often lack the capacity of expert operational professionals.

RESEARCH TASK 4: GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Finding: The Facilities and Operations program did not meet expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District’s strategic plan – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation and obtained and reviewed the Facilities and Operations Department’s Handbook of Facility and Maintenance Procedures and School Board policies related to the Facilities and Operations Program. According to the Handbook of Facility and Maintenance Procedures, the Department’s mission is to, “provide proactive, high quality building maintenance and repairs in a timely and cost-effective manner in order to support student learning through a safe, clean, healthy environment. We will accomplish this through an emphasis on; professionalism, quality control, highly trained staff, effective communication, and preventative maintenance.” However, the Handbook does not include the Department’s goals and objectives.

MGT also obtained and reviewed Facilities and Operations program related School Board policies to see if any of the policies clearly stated in writing the program’s goals and objectives. Our review disclosed that the policies and procedures did not include the program’s goals and objectives. Lastly, MGT obtained and reviewed the District’s Strategic Plan; however, the Facilities and Operations program has not established goals and objectives.

Subtask 4.1 Conclusion:

The Facilities and Operations program has not established goals and objectives. Accordingly, this subtask is not met.

Subtask 4.1 Recommendation:

MGT recommends the Facilities and Operations program establish written goals and objectives that are clearly stated, measurable, achievable within budget, and consistent with the District's strategic plan.

Subtask 4.2 – Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives – Not Met.

Based on inquiries with the Director of Facilities, Operations, and Transportation, the Facilities and Operations program uses total number of work orders open, age of work orders, and cost per work order to assess program performance and cost. However, there is no documentation evidencing the assessment and the program has not established goals and objectives in writing. As such, MGT is not able to determine whether performance measures are adequate to evaluate program progress toward meeting its stated goals and objectives.

Subtask 4.2 Conclusion:

The Facilities and Operations program has not formally established measures to assess program performance. Accordingly, this subtask is not met.

Subtask 4.2 Recommendation:

MGT recommends that Facilities and Operations program management establish measures that will assess program progress towards meeting its stated goals and objectives, once those goals and objectives are established.

Subtask 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met – Not Met.

MGT gained an understanding of the internal controls the District has in place regarding the Facilities and Operations program. Gaining an understanding included review of the District's written policies and procedures, interviews with the Chief Financial Officer, and inspection of District records including financial data. MGT also assessed the design and effectiveness of relevant IT controls, including ensuring that a unique username and password is needed to access relevant IT systems and inquiring about users' ability to add, edit, or delete information. Per the Director of Facilities, Operations, and Transportation there is an audit trail for all activities performed within SchoolDude. For example, the system tracks who entered and edited information. Additionally, work orders cannot be deleted out of SchoolDude. **Exhibit 4** presents an image of the error message received by the MGT team when trying to access SchoolDude with an invalid username and password.

Exhibit 4 – Example of Invalid Login Attempt into SchoolDude

SchoolDudeapps

Account Login

Login Name

Password

Invalid login. Please note that Login Name, Password, and Product selection are required.

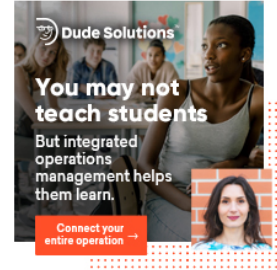
Product

--Select Product--

Sign In

Forgot Login Name or Password?

For help logging in, click here



Source: Screenshot taken by MGT staff

Subtask 4.3 Conclusion:

Although the Facilities and Operations program established internal controls, the program has not established goals and objectives. As such, MGT was not able to make a determination as to whether the program's internal controls provide reasonable assurance that program goals and objectives will be met. This subtask is not met.

Subtask 4.3 Recommendation:

Once goals and objectives are established, Facilities and Operations management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

RESEARCH TASK 5: ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS

Finding: The Facilities and Operations program partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public – Partially Met.

The District uses its website to disseminate financial information to the public. Examples of the information disseminated include the annual budget and annual financial reports. The information posted includes relevant capital outlay information by revenue and appropriations type, including total estimated revenue and appropriations for the year. MGT interviewed the District's Director of Facilities, Operations,

and Transportation; Chief Financial Officer; and the Administrative Secretary to assess the systems used to provide information to the public and the processes used to ensure the information is timely. The District's website includes the financial and non-financial information identified in **Table 4**. Based on the interviews completed and documents reviewed, the District has processes in place to ensure that financial information is useful, timely, and accurate. Specifically, the Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on the District's website. However, this process is not documented in writing and the District does not have processes in place to ensure the accuracy of the financial and non-financial information prior to publishing the information on the website.

Table 4 – Information Located on the District's Website

Financial Information
FY2022-23 Preliminary Budget Overview
Final budgets for FY2019-20, FY2020-21, and FY2021-22
School Financial Reports
Financial Audit Reports
Non-financial Information
Facilities and Operations _ Rental Agreement

Source: Created by MGT from information obtained from Hendry County School District's website.

It appears that the District's Facilities and Operations program does not publish non-financial information on the District's website. MGT reviewed the information publish on the Facilities and Operations program's section of the District's website to gain an understanding of the non-financial information publish on the website. MGT's review disclosed that only the Rental Agreement template is published on the Facilities and Operations program's section of the website.

Subtask 5.1 Conclusion:

MGT's evaluation of the systems and documents utilized to provide information to the public disclosed that the District could improve its processes to ensure that the public has access to financial and non-financial information that is useful, timely, and accurate. This subtask is partially met.

Subtask 5.1 Recommendation:

MGT recommends that the District publish additional financial information and non-financial information for Facilities and Operations program related projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.

Subtask 5.2 – Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Administrative Secretary; and Chief Financial Officer to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable departments to verify the accuracy of information provided to her to publish publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting. However, management's review of the information is not documented.

Subtask 5.2 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, the processes and review of the information are not documented in writing. This subtask is not met.

Subtask 5.2 Recommendation:

MGT recommends that the Facilities and Operations program implement a process to ensure the accuracy of publicly available information. The process should include a review of publicly available information by management and documentation that the review took place before the information is made publicly available.

Subtask 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate – Partially Met.

MGT reviewed the District budget and financial reports identified in **Table 4**. MGT's analysis of these documents indicated that the District does not include sufficient financial and non-financial information on the website. Specifically, while the website includes the overall capital projects budget within the District's Annual Budget, no information is provided on budgeted and actual project costs, planned and actual completion dates, or project status at the project level.

Subtask 5.3 Conclusion:

While the District provides overall budget information, it does not provide public access to program performance and cost information for the Facilities and Operations program on a detail project basis. Accordingly, this subtask is partially met.

Subtask 5.3 Recommendation:

MGT recommends the Facilities and Operations program enhance procedures to ensure that program performance and cost information is published on the District's website, readily available, and easy to locate. Performance and cost information should include, at minimum, ongoing and upcoming projects with a description, budgeted costs, actual costs, estimated completion date, and actual completion date.

Subtask 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public – Partially Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Administrative Secretary; and Chief Financial Officer to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable departments to verify the accuracy of information provided to her to publish publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting.

Subtask 5.4 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, the processes and review of the information are not documented in writing. This subtask is partially met.

Subtask 5.4 Recommendation:

MGT recommends that the Facilities and Operations program implement a process to ensure the accuracy of publicly available information. The process should include a review of publicly available information by

management and documentation that the review took place before the information is made publicly available.

Subtask 5.5 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections – Partially Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; CFO; and Administrative Secretary regarding the processes in place to correct any erroneous and/or incomplete information included in public documents, reports, or other materials prepared by the District. The District does not have written procedures regarding the correction of any erroneous or incomplete information; however, the CFO indicated that, if erroneous or incomplete information was noted, the record would be corrected, and notification will be posted on the District’s website. According to the Director of Facilities, Operations, and Transportation; CFO; and Administrative Secretary, no erroneous or incomplete information was noted during the period July 2020 through May 2022.

Subtask 5.5 Conclusion:

Based on the information provided, there appears to be a process to ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the Facilities and Operations program. However, there are no policies and procedures in writing about this process and how the process should be documented. Accordingly, this subtask is partially met.

Subtask 5.5 Recommendation:

MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections, including notifying the public of the correction via the District’s website and social media pages.

RESEARCH TASK 6: COMPLIANCE WITH APPROPRIATE POLICIES, RULES, AND LAWS

Finding: The Facilities and Operations program met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and the Board Attorney and reviewed applicable policies and procedures to determine whether the District has a process to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The Board’s Attorney reviews all contracts to ensure compliance with federal, state, and local laws, rules and regulations. Program directors, including the Director of Facilities, Operations, and Transportation; Director of IT; and CFO can request legal guidance on grant agreements and any other School Board related topic.

In addition, the Finance Department is responsible for ensuring that processes and expenditures are compliant to the contract and grant agreements.

Subtask 6.1 Conclusion:

The District has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. This subtask is met.

Subtask 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and Board Attorney and review applicable policies and procedures to determine whether the internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. The internal controls established by the District include having the Board Attorney review all contracts and provided legal guidance as needed. Additionally, the District's policies and procedures provide guidance as to the administration of grant funds, establishing internal controls, and cash management. **Exhibit 5** below presents the compliance related School Board policies reviewed by MGT.

Exhibit 5 – Compliance Related Board Policies Reviewed

Board Policies Reviewed
Board Policy No. 6110 - Grant Funds
Board Policy No. 6111 - Internal Controls
Board Policy No. 6112 - Cash Management of Grants
Board Policy No. 6114 - Cost Principles
Board Policy No. 6116 - Time and Effort Reporting

Source: Created by MGT from the School Board Policies on the Hendry County School District Website

Subtask 6.2 Conclusion:

The District's internal controls provide reasonable assurance that the District complies with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. This subtask is met.

Subtask 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January 2022 to determine if the reports included any findings relevant to the audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance and/or cost identified in the audits.

MGT's review of prior audits findings disclosed that the Auditor General's Operational Audit Report issued on January 14, 2022, included a finding related to the District's school safety policies and compliance with

State law. This finding was determined to be relevant to the Facilities and Operations program. To determine whether management took reasonable and timely actions to address the finding, MGT inquired with District management. District management indicated that the District has put into draft form policy changes to Board Policy No. 8420 – Emergency Management, Emergency Preparedness, and Emergency Response Agencies. The changes made to Board Policy No. 8420 include the language of “meet the requirements of the State Board of Education Rules,” lays out the responsibilities of the District’s School Safety Specialist and law enforcement officers for conducting regular training for emergency situations, and the requirement of implementing a mobile panic alert system to be placed across the school’s campuses. These changes are set to ensure the District is able to demonstrate compliance with State law and also incorporate recent amendments made to Section 943.687 and Section 394.463, Florida Statutes. The new policy is scheduled to be advertised as required by State statute and is planned to be voted on by the School Board by October 15, 2022.

Subtask 6.3 Conclusion:

MGT’s review indicated that District management had taken timely and appropriate actions to correct deficiencies related to the District’s school safety policies and compliance with State law. This subtask is met.

Subtask 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations – Met.

MGT inquired with the CFO and Board Attorney into how the District verified that planned uses of the surtax comply with applicable state laws, rules, and regulations. MGT also reviewed the executed Hendry County School District School Capital Outlay Surtax referendum to gain an understanding of the planned uses of the surtax. The referendum included the Surtax Capital Outlay Plan (see **Exhibit 6**). The Surtax Capital Outlay Plan details the capital improvements for school facilities to be funded by the proceeds of the sales surtax. The referendum also references the creation of an Independent Committee for the purpose of monitoring and providing advice regarding the implementation of the Surtax Capital Outlay Plan. The Independent Committee is to commence upon approval of the Sales Surtax and extending through the date of completion of the projects to be funded under the Surtax Capital Outlay Plan.

In addition, MGT obtained and reviewed the Potential Lists of Projects from the District’s website (see **Exhibit 7**)

Exhibit 6 – Capital Outlay Plan

EXHIBIT A

SURTAX CAPITAL OUTLAY PLAN

1. Pursuant to Section 212.055(6), Florida Statutes, capital improvements for school facilities to be funded by proceeds of the sales surtax shall be for:
 - a. Upgrading and modernizing schools and facilities to keep them safe and make them more conducive to learning through renovation, repair, remodeling, replacement, construction, security, and technology improvements;
 - b. Acquiring land, constructing new school facilities (including new facilities at existing schools), demolishing, reconstructing and improving school facilities, including costs of retrofitting and providing for technology implementation;
 - c. Acquiring equipment including safety and security;
 - d. Acquiring technology hardware and software, including upgrades, implementation, hardware, and software with a useful life expectancy of five (5) or more years;
 - e. Reducing portable classrooms as appropriate to improve school facilities;
 - f. Designing and engineering costs;
 - g. Purchasing and/or leasing school buses; and
 - g. Making lease payments under the lease purchase agreements pursuant to sections 1001.42(11)(b)5. and 1013.15(2), Florida Statutes.
2. Proceeds of the sales surtax and interest thereon may also be used for the purpose of servicing bond indebtedness to finance the projects authorized above in section 1.
3. In determining the scope of the projects, the School Board will consider facility needs and conditions, and provide for a safe and appropriate learning environment.
4. A citizen advisory committee shall monitor and advise the School Board on the expenditure of sales surtax proceeds.
5. Currently, the School Board must comply with State Requirements for Educational Facilities (SREF). All construction pursuant to this Plan must meet SREF standards. If the State of Florida amends or modifies school construction requirements for the School Board, then all construction pursuant to this Plan must comply with the revised requirements.

Source: Hendry County School District Website

Exhibit 7 – Potential List of Projects

Hendry County School Board Potential List of Sales Tax Projects

Safety & Security

- Surveillance equipment (servers, cameras, etc)
- Access Control
- Single Point of Entry (secured vestibules, fencing gates)

Maintenance

- HVAC
- Flooring
- Roofing
- Windows
- School Furniture
- Site Improvements (covered walkways, sidewalks, drainage, parking, marquee signs, stadium improvements, irrigation, etc)
- PE & playground improvements
- Other Building Improvements (painting, cabinets, electrical, lighting, fire alarm, sprinkler, ceiling tiles, etc)
- Renovations

Technology

- School Technology/Equipment – computers, chromebooks, printers, copy machines, projectors, etc
- Promethean boards
- Voice Over IP (VOIP)
- Cabling

Construction

- Building addition (LHS)

Other

- Schools buses
- Debt service

Source: Hendry County School District Website

Subtask 6.4 Conclusion:

Program administrators have taken reasonable and timely actions to provide reasonable assurance that planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. This subtask is met.

