



MARION COUNTY SCHOOL DISTRICT PERFORMANCE AUDIT

For the Period July 1, 2022, through March 31, 2024

Overview of Performance Audit Findings

Marion County School District

August 2024

Overall, the District Met Expectations in 1 Area and Partially Met Expectations in 5 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 (6)	Partially Met	4	2	0
Structure or design of the program (2)	Partially Met	1	1	0
Alternative methods of providing program services or products (3)	Partially Met	1	2	0
Goals, objectives, and performance measures (4)	Partially Met	0	4	0
Accuracy or adequacy of public documents, reports, and requests prepared by the school district (5)	Partially Met	2	3	0
Compliance with appropriate policies, rules, and laws (5)	Met	4	1	0
All Areas (25)		12	13	0

In accordance with s. 212.055(11), F.S., and Government Auditing Standards, MGT conducted a performance audit of the Marion County School District programs within the administrative units that will receive funds through the referendum approved by Resolution adopted by the Marion County School Board on February 13, 2024. 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 that 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 Marion County School District met expectations in one area and partially met expectations in five areas. Of the 25 total subtasks, the audit determined that the District met 12 and partially met 13. A summary of audit findings by issue area is presented below.

Findings by Issue Area

Economy, Efficiency, or Effectiveness of the Program

Overall, the Marion County School District partially met expectations in this area. The District met subtasks in this area related to the actions taken to address deficiencies identified in management reports, audits, and similar types of reviews; the cost, timing, and quality of programs; case studies; and competitive procurement. The

District partially met the subtasks related to management reporting and performance evaluation.

While the Facilities department had reports that tracked elements of program performance, the reports do not track, at a program level, all projects with planned and actual start and completion dates or budgeted and actual costs. Additionally, Facilities did not have processes in place to monitor program performance and costs at a program level. Additionally, Facilities did not conduct assessments of program performance and cost. Technology and Information Services uses various reports that are adequate to monitor project performance; however, the reports do not include information to allow for an evaluation based on cost.

Generally, management has taken actions to address deficiencies in program performance and cost identified in management reports, data, periodic program evaluations, and audits. MGT noted one minor instance where corrective action had not been sufficient to fully address a Facilities department finding.

Based on MGT's review of available documentation, the five Facilities projects, four Safety and Security projects, four Information and Technology and Information Services projects, and two Debt Services projects were completed within budget, timely, completed well, and project costs were reasonable. Finally, written policies and procedures exist to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

MGT recommends that District management establish reports that include performance and cost information. District management should utilize the new reports, along with existing reports, to monitor program performance and cost. MGT also recommends District management develop policies and procedures for the periodic evaluation of District programs, including the establishment of criteria to assess program performance and cost. To fully address prior audit findings, the Facilities Department should further revise the contract agreement to include

specific language requiring contractors to submit to the District weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance with the Davis-Bacon Act.

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

Overall, the Marion County School District partially met expectations in this area. The District partially met the evaluation subtask related to the organizational structure and met the evaluation subtask related to staffing levels.

MGT found that Facilities, School Safety and Security, Technology and Information Services demonstrated program organizational structures with clearly defined units, minimal overlapping functions, and administrative layers that minimize costs. However, the Technology and Information Services department was organizationally placed under the Deputy Superintendent for Curriculum and Instruction, which does not provide for an adequate level of independence for this function.

To allow for a sufficient level of organizational independence, MGT recommends the District evaluate the current organizational placement of Technology and Information Services and consider moving the Department to report directly to the Superintendent.

Alternative methods of providing services or products

Overall, the Marion County School District partially met expectations in this area. Program administrators have evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and their conclusions are reasonable.

While not documented, Program administrators have assessed contracted and/or privatized services to verify effectiveness and cost savings achieved, and their conclusions/methods of contracting are reasonable.