Subtask 6.5 – Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used – Not Applicable.

Not applicable. The CFO indicated that Hendry County School District does not have any charter schools. MGT performed research and was not able to find any charter schools within Hendry County School District.

Transportation

RESEARCH TASK 1: ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM

Finding: Overall, the District's Transportation program met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of the factors that influence the decision whether there is a need to purchase new school buses. Per the Director of Facilities, Operations, and Transportation, the main factors that impact whether a particular school bus need to be replaced are the age, mileage, wear and tear, and maintenance costs associated with the school bus. The Transportation program provides an inventory report to the Florida Department of Education (FDOE) on a yearly basis. The report provided to FDOE includes the age of the buses and in-service miles. The Transportation program also provides inspections records to the State for review. Inspections are performed every 20 days. Inventory and maintenance records are stored within SchoolDude. Mileage records are track daily via the mileage log. **Exhibit 8** presents an extract from the inventory report submitted to FDOE.

Exhibit 8 – Extract from the Inventory Report Provided to FDOE

Bus #	Type	VIN #	SVC	Shell Cap	In-Service	Build Date	Date Received	Engine Model	Engine Serial	Owned By	In-Service Miles
'255	C	1BAKJCSA7NF383110	D	77	5/6/2021	4/1/2021	4/26/2021	ISB 6.7	74765084	D	540
'256	C	1BAKJCSA9NF383111	D	77	5/14/2021	4/1/2021	4/29/2021	ISB 6.7	74765722	D	540
'257	C	1BAKJCSA0NF383112	D	77	5/18/2021	3/1/2021	5/11/2021	ISB 6.7	74765085	D	645
'258	C	1BAKJCSA2NF383113	D	77	5/12/2021	3/30/2021	4/29/2021	ISB 6.7	74765217	D	540
'259	C	1BAKJCSA3PF390378	D	77	5/3/2022	3/1/2022	4/14/2022	CUM-ISB13	74898580	D	540
'260	C	1BAKJCSA5PF390379	D	77	5/3/2022	3/1/2022	4/14/2022	CUM-ISB13	74898574	D	540
'261	C	1BAKJCSA1PF390380	D	77	5/3/2022	3/1/2022	4/14/2022	CUM-ISB13	74898572	D	540
'262	C	1BAKJCSA3PF390381	D	77	5/3/2022	3/1/2022	4/14/2022	CUM-ISB13	74898571	D	540

Source: Extract from Inventory Report provided by the Hendry County School District's Transportation Department

MGT reviewed the inventory report, FY2020-21 and FY2021-22 final budgets, and the meeting minutes in which the bus purchases were approved by the School Board to gain an understanding of the reports review by management to assess performance and costs, whether the data appears adequate to monitor performance and cost, and if administrators evaluated the school bus purchasing/leasing program using performance information and other reasonable criteria to assess performance and cost. The information reviewed included the age of the buses, mileage, maintenance costs, and purchase price. **Exhibit 9** presents an extract of the School Board meeting minutes for the meeting held on January 12, 2021, in which a purchase of four new school buses was approved by the Board.

Exhibit 9 – Extract from Board Meeting Minutes

5. Approval of Purchases

- a. **2101845, FLORIDA TRANSPORTATION SYSTEMS, TAMPA, FL**, in the amount of \$455,208.00 for 4 Blue Bird Type C: 77 Capacity Buses with full accessories @ Transportation.
- b. **2101863, DELL COMPUTER CORPORATION, ROUND ROCK, TX**, in the amount of \$15,072.33 for Quote#1020473546742. 6 VLA VMW SNS for VSHERE 7 ENT for 1 VLA MW PROD SNS VCENTER SERVER 7 STD @ IT Dept.
- c. **2101869, MAC PAPER, JACKSONVILLE, FL**, in the amount of \$21,730.80 for Paper, Dual Purpose White, 8.5 X 11, 20lbs, 92 Bright, 500/SHTS, 10/RMS/CTN for Warehouse.
- d. **2101881, PRESIDIO NETWORK SOLUTIONS, TAMPA, FL**, in the amount of \$60,955.66 for 1 Crisco DNA Center Appliance -44 Core, 1 SOLN SUPP DNA Center Appliance (Gen 2), 25 DNA Essentials, 84 port with 5 yr. Licenses, 8 hrly for Presidio employee labor and 1 10GBASE-CU SFP + Cable 3 Meter @ IT Dept.
- e. **2101900, AVID CENTER, SAN DIEGO, CA**, in the amount of \$24,966.00 for AVID Membership fees and Weekly Secondary @ CES, LES, CHS, LHS, CMS, LMS.
- f. **2101920, FOCUS SCHOOL SOFTWARE, ST. PETERSBURG, FL**, in the amount of \$83,777.86, for FOCUS/SIS Annual Maint. and Support (20/21).

Source: Hendry County School District Website

Subtask 1.1 Conclusion:

Based on the analysis performed, the Transportation program monitored program performance and cost on a regular basis. The performance metrics used by the Transportation program to monitor program performance and cost include the age of the buses, mileage, and maintenance cost. Additionally, the Transportation program provides an inventory report to the Florida Department of Education (FDOE) on a yearly basis. The program also maintains mileage logs and the maintenance costs are stored within SchoolDude. This subtask is met.

Subtask 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost – Met.

MGT gained an understating of the performance metrics use by the school bus purchasing/leasing program to evaluate performance. Per the Director of Facilities, Operations, and Transportation, the age of the buses, mileage, maintenance costs, and purchasing price are used to measure the performance of the school bus purchasing/leasing program. The report provided yearly to the FDOE includes the age of the buses. The age of buses and maintenance costs are evaluated yearly. Maintenance costs are stored within SchoolDude and reviewed on a yearly basis. However, this review is not documented.

The eight-school buses purchased during the period July 1, 2020, through May 31, 2022, were purchased at the price negotiated by the Florida Department of Education of \$91,070 for a Blue Bird Type C with a capacity of 77. The new school bus purchases were also approved by the School Board on 1/12/2021 and 9/7/21). **Exhibit 10** presents an extract from the FDOE’s School Bus Price and Ordering Guide ITB No. 2020-16.

Exhibit 10 – Extract from FDOE’s School Bus Price and Ordering Guide ITB No. 2020-16

ITB 2020-16 AWARDS

Base Bus Comparison	BLUE BIRD	THOMAS	IC BUS
TYPE A	Florida Transportation Systems, Inc.	Matthews Bus Alliance, Inc.	Sun State International LLC.
TYPE A: 18 Capacity/ GM Chassis	Bid School Bus Price \$\$	Bid School Bus Price \$\$	Bid School Bus Price \$\$
TYPE A: 18 Capacity with Lift/ GM Chassis	\$ 63,192	\$ 58,048	No Bid
TYPE A: 27 Capacity	Not Awarded	\$ 60,770	No Bid
TYPE A: 27 Capacity with Lift	Not Awarded	\$ 61,867	No Bid
TYPE A: 29 Capacity	Not Awarded	\$ 64,589	No Bid
TYPE A: 29 Capacity with Lift	\$ 67,635	\$ 62,074	No Bid
	Not Awarded	\$ 64,795	No Bid
TYPE C	Florida Transportation Systems, Inc.	Matthews Bus Alliance, Inc.	Sun State International LLC.
TYPE C LIGHT: 29 Capacity	Bid School Bus Price \$\$	Bid School Bus Price \$\$	Bid School Bus Price \$\$
TYPE C LIGHT: 29 Capacity with Lift	No Bid	No Bid	\$ 80,648
TYPE C: 29 Capacity	No Bid	No Bid	\$ 85,217
TYPE C: 29 Capacity with Lift	\$ 86,943	\$ 82,206	\$ 82,620
TYPE C: 47 Capacity	\$ 94,287	\$ 87,729	\$ 87,306
TYPE C: 47 Capacity with Lift	\$ 89,510	\$ 84,306	\$ 84,651
TYPE C: 65 Capacity	\$ 95,709	\$ 89,219	\$ 89,410
TYPE C: 65 Capacity with Lift	\$ 91,687	\$ 88,199	\$ 87,813
TYPE C: 71 Capacity	\$ 96,621	\$ 92,670	\$ 92,432
TYPE C: 71 Capacity with Lift	\$ 90,632	\$ 89,036	\$ 88,923
TYPE C: 77 Capacity	\$ 96,909	\$ 92,872	\$ 93,396
	\$ 91,070	\$ 90,479	\$ 89,775

Source: FDOE’s School Bus Price and Ordering Guide ITB No. 2020-16.

Subtask 1.2 Conclusion:

All school buses are purchased at the price negotiated by the Florida Department of Education and approved by the School Board. District administrators evaluate the performance of the Transportation program and the cost of services provided on a regular using performance information and other reasonable criteria to assess program performance and cost, including maintenance costs and new bus prices. This subtask is met.

Subtask 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General’s Operational Audit Report issued in January 2022 to determine if the reports included any findings relevant to our audit objectives. The review disclosed that the reports did not contain any findings relevant to our audit objectives.

MGT also inquired with the Director of Facilities, Operations, and Transportation and the CFO about other relevant internal or external reports on program performance and cost. The Director and CFO indicated that no other relevant internal or external reports on program performance and cost have been issued.

Subtask 1.3 Conclusion:

The reports reviewed did not contain any findings relevant to our audit objectives as it relates to the school bus purchasing/leasing program. This subtask is met.

Subtask 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. – Not Applicable.

Not Applicable - The reports reviewed did not contain any findings relevant to our audit objectives as it relates to the school bus purchasing/leasing program.

Subtask 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation, reviewed the inventory report, FY2020-21 and FY2021-22 final budgets, and the meeting minutes in which the bus purchases were approved by the School Board to gain an understanding of the reports review by management to assess performance and costs, whether the data appears adequate to monitor performance and cost, and if administrators evaluated the school bus purchasing/leasing program using performance information and other reasonable criteria to assess performance and cost.

The age of the buses, mileage, maintenance costs, and purchasing price are used to measure the performance of the school bus purchasing/leasing program. The age of buses and maintenance costs are evaluated yearly. Maintenance costs are stored within SchoolDude and reviewed on a yearly. SchoolDude has the ability to track maintenance costs on a per bus basis. The eight school buses purchased during the period July 1, 2020, through May 31, 2022, were purchased at the price negotiated by the Florida Department of Education. The new school bus purchases were also approved by the School Board on 1/12/2021 and 9/7/21.

Subtask 1.5 Conclusion:

Based on the information provided, the school bus purchasing/leasing program performance and cost appear adequate based on reasonable measures, including price paid for new school buses using the Florida Department of Education's negotiated prices. This subtask is met.

Subtask 1.6 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget – Met.

During the period July 1, 2020 through May 31, 2022, the District's school bus purchasing/leasing program purchased eight (8) school buses. **Table 6** presents detail information on the eight-school bus purchased during July 2020 and May 2022.

Table 6 - School Bus Purchased from July 1, 2020 through May 31, 2022

Bus #	Type	VIN #	SVC	Shell Cap	In-Service	Build Date	Date Received
'255	C	1BAKJCSA7NF383110	D	77	5/6/2021	4/1/2021	4/26/2021
'256	C	1BAKJCSA9NF383111	D	77	5/14/2021	4/1/2021	4/29/2021
'257	C	1BAKJCSA0NF383112	D	77	5/18/2021	3/1/2021	5/11/2021
'258	C	1BAKJCSA2NF383113	D	77	5/12/2021	3/30/2021	4/29/2021
'259	C	1BAKJCSA3PF390378	D	77	5/3/2022	3/1/2022	4/14/2022
'260	C	1BAKJCSA5PF390379	D	77	5/3/2022	3/1/2022	4/14/2022
'261	C	1BAKJCSA1PF390380	D	77	5/3/2022	3/1/2022	4/14/2022
'262	C	1BAKJCSA3PF390381	D	77	5/3/2022	3/1/2022	4/14/2022

Source: Online Inventory Report provided by the Hendry County School District's Director of Facilities, Operations, and Transportation

MGT interviewed the Director of Facilities, Operations, and Transportation, reviewed the FY2020-21 and FY2021-22 final budgets, the Florida Department of Education School Bus Price and Ordering guide, applicable purchase orders, and School Board meeting minutes to determine if the school buses were purchased at a reasonable cost and completed well, on time, and within budget. Our procedures disclosed that the school bus purchasing/leasing program got a reasonable price as the District obtained the buses at the per bus cost negotiable by the State of Florida of \$91,070 for a Blue Bird Type C with a capacity of 77. The school bus purchases were completed well as there is evidence that the School Board approved the school bus purchases and the buses were received by the District. Additionally, the school buses were purchased in a timely manner and within budget as all eight buses were purchased during the fiscal year in which funds had been appropriated for the purchases through the budget process and within the budgeted price.

Subtask 1.6 Conclusion:

Based on our comparison of budgeted funds and actual costs and timeliness of the purchases, it appears that the school bus purchasing/leasing program purchased the school buses at a reasonable price and purchases were completed well. Additionally, the school buses were purchased on a timely manner and within budget. This subtask is met.

Subtask 1.7 – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation and reviewed relevant School Board Policies to determine if management established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. School Board policies reviewed include the following:

- ♦ School Board Policy No. 6320 - Purchasing and Contracting for Commodities and Contractual Services
- ♦ School Board Policy No. 6320.01 - Vendor Preference
- ♦ School Board Policy No. 6325 - Procurement - Federal Grants-Funds
- ♦ School Board Policy No. 6440 - Cooperative Purchasing
- ♦ School Board Policy No. 6450 - Local Purchasing
- ♦ School Board Policy No. 6460 - Vendor Relation

The School Board policies establish processes to ensure that the District takes maximum advantage of competitive procurement, volume discounts, and special pricing agreements. For example, Policy No. 6320 – Purchasing and Contracting for Commodities and Contractual Services state that “competitive solicitations shall be requested from three or more sources for the purchase of any authorized commodities or contractual services in an amount greater than \$25,000.” Additionally, Policy No. 6440 – Cooperative Purchasing states that “the School Board recognizes the advantage of centralized purchasing in that volume buying tends to maximize value for each other dollar spent.” Policy No. 6440 also authorizes the School Board and/or the Superintendent to negotiate interlocal purchasing agreements for services, supplies, and equipment for the purpose of maximizing the purchasing power for goods and services. The School Board policies are applicable to all District departments, including the Transportation Department. The District also takes advantage of special pricing agreements as evidence by the school bus purchases in which the District purchased the buses at the price negotiated by the State.

Subtask 1.7 Conclusion:

The District established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. This subtask is met.

RESEARCH TASK 2: STRUCTURE OR DESIGN OF THE PROGRAM

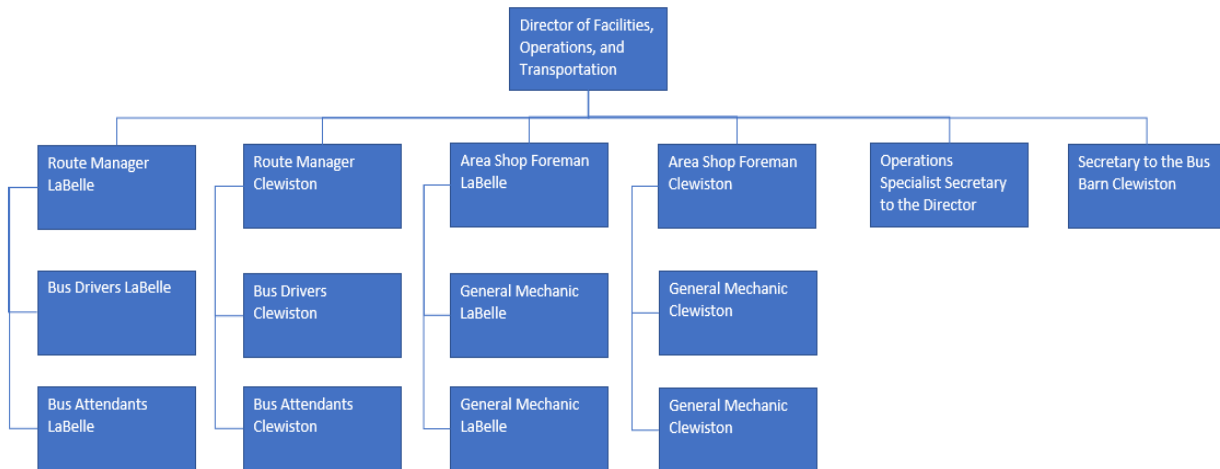
Finding: Overall, the District’s Transportation program met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs – Met.

MGT reviewed the Transportation Department organizational structure. The Department is headed by the Director of Facilities, Operations, and Transportation. Within the Transportation Department, the director has six direct reports. The Transportation Department is currently staffed with nine staff members not including the Director of Facilities, Operations, and Transportation (who is already being included in the personnel for the Facilities and Operations Department); General Maintenance position that is currently vacant; and bus drivers and attendants. **Exhibit 11** presents the current organizational structure of the Transportation Department.

Exhibit 11 - Transportation Department Organizational Structure



Source: Transportation Department

Organizational span of control refers to the number of subordinates that can be managed effectively and efficiently by executive/director level staff and middle management staff. Middle management typically includes manager and supervisor level staff.

MGT compared the Transportation program’s organization chart span of control with Society of Human Resource Management (SHRM) guidelines and concluded that the span of control falls within the SHRM benchmarks. For example, the Director has six direct reports, which falls in the median percentile for executive level.

In addition, MGT examined the Transportation Department's organizational structure and noted that the direct reports of the Director of Facilities, Operations, and Transportation in the transportation side include the Specialist Secretary, the two Area Foreman, the two Route Managers, and the Inventory Secretary. The General Mechanics report to the Area Shop Foreman. The bus drivers report to the applicable Route Manager. The Bus Attendants report to the applicable bus drivers and route manager. It appears that the organizational structure and design of the Transportation Department has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

Subtask 2.1 Conclusion:

Based on the analysis performed, the Transportation Department organizational structure has clearly defined units, minimizes overlapping functions, and excessive administrative layers. This subtask is met.

Subtask 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation and HR personnel to gain an understanding of the process for assessing staffing levels given the nature of the services provided and program workload. A breakdown of the current corporate level transportation staff is provided below (not including the Director of Facilities, Operations, and Transportation).

- ♦ Operations Specialist Secretary
- ♦ Area Shop Foreman (for the Clewiston Region)
- ♦ Area Shop Foreman (for the LaBelle Region)
- ♦ General Mechanic (two in the Clewiston Region)
- ♦ General Mechanic (one in the LaBelle Region)
- ♦ Route Manager (for the Clewiston Region) – manage about 25 to 30 bus drivers
- ♦ Route Manager (for the LaBelle Region) – manage about 25 to 30 bus drivers
- ♦ Inventory Secretary (for Clewiston)

Per the Director of the Facilities, Operations, and Transportation, the Department has not requested an additional position for the corporate level transportation staff since he took over as Director in January 2021. The Director looks at overtime for mechanics, route managers, and shop foreman when evaluating and adjusting staffing levels. MGT performed an analysis of overtime hours worked by Transportation Department staff to determine whether the staffing appeared sufficient/not excessive to complete the work assigned. Audit procedures disclosed that approximately 64% of OT related payments for the Facilities and Operations Department and Transportation Department were for bus driver related activities. It appears that the overtime hours are due to a shortage of bus drivers. There is no evidence that corporate level transportation staff, including the staff responsible for the school bus purchasing/leasing program, are having to work overtime to conduct the school bus purchases/leasing activities.

Subtask 2.2 Conclusion:

Based on the procedures performed, current school bus purchasing/leasing program staffing levels appear reasonable given the nature of the services provided and program workload. This subtask is met.

RESEARCH TASK 3: ALTERNATIVE METHODS OF PROVIDING PROGRAM SERVICES

Finding: Overall, the District’s Transportation program partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 3.1 – Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of the process use to formally evaluate existing in-house services and assess the feasibility of alternative methods of providing services, such as outside contracting and privation. Currently, the District transports students to and from the schools via their own buses. No routes are outsourced, and no school buses are leased. Per the Director of Facilities, Operations, and Transportation, no consideration has been given to outsourcing the bus routes or leasing school buses.

Subtask 3.1 Conclusion:

Program administrators did not formally evaluate existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusion. This subtask is not met.

Subtask 3.1 Recommendation:

MGT recommends the purchasing/leasing of school buses program formally evaluates existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. Additionally, MGT recommends all evaluation related documents and materials, including the reasonableness of the conclusion(s) are stored within District records.

Subtask 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to very effectiveness and cost savings achieved and determine the reasonableness of their conclusions – Not Applicable.

Not Applicable. None of the activities related to purchasing/leasing school buses and transporting the students to and from the schools are contracted. All these activities are performed in-house.

Subtask 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services – Not Met.

The Transportation program made no formal evaluations or assessments to consider changing service delivery methods with the purpose of reducing program costs without significantly affecting the quality of services.

Subtask 3.3 Conclusion:

Based on the analysis performed, Transportation program management provided no evidence that evaluations were performed or changes to service delivery methods were made as a result of the evaluations. This subtask is not met.

Subtask 3.3 Recommendation:

MGT recommends that Transportation program management develop policies and procedures to evidence the evaluation or assessment of contracted services and the determination as to whether changing service delivery methods would reduce program costs.

Subtask 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation to gain an understanding of the method used by the District to transport students to and from the schools. Currently, the District transports students to the schools via their own buses. MGT also performed research to gain an understanding of alternative methods of transporting the students to and from schools. The research disclosed that school districts may have the ability to lease school buses, outsource certain bus routes, or outsource all bus routes.

To determine whether outsourcing the transportation services may have the potential to reduce program costs without significantly affecting the quality of the services, MGT obtained and reviewed the FDOE's Florida School District 2020-21 Transportation Profiles. **Table 7** below presents a comparison of Hendry County School District to the two school districts with contracted transportation services in Florida.

Table 7 – Comparison of Hendry County School District to Districts with Outsourced Transportation Services

School District	Service Type	Number of Adjusted Transported Students	Transportation Operating Exp. Per Adjusted Transported Students
Hendry County School District	In-House	3,189.39	\$920.69
Duval County Public Schools	Contracted	42,166.61	\$1,544.69
Santa Rosa County School District	Contracted	14,713.70	\$926.00

Source: Created by MGT from data extracted from the FDOE's website

To determine whether leasing school buses may have the potential to reduce program costs without significantly affecting the quality of the services, MGT performed research to gain an understanding of the potential cost associated with leasing school buses. Based on the results of our research, MGT determined that leasing school buses appears not to have the potential to reduce program costs as the range for leasing a school bus is approximately from \$389 to \$850 per day. With 180 days in the school year, leasing a school bus for the entire school year would be approximately \$70K per year even at the low range of \$389.

Subtask 3.4 Conclusion:

Based on the results of the audit procedures, the school bus purchasing/leasing program is operating efficiently, and MGT did not identify possible opportunities for alternatives service delivery methods that have the potential to generate cost savings. This subtask is met.

RESEARCH TASK 4: GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Finding: The Transportation program did not meet the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District’s strategic plan – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation and obtained and reviewed the Hendry County School Board Transportation Procedures. The Transportation Procedures include the goals and objectives of the Safe Driver Plan but does not include the goals and objectives of the Transportation program overall. MGT also obtained and reviewed Transportation program related School Board policies to see if any of the policies clearly stated in writing the program’s goals and objectives. The review disclosed that the policies and procedures did not include the program’s goals and objectives. **Table 8** presents a listing of the transportation related School Board Policies reviewed by MGT.

Table 8 – Transportation Related School Board Policies Reviewed

Transportation Related School Board Policies Reviewed
Board Policy No. 8600 – Transportation
Board Policy No. 8600.04 – Bus Operator Qualifications, Certification, Discipline, and Termination
Board Policy No. 8606 – Use of Wireless Communication Devices by District School Bus Operators
Board Policy No. 8610 – Transportation Route Planning
Board Policy No. 8625 – Ban on Texting While Driving
Board Policy No. 8645 – Use of School Buses
Board Policy No. 8651 – Board-Owned Vehicles
Board Policy No. 8660 – Transporting Students by Private Vehicles

Source: Created by MGT from the School Board Policies Obtained from the Hendry County School District Website

Lastly, MGT obtained and reviewed the District’s Strategic Plan; however, the Transportation program has not established goals and objectives.

Subtask 4.1 Conclusion:

The Transportation program has not established goals and objectives. Accordingly, this subtask is not met.

Subtask 4.1 Recommendation:

MGT recommends the Transportation program establish written goals and objectives that are clearly stated, measurable, achievable within budget, and consistent with the District’s strategic plan.

Subtask 4.2 – Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives – Not Met.

Based on inquiries with the Director of Facilities, Operations, and Transportation, the main factors that impact whether a particular school bus need to be replaced are the age, mileage, wear and tear, and maintenance costs associated with the school bus. The Transportation program provides an inventory report to the Florida Department of Education (FDOE) on a yearly basis. The report provided to FDOE includes the age of the buses and in-service miles. However, the program has established goals and objectives. As such, the MGT is not able to determine whether performance measures are adequate to evaluate program progress toward meeting its stated goals and objectives.

Subtask 4.2 Conclusion:

The Transportation program has not formally established measures to assess program performance. Accordingly, this subtask is not met.

Subtask 4.2 Recommendation:

MGT recommends that the Transportation program management establish measures that will assess program progress towards meeting its stated goals and objectives, once those goals and objectives are established.

Subtask 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met– Not Met.

MGT gained an understanding of the internal controls the District has in place regarding the Transportation program. Gaining an understanding included review of the District’s written policies and procedures, interviews with the Chief Financial Officer and inspection of District records including financial data. MGT also assessed the design and effectiveness of relevant IT controls, including ensuring that a unique username and password is needed to access relevant IT systems and inquiring about users’ ability to add, edit, or delete information. Per the Director of Facilities, Operations, and Transportation there is an audit trail for all activities performed within SchoolDude. For example, the system tracks who enter and edited the information. Additionally, work orders cannot be deleted out of SchoolDude.

Subtask 4.3 Conclusion:

Although the Transportation program established internal controls, the program has not established goals and objectives. As such, MGT was not able to make a determination as to whether the program’s internal controls provide reasonable assurance that program goals and objectives will be met. This subtask is not met.

Subtask 4.3 Recommendation:

Once goals and objectives are established, Transportation program management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

RESEARCH TASK 5: ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS

Finding: The Transportation program partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public – Partially Met.

MGT interviewed the District’s Director of Facilities, Operations, and Transportation; Chief Financial Officer; and the Administrative Secretary to assess the systems used to provide information to the public and the processes used to ensure the information is timely and accurate. Additionally, MGT evaluated relevant documents available on the District’s website.

The District’s website includes the financial and non-financial information identified in **Table 9** below. Based on the interviews completed and documents reviewed, the District has processes in place to ensure that financial information is useful, timely, and accurate. Specifically, the Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on the District’s website. However, this process is not documented in writing and the District does not have processes in place to ensure the accuracy of the financial and non-financial information prior to publishing the information on the website.

Table 9 – Financial and Non-Financial Information Related to the Transportation Department

Financial Information
FY2022-23 Preliminary Budget Overview
Final budgets for FY2019-20, FY2020-21, and FY2021-22
School Financial Reports
Financial Audit Reports
Non-financial Information
Community Transportation Information
School Bus Routes

Source: Created by MGT from Information Obtained from the Hendry County School District Website

It appears that the District’s purchases/leasing of school buses program does not publish non-financial information on the District’s website. MGT reviewed the information publish on the Transportation program’s section of the District’s website to gain an understanding of the non-financial information publish on the website. The review disclosed that only the Community Transportation Information and School Bus Routes are published on the Transportation program’s section of the website.

Subtask 5.1 Conclusion:

MGT’s evaluation of the systems and documents utilized to provide information to the public disclosed that the District could improve its processes to ensure that the public has access to financial and non-financial information that is useful, timely, and accurate. This subtask is partially met.

Subtask 5.1 Recommendation:

MGT recommends that the District publish additional non-financial information for the purchase/leasing of school buses program, information such as the number of buses purchased, total cost per bus, bus purchase related procurement documents.