The District has assessed its contracted and/or privatized services to verify the effectiveness of those services and identify cost savings achieved. Additionally, the District has 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. Finally, there are possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

MGT recommends that District management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted and documented. MGT also recommends the District conduct assessments of contracted and privatized services to verify the effectiveness and costs savings achieved and document, in writing, the reasonableness of their conclusions. The District should also consider additional utilization of staff augmentation in its Information and Technology Services Department.

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

Overall, the Marion County School District partially met expectations in this area. The District has not established written goals and objectives for the Facilities and School Safety and Security Departments. The Technology and Information Services Department has established goals and objectives; however, the goals are not measurable. Additionally, Debt Service has a goal that is clear and measurable, but not in writing. For those programs with goals and objectives, the goals and objectives are consistent with the District's strategic plan and the District has achieved those goals.

MGT also noted that the Facilities, School Safety and Security, and Technology and Information Services Departments did not have written policies and procedures in place regarding the

establishment and periodic evaluation of goals and objectives.

MGT recommends District departments establish goals and objectives that encompass all department operations, are measurable, and address program performance and cost. The Departments should ensure that established goals, objectives, and performance measures are consistent with the District's Strategic Plan. MGT also recommends that the Facilities department ensure that once goals and objectives are established that related performance measures, standards, and reports are established that will enable the department to assess performance towards the achievement of its goals and objectives. MGT recommends that the departments establish policies and procedures that set forth the process for establishing goals and objectives, including ensuring the goals are measurable and consistent with the Strategic Plan. Additionally, the departments should establish procedures establishing the frequency and the methods to be used to measure progress towards the achievement of District goals and objectives.

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

Overall, the Marion 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 Comprehensive Financial Report which highlights information such the organizational chart, general fund statement of revenues and expenditures, as well as information regarding the District's facilities, leasing, and debt service arrangements. However, the District does not publish information on Facilities projects planned and in progress, including planned and actual start and completion dates and budgeted and actual costs.

While the District does not have written procedures guiding the process for making District information public, the District has an

established process that includes the review of information before publication. Similarly, the District does not have written procedures for correcting information previously published; however, there is a process in place for correcting information and noting the corrections on the District's website.

MGT recommends the District establish written guidelines regarding the content that the District's departments should include on the website. Additionally, MGT recommends that the District publish additional financial and non-financial information for Facility projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates. MGT also recommends the District establish written procedures for the review, approval, and submission of information that will be made publicly available to ensure that public information is appropriately reviewed and determined accurate prior to publication. The District should also establish written procedures outlining the process for correcting public data.

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

Overall, the Marion County School District met expectations in this area. The District maintains memberships in professional associations that make staff aware of changes in laws and rules that could impact operations. Additionally, the chief staff attorney provides transactional and governance legal services to the District. In this capacity, the chief legal counsel reviews all contracts requiring board approval for compliance with legal requirements and board policy.

MGT recommends that District management develop appropriate policies and procedures to ensure compliance with federal and state requirements and that appropriate corrective action is taken on all prior audit findings.

Marion County School District

Performance Audit

August 2024

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August 26, 2024

Superintendent Diane Gullett, Ed.D.
Marion County School District
1614 E. Fort King Street
Ocala, FL 34471

Dear Superintendent Gullett:

MGT is pleased to submit our final report of the performance audit of the Marion County School District pursuant to Section 212.055(11), Florida Statutes. In accordance with the requirements of Section 212.055(11)(b), Florida Statutes, the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MGT to conduct a performance audit of the programs associated with the Marion County School District ordinance adopted by the School Board on February 13, 2024.

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 of the program associated with the proposed sales surtax adoption. The audit must be completed at least 60 days before the referendum is held. The referendum is scheduled for November 5, 2024. 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

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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.

MGT developed a work plan outlining the procedures to be performed to fulfill the audit objectives in Section 212.055(11), Florida Statutes. 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 District programs that will be expending 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 Impact Solutions, LLC

MGT Impact Solutions
Tampa, Florida

Background

The Marion County School District, headquartered in Ocala, Florida, serves approximately 45,500 students in the fifth largest geographic area in the state. The District has seen an 11 percent increase in enrollment in the last five years. The School District is the area's largest employer with almost 6,200 team members. The District operates 51 schools, and there are also five charter schools in Marion County. According to the District, 78 percent of Marion County School District schools are over 30 years old, with 46 percent over 50 years old.