Subtask 5.2 – Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program – Not Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Administrative Secretary; and Chief Financial Officer to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable departments to verify the accuracy of information provided to her to publish publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting. However, management’s review of the information is not documented.

Subtask 5.2 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, processes and the review of the information are not documented in writing. This subtask is not met.

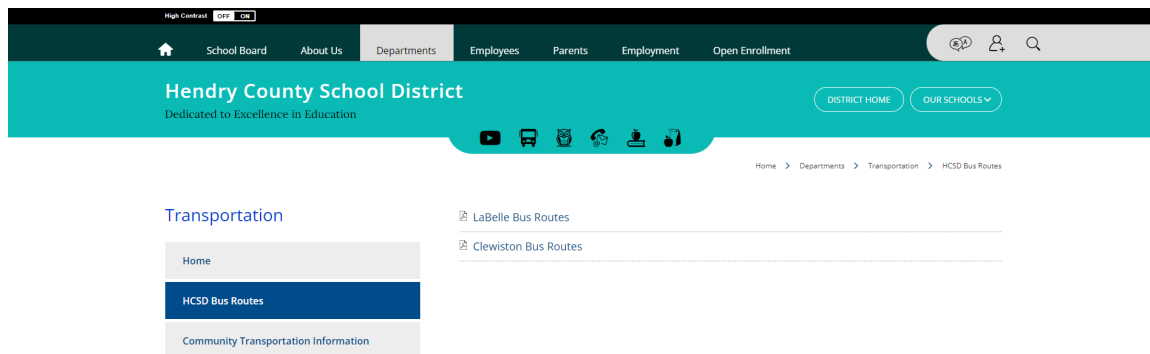
Subtask 5.2 Recommendation:

MGT recommends that the purchasing/leasing of school buses program implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.

Subtask 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate – Partially Met.

MGT reviewed the District budget and financial reports and non-financial information identified in **Table 9**. MGT’s analysis of these documents indicated that the District does not include sufficient financial and non-financial information on the website. Specifically, while the website includes relevant transportation services appropriations information by type, including salaries and purchased services; however, no information is provided on the purchasing/leasing of school buses program, information such as the number of buses purchased, total cost per bus, and bus purchase related procurement documents. **Exhibit 12** shows a screenshot of the transportation related non-financial information available on the District’s website.

Exhibit 12 – Screenshot of Transportation Related Non-Financial Information Available on the Website



Source: Hendry County School District Website

Subtask 5.3 Conclusion:

While the District provides overall budget information, it does not provide public access to program performance and cost information for the purchasing/leasing of school buses program on a detailed project basis. Accordingly, this subtask is partially met.

Subtask 5.3 Recommendation:

MGT recommends enhancing procedures to ensure that the public has access to program performance and cost information that is readily available and easy to locate. The information should include details on school bus purchasing activities, including number of buses purchased, total cost per bus, and bus purchase related procurement documents.

Subtask 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public – Partially Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Administrative Secretary; and Chief Financial Officer to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable departments to verify the accuracy of information provided to her to publish publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting.

Subtask 5.4 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, processes and the review of the information are not documented in writing. This subtask is partially met.

Subtask 5.4 Recommendation:

MGT recommends that the purchasing/leasing of school buses program implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.

Subtask 5.5 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections – Partially Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; CFO; and Administrative Secretary regarding the processes in place to correct any erroneous and/or incomplete information included in public documents, reports, or other materials prepared by the District. The District does not have written procedures regarding the correction of any erroneous or incomplete information; however, the CFO indicated that, if erroneous or incomplete information was noted, the record would be corrected, and notification will be posted on the District's website. According to the Director of Facilities, Operations, and Transportation; CFO; and Administrative Secretary, no erroneous or incomplete information was noted during the period July 2020 through May 2022.

Subtask 5.5 Conclusion:

Based on the information provided, the District has a process for correcting erroneous or incomplete information; however, there are no written procedures. Accordingly, this subtask is partially met.

Subtask 5.5 Recommendation:

MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections, including notifying the public of the correction via the District’s website and social media pages.

RESEARCH TASK 6: COMPLIANCE WITH APPROPRIATE POLICIES, RULES, AND LAWS

Finding: The District met the expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and the Board Attorney and reviewed applicable policies and procedures to determine whether the District has a process to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The Board’s Attorney reviews all contracts to ensure compliance with federal, state, and local laws, rules and regulations. Program directors, including the Director of Facilities, Operations, and Transportation; Director of IT, and CFO can request legal guidance on grant agreements and any other School Board related topic.

In addition, the Finance Department is responsible for ensuring that processes and expenditures are compliant to the contract and grant agreements.

Subtask 6.1 Conclusion:

The District has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. This subtask is met.

Subtask 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and Board Attorney and review applicable policies and procedures to determine whether the internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. The internal controls established by the District include having the Board Attorney review all contracts and provided legal guidance as needed. Additionally, the District’s policies and procedures provide guidance as to the administration of grant funds, establishing internal controls, and cash management. See Exhibit 5 in the Facilities and Operations section for a listing of the compliance related School Board policies reviewed by MGT.

Subtask 6.2 Conclusion:

The District's internal controls provide reasonable assurance that the District complies with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. This subtask is met.

Subtask 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January of 2022 to determine if the reports included any findings relevant to the audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance and/or cost identified in the audits.

MGT's review of prior audits findings disclosed that the Auditor General's Operational Audit Report issued on January 14, 2022, included a finding related to the District's school safety policies and compliance with State law. This finding was determined to be relevant to the Facilities and Operations program. To determine whether management took reasonable and timely actions to address the finding, MGT inquired with District management. District management indicated that the District has put into draft form policy changes to Board Policy No. 8420 – Emergency Management, Emergency Preparedness, and Emergency Response Agencies. The changes made to Board Policy No. 8420 include the language of "meet the requirements of the State Board of Education Rules," lays out the responsibilities of the District's School Safety Specialist and law enforcement officers for conducting regular training for emergency situations, and the requirement of implementing a mobile panic alert system to be placed across the school's campuses. These changes are set to ensure the District is able to demonstrate compliance with State law and also incorporate recent changes amendments made to Section 943.687 and Section 394.463, Florida Statutes. The new policy is scheduled to be advertised as required by State statute and is planned to be voted on by the School Board by October 15, 2022.

Subtask 6.3 Conclusion:

MGT's review indicated that District management had taken timely and appropriate actions to correct deficiencies related to the District's school safety policies and compliance with State law. This subtask is met – Met.

Subtask 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations – Met.

MGT inquired with the CFO and Board Attorney into how the District verified that planned uses of the surtax comply with applicable state laws, rules, and regulations. MGT also reviewed the executed Hendry County School District School Capital Outlay Surtax referendum to gain an understanding of the planned uses of the surtax. The referendum included the Surtax Capital Outlay Plan (see **Exhibit 6** in the Facilities and Operations section of this report). The Surtax Capital Outlay Plan details the capital improvements for school facilities to be funded by the proceeds of the sales surtax. The referendum also references the creation of an Independent Committee for the purpose of monitoring and providing advice regarding the implementation of the Surtax Capital Outlay Plan. The Independent Committee is to commence upon

approval of the Sales Surtax and extending through the date of completion of the projects to be funded under the Surtax Capital Outlay Plan.

In addition, MGT obtained and reviewed the Potential Lists of Projects from the District's website (see **Exhibit 7** – Potential List of Projects in the Facilities and Operations section of this report)

Subtask 6.4 Conclusion:

Program administrators have taken reasonable and timely actions to provide reasonable assurance that planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. This subtask is met.

Subtask 6.5 – Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used – Not Applicable.

Not applicable. The CFO indicated that Hendry County School District does not have any charter schools. MGT performed research and was not able to find any charter schools within Hendry County School District.

Debt Service

RESEARCH TASK 1: ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM

Finding: Overall, the District partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost – Met.

The Debt Service Schedule provides general information on the District’s long-term debts. The information in the Debt Service Schedule includes the total amount of principal, interest, and total required debt payments for the upcoming fiscal years (e.g., the as of June 30, 2021, Debt Service Schedule included debt payments information through 2034). During interviews with the audit team, the CFO indicated that the Debt Service Schedule is reviewed annually; however, this review is not documented. MGT was not able to obtain evidence that the review took place. **Exhibit 13** presents the Debt Service Schedule as of June 30, 2021.

Exhibit 13 - Debt Service Schedule as of June 30, 2021

Hendry County School District
Combined Debt Service Schedule
All Financing Sources

Year ending June 30	Principal	Interest	Total Requirement
2021	262,682.86	190,134.32	452,817.18
2022	3,350,527.86	181,192.83	3,531,720.69
2023	302,973.45	171,574.81	474,548.26
2024	324,662.88	161,242.77	485,905.65
2025	338,182.72	150,161.08	488,343.80
2026	1,229,587.27	125,333.75	1,354,921.02
2027	311,038.95	100,846.99	411,885.94
2028	334,308.23	89,979.29	424,287.52
2029	358,762.59	78,298.56	437,061.15
2030	349,165.23	65,763.39	414,928.62
2031	373,857.92	53,563.56	427,421.48
2032	399,788.16	40,500.96	440,289.12
2033	427,010.43	26,532.36	453,542.79
2034	332,358.89	11,612.62	343,971.51
TOTAL	8,694,907.44	1,446,737.29	10,141,644.73

Source: Finance Department, Hendry County School District

In addition to the Debt Service Schedule, long-term debt information is presented in the District’s annual budget. The budget presents the long-term debt information by revenue and appropriations type, including total estimated revenue and appropriations for the year. In accordance with School Board

DETAILED FINDINGS AND RESULTS



policies, the Board adapts the annual budget and monitors the budget monthly. The School Board's approval of the annual budget and monthly review is documented within the applicable meeting minutes.

Subtask 1.1 Conclusion:

Based on the analysis performed, the District monitored program performance and cost on monthly basis using the District's budget report. The budget includes detail information on long-term debt, include debt type, revenue, and appropriations of upcoming payment. Additionally, the Debt Service function uses the Debt Service Schedule to keep tracks of total yearly principal and interest payments. This subtask is met.

Subtask 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost – Met.

Long-term debt information is presented in the District's annual budget. The budget presents the long-term debt information by revenue and appropriations type, including total estimated revenue and appropriations for the year. In accordance with School Board policies, the Board adapts the annual budget and monitors the budget monthly. The School Board's approval of the annual budget and monthly review is documented within the applicable meeting minutes. MGT obtained and reviewed the meeting minutes for the School Board meetings held on September 7, 2021 and March 1, 2022, to review evidence that the annual budget was approved and the budget is monitor monthly, respectively. **Exhibit 14** presents an example of the type of information included in the District's budget for long-term debts.

Exhibit 14 – Example of Long-Term Information Presented within Annual Budget

District School Board of Hendry County
2021-2022 Final Budget

PART II - DEBT SERVICE				
REVENUE & APPROPRIATIONS				
FUND 200 - Debt Service				
ACCT	REVENUE	Special Acts Bonds 220	Other Debt 292	Total Debt Service
FEDERAL, STATE & LOCAL				
3322	CO&DS Withheld for SBE/COBI	-	-	-
3326	SBE/COBI Bond Interest	-	-	-
3341	Racing Commission Funds	143,300	-	143,300
3412	Interest and Sinking Taxes	-	-	-
3421	Tax Redemptions	-	-	-
3430	Interest on Investments	1,100	500	1,600
3750	COPs First Payment Reserve	-	-	-
	sub-total	144,400	500	144,900
3650	Interfund Transfer	-	-	-
3630	Transfer From Capital Outlay	-	119,147	119,147
9795	Transfer to General Fund	-	-	-
2700	Beginning Fund Balance	331,561	2,948,553	3,280,114
	TOTAL REVENUE	475,961	3,068,200	3,544,161
APPROPRIATIONS				
DEBT SERVICE				
7100	Redemption of Principal	63,936	3,068,200	3,132,136
7200	Interest	36,019	-	36,019
7300	Dues and Fees	3,408	-	3,408
	sub-total	103,363	3,068,200	3,171,563
9760	Payments to Bond Agent	-	-	-
9795	Transfer to General Fund	-	-	-
9793	Transfer to Capital Project Fund	-	-	-
2750	Ending Fund Balance	372,598	-	372,598
2760	Unreserved/Transfer	-	-	-
	TOTAL APPROPRIATIONS	475,961	3,068,200	3,544,161

Source: FY2021-22 Annual Budget

Subtask 1.2 Conclusion:

The District evaluated program performance and cost on monthly basis using the District's budget report. The budget includes detail information on long-term debt, include debt type, revenue, and appropriations of upcoming payment. Additionally, the Debt Service function uses the Debt Service Schedule to keep track of total yearly principal and interest payments. This subtask is met.

Subtask 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January 2022 to determine if the reports included any findings relevant to our audit objectives. The review disclosed that the reports did not contain any findings relevant to our audit objectives.

MGT also inquired with the CFO about other relevant internal or external reports on program performance and cost. The CFO indicated that no other relevant internal or external reports on program performance and cost have been issued.

Subtask 1.3 Conclusion:

The reports reviewed did not contain any findings relevant to our audit objectives as it relates to the debt service function. This subtask is met.

Subtask 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. – Not Applicable.

Not Applicable - The reports reviewed did not contain any findings relevant to our audit objectives as it relates to the school bus purchasing/leasing program.

Subtask 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices– Not Met.

The District's debt service payments are based on a predetermined debt schedule agreed to when the debt is issued. The Finance Department is responsible for making debt service-related payments. Making timely debt payments is a critical responsibility of the Debt Service function as any late payment may lead to financial penalties. During the 2021-22 fiscal year, the District failed to timely make a debt payment. The late payment resulted in the District receiving a financial penalty totaling \$18,178.29. In response to audit inquiries, the CFO indicated that the late payment was caused by a miscommunication between the Assistant Supervisor of Finance and the CFO regarding the processing of the invoice. The Assistant Supervisor of Finance reported to MGT that she forwarded the invoice to the CFO, however, the CFO reported that she has no record of receipt of the invoice. The CFO was not able to locate evidence that the invoice had been forwarded to her via email. The CFO now requests that all debt invoices are forwarded to her with verbal notification. **Table 10** presents detail information on the late payment.

Table 10 – Detail on Late Debt Payment

Details Requested	Details Provided
Debt type	FPL Energy Lease Agreement
Missed payment (including principal and interest)	\$363,565.87
Due date of missed payment	2/1/2022
Date on which payment was made	2/15/2022
Late payment penalty	\$18,178.29

Source: Created by MGT from data provided by the CFO, Hendry County School District

The lack of adequate procedures to ensure that all debt payments are made in a timely manner increases the risks that payments are missed, and the District receives financial penalties which can compromise the District's financial position.

Subtask 1.5 Conclusion:

Based on the information provided, the District has a process for making long-term payments. However, there are opportunities for improvements as the District failed to make a long-term debt payment on time during the 2021-22 fiscal year which resulted in a late payment penalty of \$18,178.29. This subtask is not met.

Subtask 1.5 Recommendation:

MGT recommends the District enhance procedures to ensure that all debt payments are made in a timely manner, including documenting evidence that all debt payments related invoices are forwarded to the appropriate personnel for review and payment processing. Additionally, the CFO and staff responsible for debt payments should set calendar reminders to ensure that they are notified of upcoming debt payments.

Subtask 1.6 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule. There are no projects within the Debt Service Function.

Subtask 1.7 – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

RESEARCH TASK 2: STRUCTURE OR DESIGN OF THE PROGRAM

Finding: This research task is not applicable to Debt Service.

Research Subtask Analysis and Conclusions

Subtask 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

Subtask 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

RESEARCH TASK 3: ALTERNATIVE METHODS OF PROVIDING PROGRAM SERVICES

Finding: This research task is not applicable to Debt Service.

Research Subtask Analysis and Conclusions

Subtask 3.1 – Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

Subtask 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to very effectiveness and cost savings achieved and determine the reasonableness of their conclusions – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

Subtask 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

Subtask 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

RESEARCH TASK 4: GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Finding: This research task is not applicable to Debt Service.

Research Subtask Analysis and Conclusions

Subtask 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District’s strategic plan – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

Subtask 4.2 – Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

Subtask 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met – Not Applicable.

Not Applicable. Debt Service is a function not a program. Debt payments are based on a predetermined debt schedule.

RESEARCH TASK 5: ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS

Finding: The Debt Service function partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public – Partially Met.

MGT interviewed the District’s Chief Financial Officer and the Administrative Secretary to assess the systems used to provide information to the public and the processes used to ensure the information is timely and accurate. Additionally, we evaluated relevant documents available on the District’s website.

The District’s website includes the financial information identified in **Table 11** below. Based on the interviews completed and documents reviewed, the District has processes in place to ensure that financial information is useful, timely, and accurate. Specifically, the Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on the District’s website. However, this process is not documented in writing and the District does not have processes in place to ensure the accuracy of financial information prior to publishing the information on the website.

Table 11 –Relevant Debt Service Data

Financial Information
FY2022-23 Preliminary Budget Overview
Final budgets for FY2019-20, FY2020-21, and FY2021-22
School Financial Reports
Financial Audit Reports

Source: Created by MGT from information obtained from the Hendry County School District Website

Subtask 5.1 Conclusion:

MGT’s evaluation of the systems and documents utilized to provide information to the public disclosed that the District has processes in place to ensure that financial information is useful, timely, and accurate. Specifically, the Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on the District’s website. However, this process is not documented in writing and the District does not have processes in place to ensure the accuracy of financial information prior to publishing the information on the website. This subtask is partially met.

Subtask 5.1 Recommendation:

MGT recommends the District implement a process for verifying the accuracy of financial information, and documenting that verification, prior to publishing information.

Subtask 5.2 – Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program – Partially Met.

MGT interviewed the Administrative Secretary and Chief Financial Officer management to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable departments to verify the accuracy of information provided to her to post publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting. The District has a public records request policy that provides guidance on the public’s access to public records and the procedures for handling public records request.

Subtask 5.2 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, processes and the review of the information is not documented in writing. This subtask is partially met.

Subtask 5.2 Recommendation:

MGT recommends that the Debt Service function implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.

Subtask 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate – Met.

MGT reviewed the District budget and financial reports identified in **Table 11** above. The analysis of these documents indicated that the District does include sufficient financial information on the website.

Subtask 5.3 Conclusion:

As it relates to debt service, the public has access to program performance and cost information that is readily available and easy to locate. This subtask is met.

Subtask 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public – Partially Met.

MGT interviewed the Administrative Secretary and Chief Financial Officer management to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable departments to verify the accuracy of information provided to her to post publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting. The District has a public records request policy that provides guidance on the public's access to public records and the procedures for handling public records request. **Exhibit 15** presents an extract of the information included in the Board's Public Records Policy No. 8310.

Exhibit 15 – Extract of Public Records Request Policy

Access to Public Records

Pursuant to State law, the Superintendent shall appoint a Records Management Liaison Officer (RMLO), who shall serve as the primary point of contact between the District and the Division of Library and Information Services of the Florida Department of State, which is the agency responsible for the State's records management program. The Superintendent may also appoint a Custodian of Records for the District who shall be responsible for implementing the requirements in State law and the State's records management program regarding the public records maintained by the District.

Any individual may inspect and request copies of public records of this District during the regular business hours of the office in which such records are maintained. The District may not require requests for public records to be in writing, nor may the person requesting the information be required to disclose name, address, or phone number unless specifically required to do so by law. The Custodian of Records is authorized to grant or refuse access to the records of this District in accordance with the intent of this policy and applicable law.

Every person who has custody of a public record shall permit the record to be inspected and copied by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision of the custodian of public records.

A District employee who has custody of public records may designate another District employee to permit the inspection and copying of public records, but must disclose the identity of the designee to the person requesting to inspect or copy the public records.

No record in a personnel file which is confidential and exempt from inspection and copying pursuant to applicable law shall be disclosed except as provided by applicable law.

A custodian of public records and/or his/her designee must promptly acknowledge, in writing, requests to inspect or copy records promptly and respond to such requests in good faith. A good faith response includes making reasonable efforts to determine from other officers or employees of the School District whether such a record exists, and, if so, the location at which the record can be accessed. Upon determination that the requested record exists, it must be reviewed to determine whether it contains any information that would be statutorily exempt from public inspection or copying as provided by law. See Policy 8350 – Confidentiality.

Duplicated copies or certified copies of the District's public records shall be provided upon payment of the appropriate fee set forth in the Florida statutes. If the nature or volume of the public records requested will require extensive use of information technology resources or more than fifteen (15) minutes of clerical or supervisory assistance by District personnel, a special service charge attributable to the extensive use of the information technology resources and/or the labor cost of the personnel providing the service will be collected as permitted by State law.

In addition, the actual cost of duplication will be collected for copies of the District's public records in a form other than a duplicated copy. The special service charge will also be collected if the requested copies of the public records in a form other than duplicated copy will require extensive use of information technology resources or more than fifteen (15) minutes of clerical or supervisory assistance by District personnel as permitted by State law.

If the request for copies of a public record in any form could result in the collection of a special service charge, an estimate of the fee that will be due and payable shall be provided to the requestor. The duplication of the requested records will commence upon payment of the estimated fee by the requestor.

No public record may be removed from the office in which it is maintained, except by a Board employee in the course of the performance of his/her duties.

All District records will be maintained in accordance with general records schedules GS1-SL and GS7, as established by the Department of State.

Source: Extracted from School Board Policy No. 8310 – Public Records

Subtask 5.4 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, processes and the review of the information is not documented in writing. This subtask is partially met.

Subtask 5.4 Recommendation:

MGT recommends that the Debt Service function implements a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.

Subtask 5.5 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections – Partially Met.

MGT interviewed the CFO and Administrative Secretary regarding the processes in place to correct any erroneous and/or incomplete information included in public documents, reports, or other materials

prepared by the District. The District does not have written procedures regarding the correction of any erroneous or incomplete information; however, the CFO indicated that, if erroneous or incomplete information was noted, the record would be corrected, and notification will be posted on the District's website. According to the Administrative Secretary, no erroneous or incomplete information was noted during the period July 2020 through May 2022.

Subtask 5.5 Conclusion:

Based on the information provided, the District has a process for correcting erroneous or incomplete information; however, there are no written procedures. Accordingly, this subtask is partially met.

Subtask 5.5 Recommendation:

MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections.

RESEARCH TASK 6: COMPLIANCE WITH APPROPRIATE POLICIES, RULES, AND LAWS

Finding: The District met expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and the Board Attorney and reviewed applicable policies and procedures to determine whether the District has a process to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The Board's Attorney reviews all contracts to ensure compliance with federal, state, and local laws, rules and regulations. Program directors, including the Director of Facilities, Operations, and Transportation; Director of IT, and CFO can request legal guidance on grant agreements and any other School Board related topic.

In addition, the Finance Department is responsible for ensuring that processes and expenditures are compliant to the contract and grant agreements.

Subtask 6.1 Conclusion:

The District has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. This subtask is met.

Subtask 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and Board Attorney and review applicable policies and procedures to determine whether the internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. The internal controls established by the

District include having the Board Attorney review all contracts and provided legal guidance as needed. Additionally, the District's policies and procedures provide guidance as to the administration of grant funds, establishing internal controls, and cash management. See Exhibit 5 in the Facilities and Operations section for a listing of the compliance related School Board policies reviewed by MGT.

Subtask 6.2 Conclusion:

The District's internal controls provide reasonable assurance that the District complies with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. This subtask is met.

Subtask 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January 2022 to determine if the reports included any findings relevant to the audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance and/or cost identified in the audits.

MGT's review of prior audits findings disclosed that the Auditor General's Operational Audit Report issued on January 14, 2022, included a finding related to the District's school safety policies and compliance with State law. This finding was determined to be relevant to the Facilities and Operations program. To determine whether management took reasonable and timely actions to address the finding, MGT inquired with District management. District management indicated that the District has put into draft form policy changes to Board Policy No. 8420 – Emergency Management, Emergency Preparedness, and Emergency Response Agencies. The changes made to Board Policy No. 8420 include the language of "meet the requirements of the State Board of Education Rules," lays out the responsibilities of the District's School Safety Specialist and law enforcement officers for conducting regular training for emergency situations, and the requirement of implementing a mobile panic alert system to be placed across the school's campuses. These changes are set to ensure the District is able to demonstrate compliance with State law and also incorporate amendments made to Section 943.687 and Section 394.463, Florida Statutes. The new policy is scheduled to be advertised as required by State statute and is planned to be voted on by the School Board by October 15, 2022.

Subtask 6.3 Conclusion:

MGT's review indicated that District management had taken timely and appropriate actions to correct deficiencies related to the District's school safety policies and compliance with State law. This subtask is met.

Subtask 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations – Met.

MGT inquired with the CFO and Board Attorney into how the District verified that planned uses of the surtax comply with applicable state laws, rules, and regulations. MGT also reviewed the executed Hendry County School District School Capital Outlay Surtax referendum to gain an understanding of the planned uses of the surtax. The referendum included the Surtax Capital Outlay Plan (see **Exhibit 6** in the Facilities

and Operations section of this report). The Surtax Capital Outlay Plan details the capital improvements for school facilities to be funded by the proceeds of the sales surtax. The referendum also references the creation of an Independent Committee for the purpose of monitoring and providing advice regarding the implementation of the Surtax Capital Outlay Plan. The Independent Committee is to commence upon approval of the Sales Surtax and extending through the date of completion of the projects to be funded under the Surtax Capital Outlay Plan.

In addition, MGT obtained and reviewed the Potential Lists of Projects from the District's website (see **Exhibit 7** – Potential List of Projects in the Facilities and Operations section of this report)

Subtask 6.4 Conclusion:

Program administrators have taken reasonable and timely actions to provide reasonable assurance that planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. This subtask is met.

Subtask 6.5 – Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used – Not Applicable.

Not applicable. The CFO indicated that Hendry County School District does not have any charter schools. MGT performed research and was not able to find any charter schools within Hendry County School District.

Information Technology

RESEARCH TASK 1: ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM

Finding: Overall, the Information Technology (IT) program partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost – Partially Met.

MGT reviewed reports from Zendesk as well as made inquiries and met with the IT Director to walk through reports and reporting processes. The Zendesk reports included reporting on service levels agreement to the business and satisfaction surveys. The Technology Business Management Council recently published their list of the Top Ten metrics to manage the business of IT. Included in the publication were % of Services meeting Service Level Agreements. This measures if IT is delivering upon the agreed upon service performance and quality. Also included in the list of the top ten is Customer Satisfaction Scores. This helps to drive a culture of continuous quality improvement in IT. Based on the information provided and interviews, the District appears to have the proper metrics in place to measure performance of the IT org. However, it was shared that costs are not measured. The remaining metrics published by the Technology Business Management Council are IT cost related. For example, IT spend vs.

DETAILED FINDINGS AND RESULTS

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plan and IT spend by business unit. **Exhibit 16** presents an example of an efficiency report generated from Zendesk.

Exhibit 16– Zendesk Efficiency Report



Source: Director of IT, Hendry County School District

Subtask 1.1 Conclusion:

Based on the information provided and interviews, the District appears to have the proper metrics in place to measure performance of the IT organization. However, the District indicated that costs are not measured. This subtask is partially met.

Subtask 1.1 Recommendation:

MGT recommends the District create a methodology to begin measuring IT costs alongside performance. The Technology Business Management Council provides guidance and a starting point for the District to review. It would also be of great benefit to seek business and board input as to the cost metrics they may be interested in.

Subtask 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost – Partially Met.

MGT determined that the District has adequate metrics in place for monitoring IT performance but is not actively measuring IT costs. While interviewing the IT Director, he mentioned the IT performance metrics are only reviewed monthly within the IT program. Only meeting internally and not reporting out to the business or the board can lead to misalignment in expectations and visibility. Not providing reporting to the business or the board can also delay potentially needed course corrections for the business. The reporting should not only include information about IT performance but also for IT costs/expenses. Typically, the business or board may have specific metrics they are interested in that should be reported and shared regularly.

Subtask 1.2 Conclusion:

IT performance metrics are only reviewed monthly within the IT program. Only meeting internally and not reporting out to the business departments or the Board can lead to misalignment in expectations and visibility. Not providing reporting to the business or the Board can also delay potentially needed course corrections for the program. This subtask is partially met.