Use of Surtax Funds

On February 13, 2024, the Marion County School Board approved an ordinance to place a referendum on the ballot for November 5, 2024, which would impose a 10-year one-half cent sales surtax effective January 1, 2025. Should Marion County voters approve the one-half cent sales surtax, the proceeds will be used to upgrade and modernize aging schools and facilities to keep them safe and make them more conducive to learning through renovation, replacement, construction, security, and technology improvements, and provide for charter schools. Pursuant to Marion County School Board's February 13, 2024, ordinance, the District plans to use the surtax funds for:

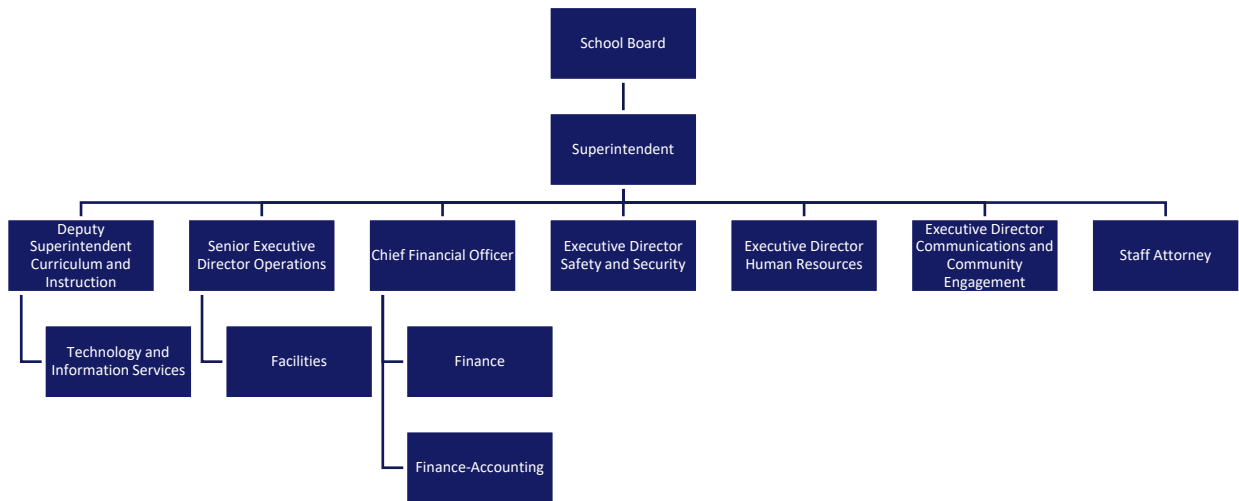
- Upgrading and modernizing schools and facilities;
- acquiring land, constructing new school facilities, demolishing, reconstructing and improving school facilities, including costs of retrofitting and providing for technology implementation;
- acquiring equipment, including safety and security;
- acquiring technology hardware and software;
- reducing portable classrooms;
- designing and engineering costs;
- making lease payments under lease-purchase agreements; and
- servicing bond indebtedness.

BACKGROUND

Responsible Organizational Units

The District's Facilities, Information Technology, Safety and Security, and Finance and Budget offices are responsible for administering the activities planned for in the ordinance. For the 2023-24 fiscal year, the District's budget totaled approximately \$959 million across all funds, including \$61.8 million for construction costs. The organizational chart below represents the District's structure at the executive level. Detailed organizational charts for each program area are presented in Chapter 2 of this report.

Marion District School Board Organizational Chart



Objectives, Scope, and Methodology

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 Marion County School District program areas within the administrative unit(s) that will receive funds through the referendum approved by Resolution on February 13, 2024. 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, and
6. Compliance of the program with appropriate policies, rules, and laws.

Project Scope

The subject auditee for the performance audit is the Marion County School District. MGT conducted this audit from May 2024 through August 2024 in accordance with GAGAS. Those standards require that MGT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for MGT's findings and conclusions based on MGT's audit objectives. MGT believes that the evidence obtained and described in the report provides a reasonable basis for MGT's findings and conclusions based on MGT's audit objectives.

Project Methodology

Our audit included the selection and examination of transactions and records occurring during the period July 2022 through March 2024. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although MGT has presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

OBJECTIVES, SCOPE, AND METHODOLOGY

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

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to MGT's audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of MGT's audit, MGT's 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 MGT's audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to MGT's 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 MGT's audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

In conducting MGT's 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 capital outlay, safety and security, technology, and financial programs and activities.
- 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 District management to determine whether the programs were periodically evaluated, and the processes used to evaluate the program, including the frequency of the evaluations and the tools, reports, and standards used to monitor the program.
- Examined the District's Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023 and the Auditor General's operational audit dated May 2024 to determine whether the District had any findings affecting capital outlay, safety and security, technology, and financial programs and activities and, if so, if management had taken appropriate action to correct the findings.
- Evaluated District program performance by comparing District data with data from Collier, Lake, St. Lucie, and Sarasota County School Districts to determine whether Marion County School District's performance was within the same range of its peer districts. Peer districts were selected based on student enrollment data from the Florida Department of Education.

OBJECTIVES, SCOPE, AND METHODOLOGY

- Examined District documentation to determine whether projects were completed well, within budget or a reasonable amount, and completed on-time.
 - From the population of 30 Facilities projects totaling \$25,784,574 completed, in progress, or started during the period July 2022 through March 2024, examined project management documentation for five projects totaling \$6,416,908.
 - From the population of 18 Safety and Security projects that were started or completed during the period of July 2022 through March 2024, examined project management documentation for 5 projects totaling \$3,527,233.62.
 - From the population of 9 information technology projects with expenditures totaling \$12,219,092.39 started or completed during the period July 2022 through March 2024, examined project management documentation for 4 projects totaling \$4,750,574.02.
 - Examined issuance documentation for both bonds issued between July 2022 through March 2024 totaling \$387,930,000.
- 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.
 - From the population of 30 Facilities projects with project budgets totaling \$25,784,574 completed or begun during the period July 2022 through March 2024, examined documentation for 5 projects to determine whether the projects were procured in accordance with established procedures regarding competitive procurement, volume discounts, and special pricing agreements.
 - From the population of 9 information technology projects with expenditures totaling \$12,219,092.39 started or completed during the period July 2022 through March 2024, examined project management documentation for 4 projects with expenditures totaling \$4,750,574.02 to determine whether the projects were procured in accordance with established procedures regarding competitive procurement, volume discounts, and special pricing agreements.
- Examined procurement and project documentation of the following to determine whether the District had appropriately documented its determination of compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and District policies and procedures:
 - From the population of 30 Facilities projects with project budgets totaling \$25,784,574.20 started or completed during the period July 2022 through March 2024 examined project management documentation for 5 projects totaling \$6,707,644.
 - From the population of 18 Safety and Security projects that were started or completed during the period of July 2022 through March 2024, examined project management documentation for 5 projects totaling \$3,527,233.62.
 - From the population of 9 information technology projects with expenditures totaling \$12,219,092.39 started or completed during the period July 2022 through March 2024, examined project management documentation for 4 projects with expenditures totaling \$4,750,574.02.
 - Examined issuance documentation for the two bonds totaling \$387,930,000 issued between July 2022 through March 2024 .