Subtask 1.2 Recommendation:

MGT recommends the District create a methodology to begin measuring program and IT costs alongside performance. MGT also recommends the District develop a cadence to review and report on IT costs regularly with visibility to the business and board level. Referencing the Technology Business Management Council's top 10 metrics to manage the business of IT is a great place to start. It would also be of great benefit to solicit input from the business departments and the board on what metrics are important to them.

Subtask 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General's Operational Audit Report issued in January 2022 to determine if the reports included any findings relevant to the audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance and/or cost identified in the audits. MGT determined that Findings 8 and 9 are relevant to the IT program audit objectives. **Exhibit 17** presents the summary of Findings 8 and 9 from the Auditor General's Operational Audit Report.

Exhibit 17 – Summary of Finding 8 and 9 from the Auditor General’s Operational Audit Report

Finding 8: Some unnecessary information technology (IT) user access privileges existed that increased the risk that unauthorized disclosure of sensitive personal information of students may occur.

Finding 9: IT user access privileges to the District’s enterprise resource planning system were not always necessary and appropriate.

Source: State of Florida Auditor General Operation Audit – Hendry County School District School Board Report No. 2022-100

MGT also inquired with the CFO about other relevant internal or external reports on program performance and cost. The Director and CFO indicated that no other relevant internal or external reports on program performance and cost have been issued.

Subtask 1.3 Conclusion:

The Auditor General’s Operational Audit Report issued on January 14, 2022, included two findings related to the IT program audit objectives. The results of MGT’s follow-up work are detailed in subtask 1.4 below. This subtask is met.

Subtask 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. – Met.

MGT reviewed the Auditor General’s Operational Audit Report issued in January of 2022 to gain an understanding of Findings 8 and 9 which were determined to be relevant to our IT audit objectives. After gaining an understanding of the findings, we inquired with IT program management and requested evidence of the actions taken by management to address any deficiencies identified in the findings. In response to the findings, the District’s IT program management provided the following information:

- Finding #8: The IT program management removed all users’ access to sensitive personal information of students. Management subsequently created a new stand-alone permission for each sensitive category, i.e. social security number. Access to this information has been granted to one individual at each school, which limits the risk of unauthorized disclosure of sensitive personal information of students.
- Finding #9: The IT program management created a new integration between its Enterprise Resource Planning (ERP) system and user access console that would deactivate user access the same day the user was listed as inactive in the ERP system. This integration is automated to run twice a day, Monday through Friday.

Per our inquiry of the IT program management, these actions were taken shortly after the District received the audit report from the Auditor General.

Subtask 1.4 Conclusion:

Based on the information provided by the IT program management, the IT program took reasonable and timely actions to address the deficiencies noted in the operational audit. This subtask has been met.

Subtask 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices – Met.

MGT interviewed the Director of IT to gain an understanding of program performance and cost. MGT also compared the District’s instructional tech spending per student and total tech spending per student to DeSoto and Sumter school districts. The comparison disclosed that District’s instructional tech spending per student and total tech spending per student was in-line with the spending of the peer districts. **Exhibit 18** presents the results of our comparison.

Exhibit 18 – Hendry County School District Technology Related Spending

School District	2021 Instructional Technology Spending	2021 Admin Technology Spending	2021 UFTE Students	Instructional Tech Spending \$ (Per Student)	Total Tech Spending \$ (Per Student)
Hendry	\$100,297.00	\$137,836.00	822.29	\$121.97	\$289.60
DeSoto	\$477,310.00	\$690,192.00	4472.36	\$106.72	\$261.05
Glades	\$24,693.00	\$47,800.00	1490.26	\$16.57	\$48.64
Sumter	\$1,318,510.00	\$0.00	5067.02	\$260.21	\$260.21
Average	\$480,202.50	\$218,957.00	2,962.98	\$126.37	\$214.88

Source: Florida DOE, 2021 EFAA Reports (Education Funding Accountability Act)

Subtask 1.5 Conclusion:

Based on the information reviewed, it appears that program performance and cost are adequate based on reasonable measures, including instructional tech spending per student and total tech spending per student. This subtask is met.

Subtask 1.6 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget – Not Met.

MGT requested documentation for projects completed during the period July 2020 through May 2022 in order to review documentation. The IT Director requested that we talk through our needs via meeting. Upon meeting and interviewing with the IT Director, MGT found there is no documentation for projects completed during the period July 2020 through May 2022. The IT Director mentioned they did have an official project manager for the ERP project but then he was unable to access the site to provide documentation. MGT and the IT Director were able to talk through projects listed on the 2021 IT Department goals and cover general project statuses. The IT Director reported to MGT that the projects completed in 2021 included: Improve Internal Network Security Protocols, Implement new ERP System, Relocate Department and Datacenter, Organizational Unit Restructure and Single Sign On Provider Switch. However, no documentation was provided to prove or disprove completion and reasonableness of cost and timing.

After a subsequent meeting, the District provided additional documentation in the form of project proposals from vendors. However, no documentation on final costs or project duration was provided. Proposals that were shared include a \$118,343.81 proposal from Fiber Solutions Technology Contractors for video camera installs at seven schools, documentation for a \$8,704.40 proposal from Fiber Solutions Technology Contractors for cabling and rack installation at six schools and an \$11,766.46 proposal from Fiber Solutions Technology Contractors for installing uninterruptible power supplies at six schools. The District provided a Skyward calendar that documented some project activity but there was no baseline or project plan to compare that information to. The District did provide a few vendor names for other conducted projects verbally during interviews but provided no other additional written documentation.

Subtask 1.6 Conclusion:

MGT requested documentation for projects completed during the period July 2020 through May 2022 in order to review documentation. However, there is no documentation for projects completed during the period July 2020 through May 2022. This subtask is not met.

Subtask 1.6 Recommendation:

MGT recommends the District implement a project management methodology that at a minimum takes into account tracing project resourcing, schedule and budget. If the burden is too great for the staff to take on this extra discipline, many entities adopt setting a project threshold and require projects of a certain complexity and cost to have extra discipline applied.

Subtask 1.7 – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements – Met.

MGT interviewed the Director of IT and reviewed relevant School Board Policies to determine if management established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. School Board policies reviewed include the following:

- ♦ School Board Policy No. 6320 - Purchasing and Contracting for Commodities and Contractual Services
- ♦ School Board Policy No. 6320.01 - Vendor Preference
- ♦ School Board Policy No. 6325 - Procurement - Federal Grants-Funds
- ♦ School Board Policy No. 6440 - Cooperative Purchasing
- ♦ School Board Policy No. 6450 - Local Purchasing
- ♦ School Board Policy No. 6460 - Vendor Relation

The School Board policies establish processes to ensure that the District takes maximum advantage of competitive procurement, volume discounts, and special pricing agreements. For example, Policy No. 6320 – Purchasing and Contracting for Commodities and Contractual Services state that “competitive solicitations shall be requested from three or more sources for the purchase of any authorized commodities or contractual services in an amount greater than \$25,000.” Additionally, Policy No. 6440 – Cooperative Purchasing states that “the School Board recognizes the advantage of centralized purchasing in that volume buying tends to maximize value for each other dollar spent.” Policy No. 6440 also authorizes the School Board and/or the Superintendent to negotiate interlocal purchasing agreements for

services, supplies, and equipment for the purpose of maximizing the purchasing power for goods and services. The School Board policies are applicable to all District departments, including the IT Department.

Subtask 1.7 Conclusion:

The District established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. This subtask is met.

RESEARCH TASK 2: STRUCTURE OR DESIGN OF THE PROGRAM

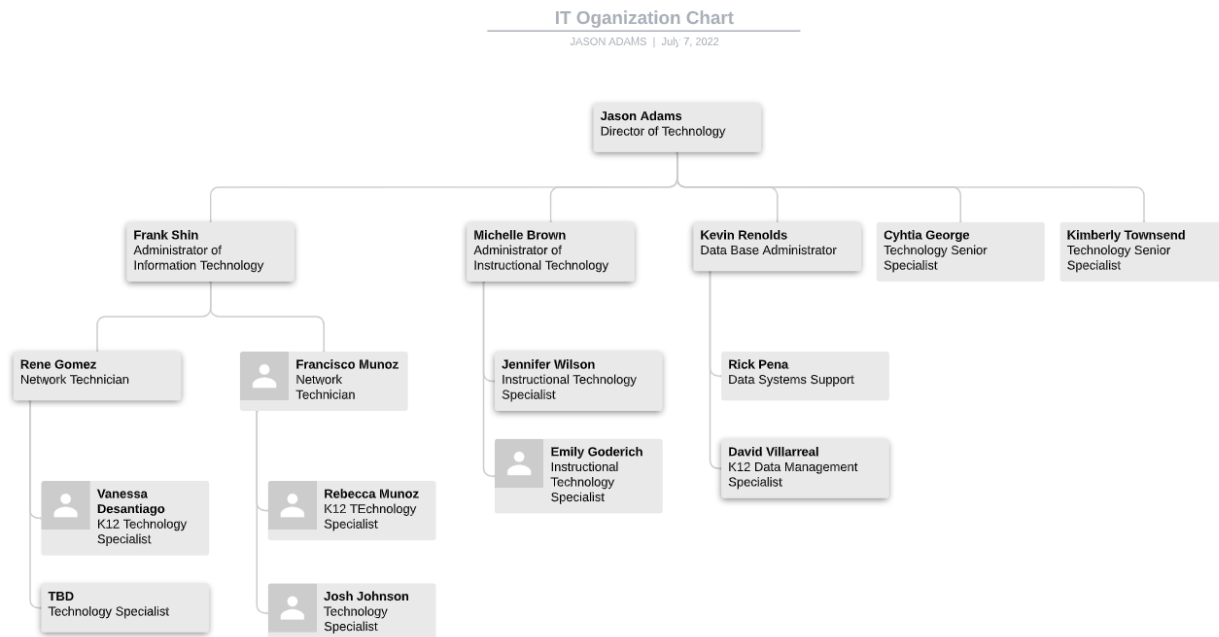
Finding: Overall, the Information Technology program met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs – Met.

The Director of IT is the head of IT services for the District. The IT Department is currently staffed with 15 total staff (does not include a Technology Specialist position which is currently vacant) and 16 total positions are approved for the IT Department. The organizational chart of the IT Department is provided below in **Exhibit 19**.

Exhibit 19 – IT Organizational Chart



Source: Director of IT, Hendry County School District

Organizational span of control refers to the number of subordinates that can be managed effectively and efficiently by executive/director level staff and middle management staff. Middle management typically includes manager and supervisor level staff.

MGT compared the IT Department's organization chart span of control with Society of Human Resource Management (SHRM) guidelines and concluded that the span of control falls within the SHRM benchmarks. For example, the Director of IT has five direct reports, which falls in the median percentile for executive level.

In addition, MGT examined the IT Department's organizational structure and noted that the direct reports of the Director of IT include the Administrator of Information Technology, Administrator of Instructional Technology, Data Base Administrator, and two Technology Senior Specialists. The K12 Technology Specialist and Technology Specialist report to the region's Network Technician. The two Instructional Technology Specialist report to the Administrator of Instructional Technology. The Data Systems Support and K12 Data Management Specialist report to the Data Base Administrator. The Department's organizational structure is clearly defined, minimizes overlapping functions and excessive administrative layers and has lines of authority that minimize administrative costs.

Subtask 2.1 Conclusion:

Based on the analysis performed, the IT Department organizational structure has clearly defined units, minimizes overlapping functions, and excessive administrative layers. This subtask is met.

Subtask 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload – Met.

MGT interviewed the Director of IT and HR personnel to gain an understanding of the process for assessing staffing levels given the nature of the services provided and program workload. Per the Director of IT, the Department has added five additional positions since he took over the Director position in July 2020. The Director looks at work orders and the time it takes to complete work order when evaluating and adjusting staffing levels. The Director indicated that he also takes into consideration the staffing levels in peer districts with similar enrollment size (e.g., Columbia County School District and Monroe County School District) and the services that these districts outsource to help manage the workload.

Subtask 2.2 Conclusion:

Based on the procedures performed, current program staffing levels appear reasonable given the nature of the services provided and program workload. This subtask is met.

RESEARCH TASK 3: ALTERNATIVE METHODS OF PROVIDING PROGRAM SERVICES

Finding: Overall, the Information Technology program partially met the expectations of this research task.

Research Subtask Analysis and Conclusions



Subtask 3.1 – Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions – Not Met.

MGT interviewed the IT Director to gain an understanding of existing in-house services. District management noted that the District currently outsources cable installations, communication systems, support for wireless access and uses Amazon for cloud backup. The IT Director evaluates cost, expertise and support needed when determining whether a service should be outsourced or performed in-house. However, we also found that this evaluation is informal and there is no documentation that shows that the conclusion reached is reasonable.

There are reputable, independent firms who collect benchmarking data in the area of IT service delivery. These firms can also evaluate service offerings and the costs to provide those services and identify what percentile you fall in for efficiency of delivery. Typically, these firms require that you have a service catalog created and available. During interview, the IT Director confirmed that they have no service catalog. The District has some outsourced services but the process of how they determined which services to outsource is largely informal. The method to determine reasonableness is largely subjective with the decision left to the IT Director.

Subtask 3.1 Conclusion:

The IT program evaluates cost, expertise, and support needed when determining whether a service should be outsourced or performed in-house. However, this evaluation is informal and there is no documentation that shows that the conclusion reached is reasonable. This subtask is not met.

Subtask 3.1 Recommendation:

MGT recommends that administrators document their evaluation of whether to perform an activity in-house or contract with a vendor. Additionally, MGT recommends that the District create a service catalog that tracks the cost to provide the services it provides which is a first step if the District chooses to use a firm to assist with a benchmarking exercise.

Subtask 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to very effectiveness and cost savings achieved and determine the reasonableness of their conclusions – Partially Met.

MGT interviewed the IT Director to gain an understanding of contracted and/or privatized services. It was noted that the District currently outsources cable installations, communication systems, support for wireless access and uses Amazon for cloud backup. The IT Director evaluates cost, expertise and support needed when determining whether a service should be outsourced or performed in-house. However, MGT also found that this evaluation is informal and there is no documentation that shows that the conclusion reached is reasonable.