OBJECTIVES, SCOPE, AND METHODOLOGY

- Examined the District’s overall organizational chart and the Facilities, Safety, and Information and Technology Services 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.
- Through inquiries with the Finance Director and the Department Directors, gained an understanding of the annual budgeting process and the procedures in place to assess the positions needed for each program.
- Analyzed staffing levels as a function of the program’s activity and compared to industry benchmarks and workloads.
- Inquired with the Chief Financial Officer and department management and staff regarding evaluations of in-house services and activities to assess the feasibility of alternative methods of providing services and the assessment of contracted services.
- Examined documentation supporting the assessment of the District’s contractors.
- Interviewed District management to identify services that may be outsourced and compared the District’s manner of service provision with industry best practices and peer districts.
- Inquired with department management and staff 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.
- Compared the goals and objectives established for Information Technology with the goals included in the District’s strategic plan to determine if the goals were consistent with the plan.
- Interviewed the Department Directors and the Finance Director to gain an understanding of the financial and nonfinancial systems utilized by the District.
- Reviewed the District website to identify the types of documents available and reviewed the 2023-24 District Budget to determine the types of performance and cost data publicly available.
- Inquired with the District’s Public Relations office on the procedures in place to ensure that data made publicly available was accurate and complete. Also, inquired with the Department Directors on the procedures in place to review data prior to submission to the District’s Public Relations office.
- 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 District management to gain an understanding of the processes and controls established to determine whether the departments have established processes to ensure compliance with applicable federal, state, and local laws and regulations; contracts; and grant agreements.
- Made inquiries with the District Staff Attorney to determine how the District verified that planned uses of the surtax comply with applicable state laws, rules, and regulations.
- Communicated with officials on an interim basis to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

OBJECTIVES, SCOPE, AND METHODOLOGY

- 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.

Detailed Findings and Results

Chapter 1: Program Economy, Efficiency, and Effectiveness

The audit evaluation subtasks were:

1.1 Management Reports Used to Monitor Programs – Review any management reports and data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost;

1.2 Periodic Evaluation of Programs – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost;

1.3 Resolution of Findings and Recommendations in Reports – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance or cost identified in management reports and data, periodic program evaluations, internal and external reviews, audits, etc.

1.4 Cost, Timing, and Quality of Programs – Evaluate program performance and cost based on reasonable measures, including accepted industry standards and best practices, when available;

1.5 Case Studies – 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; and

1.6 Written Policies and Procedures for Competitive Procurement and Pricing – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

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

The periodic evaluation of the economy, efficiency, and effectiveness of the program, along with individual projects, is an important element to ensuring that the program is operating efficiently and effectively, and funds are expended as intended.

MGT made inquiries with District management and examined records and reports to assess the District's procedures for evaluating Facilities, School Safety and Security, Information Technology, and Debt Management. MGT's examination indicated that the District did not always have sufficient reports in place to appropriately evaluate program performance and did not always conduct such evaluations.

DETAILED FINDINGS AND RESULTS

With regards to individual projects, based on our evaluation of 5 Facilities projects totaling \$6,707,644, 5 Safety and Security projects totaling \$3,527,234, 4 Information and Technology Services projects totaling \$4,750,574, and 2 bond issuances totaling \$387,930,000, District projects were completed timely, well, within budget, and at a reasonable amount. Also, the District has established written policies and procedures that allow the District to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

MGT recommends that District management establish reports that include performance and cost information. District management should utilize these reports, along with existing reports, to monitor program performance and cost. MGT also recommends District management develop policies and procedures for the periodic evaluation of District programs, including the establishment of criteria to assess program performance and cost.

Findings by Subtask:

- Subtask 1.1 – Management Reports – Partially Meets
- Subtask 1.2 – Periodic Evaluation of Programs – Partially Meets
- Subtask 1.3 – Resolution of Findings and Recommendations in Reports – Meets
- Subtask 1.4 – Cost, Timing, and Quality of Programs – Meets
- Subtask 1.5 – Case Studies – Meets
- Subtask 1.6 – Written Policies and Procedures for Competitive Procurement and Pricing – Meets

Subtask 1.1 – Management Reports Used to Monitor Programs – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Partially met this subtask**

MGT interviewed the interim Facilities Director to gain an understanding of the reports and processes the District has in place to monitor program performance and costs. The District provided a Project Status Sheet which lists projects by fiscal year with notes on current status, such as in construction, in pricing, and substantial completion. The Status Sheet also tracks the project budget, but not actual payments to-date. The District also provided a Permit Tracking master list which shows the permits by facility, along with the dates issued and completion/expiration date. Additionally, on a project-by-project level, the District maintains Budget and Cost reports that track the budget by line item and amounts paid. The District also has a schedule for each project that tracks the project through each phase of construction. While the District has reports that track elements of program performance, the reports do not track, at a program level, all projects with planned and actual start and completion dates or budgeted and actual costs.

DETAILED FINDINGS AND RESULTS

- **School Safety and Security – Met this subtask**

MGT interviewed the Executive Director of Safety and Security within the Safe Schools Department to gain an understanding of the reports and data that are used on a regular basis to monitor program performance and cost. It was noted that the Safe Schools Department has several reports it uses to evaluate the program's performance and cost. These reports include, but are not limited to the following:

- Various emergency and fire drill reports
- State assessment forms
- Internal needs reports
- Budget to actual expenditure data

In addition to these reports, the program holds regular staff meetings to discuss the results and data noted in the reports. In addition to these internal meetings, the program also attends external meetings in which the District discusses performance and costs of like services with peers across the state.

Due to the confidentiality and security concerns of the information documented within these reports and the information discussed within these regular internal meetings, the department does not keep detailed minutes of the information discussed in these internal meetings, and MGT was unable to see a completed emergency or state assessment form. MGT was able to view some select blank forms to gain an understanding of the type of information that would be included in a completed form.

Based on the review of the reports and the information the program discusses during its internal meetings, it appears that the reports and data that are regularly used by the program are adequate to monitor program performance and cost.

- **Technology Acquisition – Partially met this subtask**

MGT interviewed the Technology and Information Services Director to gain an understanding of the reports and processes used to monitor program performance and costs. Technology and Information Services has established a Gantt report to facilitate the monitoring of program performance. The chart lists all Technology and Information Services projects, including priority, risk category, progress, start dates, and end dates. The information on the report appears adequate for the Department to assess program performance; however, the report does not include any information on cost.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

The Finance and Budget Departments are responsible for managing the District's bond indebtedness and leasing agreement function. MGT reviewed the two reports the Bond Indebtedness function uses to monitor performance and cost. The reports are called the "Debt Schedules" and "Cash Flow Analysis." Both reports are created internally using Excel and are

DETAILED FINDINGS AND RESULTS

managed and maintained by the District's Senior Accountant. The Senior Accountant will communicate with management should a deviance be noted between the two spreadsheets.

The "Debt Schedules" workbook is designed to give the Department an overview of all outstanding debts. The workbook includes a tab with an overview of all debt, an amortization schedule for each of the District's outstanding debts, which includes payment dates, a tab that displays the total principal and interest due each year, and other useful information, such as amortization schedules for each bond, accrued interest expense calculation worksheet, and an interest rate schedule, which the department uses to put together its annual financial statements.

The "Cash Flow Analysis" spreadsheet is designed to provide the department with the total amounts expended and recorded within the District's accounting system each week. This spreadsheet identifies the different expenditure accounts that were debited during a given week. For the Bond Indebtedness function, this spreadsheet is used to verify that a debt payment has been made for the correct amount and on time.

The information in these two reports appears adequate to monitor the function's performance and cost. By providing the department with access to amortization schedules for each bond, summary data for all bonds, and a report designed to document when debt payments are made, these two reports give all the necessary information needed to ensure debt payments are made for the correct amount and on time.

Also, the District's Chief Financial Officer (CFO) and Director of Finance both receive emails from the financial institution notifying them when a debt payment is coming due. They both forward this email to the Senior Accountant when received. This email serves as a secondary reminder to ensure payments are made on time.

Subtask 1.1 Recommendation: MGT recommends the Facilities Department establish reports that allow the Department to measure overall program performance and cost. Additionally, MGT recommends Technology and Information Services add cost information to its existing reports.