The District does have some services outsourced but the process of how they determined which services to outsource is largely informal. The method to determine reasonableness is largely subjective with the decision left to the IT Director. There are reputable, independent firms who collect benchmarking data in the area of IT service delivery. These firms can also evaluate service offerings and the costs to provide those services and identify what percentile you fall in for efficiency of delivery. Typically, these firms require that you have a service catalog created and available. During interview, the IT Director confirmed that they have no service catalog.

Subtask 3.2 Conclusion:

The IT Department evaluates cost, expertise and support needed when determining whether a service should be outsourced or performed in-house. However, this evaluation is informal and there is no documentation that shows that the conclusion reached is reasonable. This subtask is partially met.

Subtask 3.2 Recommendation:

MGT recommends that the District create a service catalog that tracks the cost to provide the services it provides which is a first step if the District chooses to use a firm to assist with a benchmarking exercise.

Subtask 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services – Not Met.

The IT program made no formal evaluations or assessments to consider changing service delivery methods with the purpose of reducing program costs without significantly affecting the quality of services.

Subtask 3.3 Conclusion:

Based on the analysis performed, IT program management provided no evidence that evaluations were performed or changes to service delivery methods were made as a result of the evaluations. This subtask was not met.

Subtask 3.3 Recommendation:

MGT recommends that IT program management develop policies and procedures to evidence the evaluation or assessment of contracted services and the determination as to whether changing service delivery methods would reduce program costs.

Subtask 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities - Met.

MGT interviewed the Director of IT. Per the Director of IT, the IT program evaluates cost, expertise and support needed when determining whether a service should be outsourced or performed in-house. The District currently outsources cable installations, communication systems, support for wireless access and uses Amazon for cloud backup. Based on the information provided, it appears that the District is using alternative service delivery methods effectively.

Subtask 3.4 Conclusion:

Based on the information provided, it appears that the District is using alternative service delivery methods effectively. This subtask is met.

RESEARCH TASK 4: GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Finding: Overall, the Information Technology program partially met expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the District’s strategic plan - Met.

MGT reviewed the District Strategic Plan and the planning, technology, vision, framework and strategy document. MGT also interviewed the IT Director and mapped the District’s 2021 IT Department Goals to the District’s Strategic Plan.

The District’s Strategic Plan had 5 Goals with 18 underlying strategies. **Table 12** presents the District’s 5 goals and 18 underlying strategies.

Table 12 – District’s Goals and Underlying Strategies.

1. Academic Achievement
A. Strengthen consistent professional development district-wide focused on standards-based curriculum development and progress monitoring.
B. Ensure high-quality Professional Learning Community systems are in place at every school.
C. Establish a system to monitor and support effective classroom instruction.
D. Support principals to deliver high-quality, meaningful feedback and coaching
2. School Culture & Climate
A. Establish a stronger, more unified district-wide culture.
B. Strengthen attendance through targeted supports and communication.
C. Ensure consistent and equitable implementation of schoolwide Positive Behavior Incentive Systems.
D. Build capacity of educators.
3. Teacher Recruitment & Retention
A. Build better systems and practices for recruitment and hiring with a focus on hiring a qualified teacher workforce that reflects the diversity of our students and their needs.
B. Strengthen our new teacher training/induction program.
C. Provide opportunities for leadership and professional growth.
D. Explore ways to enhance staff compensation and benefits packages.
4. Family & Community Engagement
A. Increase parent and stakeholder communication through a wide array of formats: voice, digital, print, social media.
B. Increase meaningful participation opportunities at school for parents and the community.
C. Implement a district-wide Parent Academy focused on enhancing parent advocacy.
5. Fiscal Stewardship
A. Maintain a healthy financial condition.
B. Explore new options for revenue generation that address rising operational costs.
C. Maximize all resources to ensure student learning outcomes and district goals.

Source: Created by MGT from data extracted from the District’s Strategic Plan

The IT program shared documentation and discussed 10 goals that were set for 2021. Four of the ten goals aimed to meet the strategy of “Ensure high-quality Professional Learning Community systems are in place at every school”. One of the goals aimed to fulfill the strategy of “Build capacity of educators”. One of the goals aimed to address the strategies of “Maintain a healthy financial condition” and “Maximize all resources to ensure student learning outcomes and district goals.” Three of the goals were addressing security and one goal was operational. **Exhibit 20** presents the 2021 Department Goals for IT.

Exhibit 20 - 2021 Department Goals - IT

2021 Department Goals - Information Technology

<p>Specific: What exactly do you want to accomplish? How will you reach this goal? Try to answer the who/what/where/when/how</p>	<ol style="list-style-type: none"> 1. Establish Decision Making Process for Software Selection, Purchasing, and Evaluation: Enhance District and School leader collaboration to work towards unified goals. Utilize the District Technology & Curriculum Committee to collaboratively approve decisions. 2. Establish K-12 Computer Literacy Program: Begin initiative in the media centers. Establish Makerspaces at each school site and focus on Keyboarding, video production, and robotics. IT Admin and IT Specialists will develop pacing guides, provide training and support to Media Specialists, and provide resources. Implementation will begin in August, 2021. 3. Establish K-12 Digital Citizenship Program: This is an Erate requirement to ensure student safety online. Integration into the Media Center will be a priority and will work alongside the Computer Literacy Program. 4. Improve District-Wide Classroom Technology Integration: Addition of four Instructional Technology Specialists, Self-Paced PD Platform, Continuous Support and Training Model, Technology Integration Matrix, Coaching, Co-Creating, and Modeling Effective and Transformational Lessons. 5. Upgrade Network Infrastructure to 10GB: This is a 5 year goal that will begin with Erate Cat 2 projects at CMS, CES, and LHS. This will include all new Cat6 cable at all locations with new network switches and locations. 6. Improve Internal Network Security Protocols: Removal of all Windows 7 Devices, Enhanced Email Security, upgrade firewall, automation of redundant tasks and manual updates. 7. Implement New Enterprise Resource Planning (ERP) System: Skyward Implementation and training of all interested stakeholders. Complete project assignments within timeline for full implementation on July 1, 2021. 8. Relocate Department & Data Center: Plan and implement data center move of the district's core network, servers, and storage for the district to new location. 9. Organizational Unit Restructure: Restructure Google Admin Console to streamline user permissions and policies, device management, and integrations. 10. Single Sign On (SSO) Provider Switch: Transition from Clever to Classlink to provide a true SSO experience for all software products purchased or otherwise.
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Source: Director of IT, Hendry County School District

Subtask 4.1 Conclusion:

The IT Department's goals and objectives are clearly stated, measurable, can be achieved within budget and are consistent with the District's strategic plan. This sub-task is met.

Subtask 4.2 – Assess the measures, if any, the county uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives – Partially Met.

The IT program practices a formal process of collectively setting and documenting its goals and objectives via the yearly update to the IT Department goals document. The program then meets at the end of the year of to review. However, there is no documentation on how frequently throughout the year goals and objectives are reviewed and how often are they reviewed by management.

Subtask 4.2 Conclusion:

The IT program has a process for setting and evaluating program performance and progress towards meeting its state goals and objectives, however it is undocumented and appears somewhat informal. This subtask is partially met.

Subtask 4.2 Recommendation:

MGT recommends the District adopt a process that involves regular review of goals throughout the year in a formal, documented process. There are many best practice standards available with Objectives and Key Results (OKRs) being one of those. Using a best practice goal setting process will ensure that not only are goals set, but they are regularly tracked, reviewed and updated and/or changed when needed. Issues and roadblocks will be detected earlier and well before the end of the year, before it is too late to pivot. A best practice goal setting process also keeps goals front and center for better team focus.

Subtask 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met – Partially Met.

MGT gained an understanding of the internal controls the District has in place regarding the provision of IT related services. Gaining an understanding included review of the District’s written policies and procedures, interviews with the Chief Financial Officer and inspection of District records including financial data. MGT also assessed the design and effectiveness of relevant IT controls, including ensuring that a unique username and password is needed to access relevant IT systems and inquiring about users’ ability to add, edit, or delete information. Per the Director of IT there is an audit trail for all activities performed within ZenDesk. For example, the system tracks who enter and edited the information.

Subtask 4.3 Conclusion:

Although the IT program established relevant internal controls, the program has not established a formal process for setting program goals and objectives and evaluating program performance and progress towards meeting its stated goals and objectives. This subtask is partially met.

Subtask 4.3 Recommendation:

MGT recommends that IT program management ensure that appropriate policies and procedures are developed to support program goals and objectives.

RESEARCH TASK 5: ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS

Finding: Overall, the Information Technology program partially met the expectations of this research task.

Research Subtask Analysis and Conclusions

Subtask 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public – Partially Met.

MGT interviewed the Director of IT, Chief Financial Officer; and the Administrative Secretary to assess the systems used to provide information to the public and the processes used to ensure the information is timely and accurate. Additionally, MGT evaluated relevant documents available on the District’s website. The District’s website includes the financial and non-financial information identified in **Table 13** below. Based on the interviews completed and documents reviewed, the District has processes in place to ensure that financial information is useful, timely, and accurate. Specifically, the Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on the District’s website. However, this process is not documented in writing and the District does not have processes in place to ensure the accuracy of the financial and non-financial information prior to publishing the information on the website.

Table 13 – Financial and Non-Financial Information Related to the Transportation Department

Financial Information
FY2022-23 Preliminary Budget Overview
Final budgets for FY2019-20, FY2020-21, and FY2021-22
School Financial Reports
Financial Audit Reports
Non-financial Information
IT Policy and Procedures for District Employees Manual
K-12 Digital Citizenship Plan

Source: Created by MGT from information obtained from the Hendry County School District Website

It appears that the District’s IT program does not publish non-financial information on the District’s website. MGT reviewed the information publish on the IT program’s section of the District’s website to gain an understanding of the non-financial information publish on the website. MGT’s reviewed disclosed that the information posted is minimal.

Subtask 5.1 Conclusion:

MGT’s evaluation of the systems and documents utilized to provide information to the public disclosed that the District could improve its processes to ensure that the public has access to financial and non-financial information that is useful, timely, and accurate. This subtask is partially met.

Subtask 5.1 Recommendation:

MGT recommends the District implements a process for verifying the accuracy of financial information, and documenting that verification, prior to publishing information.

Subtask 5.2 – Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the District related to the program – Partially Met.

MGT interviewed the Director of IT, Administrative Secretary, and Chief Financial Officer to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable Departments to verify the accuracy of information provided to her to publish publicly. The Chief Financial Officer reviews and approves all financial

information before it is sent to the Administrative Secretary for posting. However, management's review of the information is not documented.

Subtask 5.2 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, the processes and review of the information are not documented in writing. This subtask is partially met.

Subtask 5.2 Recommendation:

MGT recommends that the IT program implement a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.

Subtask 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate – Partially Met.

MGT reviewed the District budget and financial reports and non-financial information identified in **Table 13**. Our analysis of these documents indicated that the District does not include sufficient financial and non-financial information on the website. Specifically, while the website includes the annual budget which contains the budget for Instruction Related Technology, no information is provided on the IT related projects information such as the number of projects, expected target, actual start date, expected completion date, actual completion date, budget and actual. **Exhibit 21** shows a screenshot of the IT related non-financial information available on the District's website.

Exhibit 21– Screenshot of IT Related Non-Financial Information Available on the Website

The screenshot displays the Hendry County School District website. The header features the district's name and tagline, along with navigation links for 'DISTRICT HOME' and 'OUR SCHOOLS'. Below the header is a row of icons representing various services. The main content area is titled 'Information Technology' and includes a sidebar with a dropdown menu for 'Information Technology' containing links to 'IT Department Policies and Procedures', 'Digital Citizenship', 'Elementary Framework', 'Secondary Framework', and 'Parent Resources for Digital Citizenship'. The main content area also includes a link to 'Instructional Technology' and 'Tech Integration Lessons'. The right side of the page contains text about the Information Technology Department, its mission, and contact information for the Information Technology Director, Jason Adams.

Hendry County School District
Dedicated to Excellence in Education

DISTRICT HOME OUR SCHOOLS

Home > Departments > Information Technology > Information Technology

Information Technology

Information Technology
IT Department Policies and Procedures
Digital Citizenship
Elementary Framework
Secondary Framework
Parent Resources for Digital Citizenship

Instructional Technology
Tech Integration Lessons

Information Technology Director: Jason Adams

The Technology Department is dedicated to providing the information, communication, technology, and media literacy it takes to create a 21st Century Learner.

All schools are equipped with wireless networks providing instant access to students wherever they may be in their school via a device. Furthermore, each classroom contains an interactive display system that allows teachers to use digital ink. This creates a more dynamic experience for the students and our teachers. Each teacher has his or her own computer and website tools to communicate and collaborate with other teachers, as well as with students, parents, and guardians. Teachers host video conferences with other schools, universities, organizations, and authors bringing the world to students' fingertips.

The Hendry County Schools online student information system, known as FOCUS, allows students, parents, and guardians to access grades, attendance records, food purchases, financial information as well as communicate with teachers.

The Information Technology Department continues to grow as it works towards the mission to ensure students and staff lead and learn through the use of innovative technologies to be successful in tomorrow's world.

LaBelle
Office: 863-674-4559

Source: Hendry County School District Website

Subtask 5.3 Conclusion:

While the District provides overall budget information, it does not provide public access to program performance and cost information for the IT program. Accordingly, this subtask is partially met.

Subtask 5.3 Recommendation:

MGT recommends enhancing procedures to ensure that the public has access to program performance and cost information that is readily available and easy to locate. The information should include details on the IT related activities, including number of workorders open, number of duplicate workorders, and cost.

Subtask 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public – Partially Met.

MGT interviewed the Director of IT, Administrative Secretary, and Chief Financial Officer to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Administrative Secretary relies on the applicable Departments to verify the accuracy of information provided to her to publish publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Administrative Secretary for posting.

Subtask 5.4 Conclusion:

The District has processes in place to ensure the accuracy of financial information provided to the public; however, the processes and review of the information are not documented in writing. This subtask is partially met.

Subtask 5.4 Recommendation:

MGT recommends that the IT program implement a process to ensure that the review of publicly available information is documented in writing before the information is made publicly available.