Subtask 1.2 – Periodic Evaluation of Programs – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Partially Met this subtask**

We interviewed the interim Facilities Director and the Senior Executive Director for Operations to gain an understanding of the processes the District has in place to assess program performance and costs. The Senior Executive Director indicated that the Facilities Department meets weekly to discuss the status of all open projects and any issues that have been noted or actions that need to be taken. Agendas are prepared for each of the meetings identifying the projects to be discussed. Additionally, the Senior Executive Director indicated that the monitoring of cost during a project is not as high of a concern as the project schedule since the District uses Guaranteed Maximum Price contracts. However, the District has a process to monitor individual construction project costs and contractor performance. In addition to the budget and schedule reports referred to in Subtask 1.1, the District's construction managers periodically visit the construction site to

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conduct inspections, and the District also meets biweekly with the contractors to discuss the project.

- **School Safety and Security – Met this subtask**

As noted in Subtask 1.1 above, the program has regular internal meetings. These internal meetings are more focused on the program's performance than its costs, but due to the significance of the program area, this would be reasonable. The program is aware of its budget and takes its annual budget into consideration when evaluating the District's needs during these internal meetings.

During these meetings, the program discusses the results of emergency drills, internal and external needs assessments, and other District security needs or improvements. Due to the confidentiality and nature of the information being disclosed and discussed within these internal meetings, MGT was unable to review any documentation regarding the meetings. This is common and based on the information discussed with the Executive Director of Safety and Security, it appears the program periodically evaluates performance information and other reasonable criteria to assess the program's performance and cost.

- **Technology Acquisition – Partially met this subtask**

Technology and Information Services utilizes the Gantt chart to evaluate performance. The Gantt chart is established at the beginning of each fiscal year and updated monthly or when a new project needs to be added and used to measure progress towards completing projects. The Technology team meets weekly to discuss the Gantt chart and ongoing projects. Additionally, the Technology and Information Services Director holds individual meetings with each direct report which includes a discussion of ongoing projects and the unit's performance. As discussed in Subtask 1.1, Technology and Information Services does not have a report that measures and evaluates cost.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

As noted in Subtask 1.1 above, the Finance and Budget Department uses Excel workbooks and debt payment schedules produced by the bank to monitor the bond indebtedness and leasing agreements functions. The Department uses these reports and information to evaluate the function's performance and cost on an ongoing basis. This evaluation is to ensure the function is making timely and accurate debt payments.

The Department does not have a written policy or explicit process in place to periodically evaluate the bond indebtedness and leasing agreements function's performance and cost. However, the ultimate objective and purpose of the function is to ensure the District is making timely, complete payments of the District's debt. The Department uses both the Debt Schedules and Cash Flow Analysis Excel workbooks to evaluate whether the function is achieving its purpose. The Department performs this evaluation through a monthly review of the cash flow statement and a regular review of the Excel workbook performed by the Senior Accountant. Also, the CFO and Director of Finance are aware when debt payments are scheduled to be made and will make inquiries of the Senior Accountant to ensure timely and accurate payments are being made.

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Subtask 1.2 Recommendation: MGT recommends the Facilities program develop a procedure to periodically evaluate overall program performance and cost and conduct those evaluations. Additionally, Technology and Information Services should incorporate an evaluation of cost into its program assessments.

Subtask 1.3 – Resolution of Findings and Recommendations in Reports – Overall conclusion – Meets

MGT reviewed the District’s Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023, dated January 30, 2024. The Summary of Auditor’s Results indicated that the financial statements were fairly presented and there was no material noncompliance with the District’s major Federal programs. However, there were two findings related to noncompliance and significant deficiencies in internal control. The first finding is related to the reporting of graduation cohort rates and is not related to the scope of this audit. The second finding related to compliance with the Davis-Bacon Act governing federally funded construction projects and is within the scope of this audit.

Exhibit 1: Marion County School Board ACFR for the fiscal year ending June 30, 2023 Summary of Auditor’s Results

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Type of auditor’s report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major Federal programs:

Assistance Listing Numbers:	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

Source: District’s ACFR for Fiscal Year 2023.