Subtask 5.5 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the District and that these procedures provide for adequate public notice of such corrections – Partially Met.

MGT interviewed the Director of IT, CFO, and Administrative Secretary regarding the processes in place to correct any erroneous and/or incomplete information included in public documents, reports, or other materials prepared by the District. The District does not have written procedures regarding the correction of any erroneous or incomplete information; however, the CFO indicated that, if erroneous or incomplete information was noted, the record would be corrected, and notification will be posted on the District's website. According to the Director of IT; CFO; and Administrative Secretary, no erroneous or incomplete information was noted during the period July 2020 through May 2022.

Subtask 5.5 Conclusion:

Based on the information provided, the District has a process for correcting erroneous or incomplete information; however, there are no written procedures. Accordingly, this subtask is partially met.

Subtask 5.5 Recommendation:

MGT recommends the District establish policies and procedures outlining the process for correcting publicly reported data and publicly noticing those corrections.

RESEARCH TASK 6: COMPLIANCE WITH APPROPRIATE POLICIES, RULES, AND LAWS

Finding: Overall, the Information Technology program met expectations for this research task.

Research Subtask Analysis and Conclusions

Subtask 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies - Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and the Board Attorney and reviewed applicable policies and procedures to determine whether the District has a process to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The Board’s Attorney reviews all contracts to ensure compliance with federal, state, and local laws, rules and regulations. Program directors, including the Director of Facilities, Operations, and Transportation; Director of IT, and CFO can request legal guidance on grant agreements and any other School Board related topic.

In addition, the Finance Department is responsible for ensuring that processes and expenditures are compliant to the contract and grant agreements.

Subtask 6.1 Conclusion:

The District has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. This subtask is met.

Subtask 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures – Met.

MGT interviewed the Director of Facilities, Operations, and Transportation; Director of IT; CFO; and Board Attorney and review applicable policies and procedures to determine whether the internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. The internal controls established by the District include having the Board Attorney review all contracts and provided legal guidance as needed. Additionally, the District’s policies and procedures provide guidance as to the administration of grant funds, establishing internal controls, and cash management. See Exhibit 5 in the Facilities and Operations section for a listing of the compliance related School Board policies reviewed by MGT.

Subtask 6.2 Conclusion:

The District’s internal controls provide reasonable assurance that the District complies with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. This subtask is met.

Subtask 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means – Met.

MGT reviewed applicable audit reports issued during our audit period, including the annual reports for the Fiscal Year Ended June 30, 2021, and the Auditor General’s Operational Audit Report issued in January 2022 to determine if the reports included any findings relevant to the audit objectives and whether program administrators took reasonable and timely actions to address any deficiencies in program performance and/or cost identified in the audits. MGT determined that Findings 8 and 9 are relevant to the IT program audit objectives. **Exhibit 17** above presents the summary of Findings 8 and 9 from the Auditor General’s Operational Audit Report.

MGT also inquired with the CFO about other relevant internal or external reports on program performance and cost. The Director and CFO indicated that no other relevant internal or external reports on program performance and cost have been issued.

Subtask 6.3 Conclusion: The Auditor General’s Operational Audit Report issued on January 14, 2022, included two findings related to the IT program audit objectives. The results of MGT’s follow-up work are detailed in subtask 1.4 below. This subtask is met.

Subtask 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations – Met.

MGT inquired with the CFO and Board Attorney into how the District verified that planned uses of the surtax comply with applicable state laws, rules, and regulations. MGT also reviewed the executed Hendry County School District School Capital Outlay Surtax referendum to gain an understanding of the planned uses of the surtax. The referendum included the Surtax Capital Outlay Plan (see Exhibit 6 in the Facilities and Operations section of this report). The Surtax Capital Outlay Plan details the capital improvements for school facilities to be funded by the proceeds of the sales surtax. The referendum also references the creation of an Independent Committee for the purpose of monitoring and providing advice regarding the implementation of the Surtax Capital Outlay Plan. The Independent Committee is to commence upon approval of the Sales Surtax and extending through the date of completion of the projects to be funded under the Surtax Capital Outlay Plan.

In addition, MGT obtained and reviewed the Potential Lists of Projects from the District’s website (see Exhibit 7 – Potential List of Projects in the Facilities and Operations section of this report)

Subtask 6.4 Conclusion:

Program administrators have taken reasonable and timely actions to provide reasonable assurance that planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. This subtask is met.

Subtask 6.5 – Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used – Not Applicable.

Not applicable. The CFO indicated that Hendry County School District does not have any charter schools. MGT performed research and was not able to find any charter schools within Hendry County School District.

MANAGEMENT'S RESPONSE



Superintendent of Schools
Michael Swindle

Dedicated to Excellence in Education
ALL IN ALL THE TIME

August 26, 2022

MGT Consulting
Manager, Ricardo Cepin, CPA, CFE
4320 West Kennedy Blvd.
Tampa, FL 33609

Re: Hendry County School District Response to Performance Audit Findings

Dear Mr. Cepin:

Below are responses to each finding in the Performance Audit identified as "did not meet" or "partially met".

Debt Service Response

Subtask 1.5 – Not Met

Finance staff have taken the following corrective actions to ensure debt service payments are not missed in the future.

1. Paper invoices, original or copies, will never be given to the CFO to determine the payment, whether debt service related or otherwise. This was communicated by the CFO in a staff meeting. The Assistant Supervisor of Finance is responsible for oversight of the accounts payable process and should ensure all invoices are paid timely. Any issues are to be communicated verbally to ensure there are no delays.
2. The CFO has provided the Assistant Supervisor a schedule of debt service payments that includes the debt service type, due date, loan service provider, and account in which the payment should be charged to in the District's financial management system.

Information Technology Response

Operational Overview

Response 1:

IT Goals- completed

2021-2022 Department Goals – Information Technology

Specific:

What exactly do you want to accomplish?
How will you reach this goal? Try to
answer the who/what/where/when/how

1. **Establish Decision Making Process for Software Selection, Purchasing, and Evaluation:** Enhance District and School leader collaboration to work towards unified goals. Utilize the District Technology & Curriculum Committee to



Superintendent of Schools
Michael Swindle

Dedicated to Excellence in Education
ALL IN ALL THE TIME

- collaboratively approve decisions.
2. **Establish K-12 Computer Literacy Program:** Begin initiative in the media centers. Establish Makerspaces at each school site and focus on Keyboarding, video production, and robotics. IT Admin and IT Specialists will develop pacing guides, provide training and support to Media Specialists, and provide resources. Implementation will begin in August, 2021.
 3. **Establish K-12 Digital Citizenship Program:** This is an Erate requirement to ensure student safety online. Integration into the Media Center will be a priority and will work alongside the Computer Literacy Program.
 4. **Improve District-Wide Classroom Technology Integration:** Addition of four Instructional Technology Specialists, Self-Paced PD Platform, Continuous Support and Training Model, Technology Integration Matrix, Coaching, Co-Creating, and Modeling Effective and Transformational Lessons.
 5. **Upgrade Network Infrastructure to 10GB:** This is a 5-year goal that will begin with Erate Cat 2 projects at CMS, CES, and LHS. This will include all new Cat6 cable at all locations with new network switches and locations.
 6. **Improve Internal Network Security Protocols:** Removal of all Windows 7 Devices, Enhanced Email Security, upgrade firewall, automation of redundant tasks and manual updates.
 7. **Implement New Enterprise Resource Planning (ERP) System:** Skyward Implementation and training of all interested stakeholders. Complete project assignments within timeline for full implementation on July 1, 2021.
 8. **Relocate Department & Data Center:** Plan and implement data center move of the district's core network, servers, and storage for the district to new location.
 9. **Organizational Unit Restructure:** Restructure Google Admin Console to streamline user permissions and policies, device management, and integrations.
 10. **Single Sign On (SSO) Provider Switch:** Transition from Clever to Classlink to provide a true SSO experience for all software products purchased or



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Measurable: How will you know when you've reached this goal? Add units, measurements and tracking details	otherwise.
	Tasks are Completed
Attainable: Do you have the resources and knowledge to realistically accomplish this goal? What additional resources do you need? Who can you talk to for support?	IT Staff and CFO
Relevant: Why do you want to accomplish this goal? Will accomplishing this goal move you toward an outcome you want?	Improve access and equity to stakeholders
Time-Bound: What are additional dates and milestones you can aim for?	Complete by End of School Year 21-22

Response 2:

ERP Goals and Project Management Calendar was stored in SharePoint. Please Review.

Response 3:

Evaluations of in-house vs contracted services expenses will be formally documented

Response 4:

IT Website has been updated

Research Task 1:

Solution: Measure costs through procurement and project management

Research Task 3:

Document evaluation of in-house services vs outsourcing services to provide justification of decisions

Research Task 4:



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Review provided IT Department Meetings that clearly state and review progress of project management and completion of tasks. These are available in the SharePoint.

Research Task 5:

Published on website.

Summary of Findings

- 1.1 Will follow suggested guidance
- 1.2 Will follow suggested guidance
- 1.6 Will follow suggested guidance
- 3.1 Will follow suggested guidance
- 3.2 Will follow suggested guidance
- 3.3 Will follow suggested guidance
- 4.2 Will follow suggested guidance
- 4.3 Will follow suggested guidance

- 5.2 Will follow suggested guidance
- 5.3 Will follow suggested guidance
- 5.4 Will follow suggested guidance
- 5.5 Will follow suggested guidance

Facilities and Operations Audit Response

1.2 - HCSB will take the following recommendations and implement a new way of work in our day to day activities concerning program performance, cost, evaluation and assessment. We will document our efforts and move forward to create, implement our new way of work. I will approach the superintendent and have him talk to the school board and they will have buy-in on what they want to be aware of and also have them decide what we share with them on a regular basis. The school board will decide what appropriate information that they want shared.

1.6 - HCSB will definitely work on keeping our projects under budget. We will be more proactive with our projects and budgets. We will also use School Dude to document our efforts from now on. We will document all conversations and meetings concerning our efforts.

3.1 - HCSB will document our conversations when we discuss the following great practices concerning in-house and outside vendors. We will be fiscally responsible. We will breakdown and compare the costs so that Hendry County can get the biggest ROI in all that we do daily.

3.2 - HCSB will document our conversations when we discuss the following great practices concerning in-house and outside vendors. We will be fiscally responsible. We will breakdown and compare the costs so that Hendry County can get the biggest ROI in all that we do daily.

3.3 - HCSB will create a Rubric or implement a system, so that we have evidence of our contracted services. We will also develop great practices and procedures moving forward. We will document all of our efforts to reduce program costs.



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3.4 - HCSB will create a rubric, or implement a system to assess effectiveness and the money that is being spent. We will document all processes and efforts. We will also look into your recommendation of an expert third party evaluation. I will reach out to other school boards to attain information on their best practices.

4.1 - HCSB will create goals and objectives that are clearly stated, measurable, and achievable within our budget that align with Hendry County's Strategic Plan.

4.2 - HCSB will create goals and objectives that are clearly stated, measurable, and achievable within our budget that align with Hendry County's Strategic Plan. Also, we will establish measures and document our methods and processes.

4.3 - HCSB will ensure that the correct policies, best practices and procedures are developed to support our goals and objectives.

5.1 - HCSB will use School Dude and create written documentation of our efforts. I will then reach out to Hendry County administration to decide how we should publish and on what platform. We will also decide who would be appropriate to share this information with.

5.2 - HCSB will reach out to other counties to attain their great practices concerning the public available information. Hendry County will review the information before it is made public. We will also decide on the platform that we will use to share the information publicly.

5.3 - HCSB will tie 5.3 along with the previous standard 5.2 to establish processes that will meet the following suggestion. I will also reach out to other School Boards to attain their great practices that they use to meet this requirement.

5.4 - HCSB will reach out to other school boards to attain their great practices concerning the publicly available information. Hendry County will review the information before it is made public. We will also decide the vehicle that we will use to share the information publicly. We will also tie 5.3 along with the previous standard 5.2 and standard 5.4 to establish processes that will meet the following suggestions. I will also reach out to other School Boards to attain their great practices that they use to meet this requirement or recommendations. We will also establish a review process before the information goes public.

5.5 - HCSB will establish procedures for reviewing and correcting information that is shared with the public via social Media, and our district website. I will also reach out to other surrounding school boards about their best practices concerning reporting data and corrections.

Transportation Audit Responses

3.1 - HCSB will reach out to the Director of Transportation of Florida to get his thoughts and inquire if or find out how many other counties in the state of Florida that contract or privatize transportation in their respective counties. I will document this process. I will store this in our Hendry County files from now on.



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3.3 - Closely relates to 3.2 HCSB will reach out to the Director of Transportation of Florida to get his thoughts and inquire if or find out how many other counties in the state of Florida that contract or privatize transportation in their respective counties. I will document this process. I will store this in our Hendry County files from now on.

4.1 - HCSB will establish written goals and objectives that are clearly stated, measurable, achievable and consistent with the District Strategic plan.

4.2 - Is very closely related to 4.1 HCSB will document all efforts and communication in establishing measures that will assess our efforts towards meeting the newly established goals and objectives. We will document all of our efforts and conversations.

4.3 - HCSB will establish appropriate policies, great practices and procedures that support the newly established program goals and objectives.

5.1 - Is closely related to standards 3.3 and 3.2 HCSB will reach out to the Director of Transportation of Florida to get his thoughts and inquire if or find out how many other counties in the state of Florida that contract or privatize transportation in their respective counties. I will document this process. I will store this in our Hendry County files from now on.

5.2 - HCSB will create and implement a process to ensure that a public review is made available and the process is documented before the public is informed about the purchasing or leasing of school buses.

5.3 - HCSB will update our procedures with communicating to the public about the entire process of purchasing or leasing school buses. We will be detailed and concise.

5.4 - HCSB will reach out to the Director of Transportation of Florida to get his thoughts and inquire if or find out how many other counties in the state of Florida that contract or privatize transportation in their respective counties. I will document this process. I will store this information in our Hendry County files from now on. We will be sure to inform the public of our intentions and our processes.

5.5 - HCSB will establish procedures for reviewing and correcting information that is shared with the public via social Media, district website. I will also reach out to other surrounding counties about their best practices concerning reporting data, information and corrections.

Sincerely,

Michael Swindle
Superintendent
Hendry County School District

MS:ac

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