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In addition, the Florida Auditor General released an operational audit of the District dated May 2024, which included seven findings related to the scope of this audit.

Exhibit 2: Auditor General Report No. 2024-199 May 2024 Summary

MARION COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Marion County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2021-125. Our operational audit disclosed the following:

Finding 1: District school safety procedures need improvement to ensure and demonstrate that school resource officers have completed required mental health crisis intervention training.

Finding 2: Contrary to State Board of Education rules, the District did not timely complete the required affidavit, issue the final order, or report information to the Florida Department of Education regarding a former employee who was dismissed and convicted of an offense that disqualified the person from District employment.

Finding 3: District records did not evidence that the District used school capital outlay and debt service funds only for authorized purposes, resulting in questioned costs totaling \$2.3 million.

Finding 4: District records did not demonstrate verification that construction management entities competitively selected qualified subcontractors.

Finding 5: Contrary to State law, the District contractor's payment and performance bond for one construction project only covered the project's \$8.4 million preliminary estimate, which was \$2.5 million less than the contract price.

Finding 6: Some unnecessary or inappropriate IT user access privileges exist that increase the risk for unauthorized disclosure, modification, or destruction of District human resources and finance information to occur.

Finding 7: The District did not always promptly remove the IT user access privileges of individuals who separated from District employment.

Source: Florida Auditor General.

- **Facilities and Land Acquisition – Met this subtask**

The Summary of Auditor's Results indicated that the financial statements were fairly presented and there was no material noncompliance with the District's major Federal programs. However, there were two findings related to noncompliance and significant deficiencies in internal control. The first finding is related to the reporting of graduation cohort rates and is not related to the scope of this audit. The second finding related to compliance with the Davis-Bacon Act for federally funded construction projects and is within the scope of Facilities operations. Specifically, the District's contracts did not explicitly require, and contractors did not submit weekly certified payrolls to the District. The finding included questioned costs totaling \$433,295. The Auditor General's recommendations were to enhance procedures to ensure compliance with all Davis-Bacon Act requirements and provide documentation to the Florida Department of Education (FDOE) regarding the allowability of the questioned costs. In response to this finding, the District

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indicated that procedures will be enhanced to ensure compliance with the Davis-Bacon Act prevailing wage requirements.

In addition, the Florida Auditor General released an operational audit of the District dated May 2024, which included three findings related to Facilities. Specifically, Auditor General report No. 2024-199, finding 3, noted that the District utilized Capital Outlay and Debt Service funds for projects that were not on the designated project priority list, contrary to FDOE requirements. Finding 4 noted that District procedures did not require or ensure documented verification of subcontractor competitive selection, contracting, and licensure. Finally, finding 5 noted that contractor payment and performance bonds were for less than the total contract price. In response to these findings, the District indicated that the project start-up checklist would be revised to include verification that a project was on the approved project priority list and that bid tabulations and proof of licensure for each trade associated with a project be included in the contractor's submittal. The District also indicated that the bonding process will be enhanced to include a provision that all purchase orders that exceed the policy threshold amount be held until the bond is recorded and filed.

MGT examined the corrective actions taken for the findings noted in the Single Audit and the Operational Audit. The District generally took timely and appropriate corrective actions to resolve the findings. Specifically, MGT's examination included:

- Examination of the construction procedures to verify that the procedures had been revised to include the specific language noted in the finding regarding the submission of weekly payroll reports and the certification required by the Davis-Bacon Act. MGT's examination disclosed that while the procedures had been revised in February 2024 to provide a general reference to the Davis-Bacon Act, the language had not been revised to explicitly require the submission of weekly certified payrolls. The District provided a memo sent to existing contractors in December 2023 requesting certified payrolls; however, this memo would not affect procedures going forward or provide notification of Davis-Bacon requirements for new contracts. In addition, the District provided email correspondence with FDOE beginning in March 2024, supporting that the revised procedures and weekly payrolls had been provided to FDOE.
- Examined the project start-up checklist to verify that it had been revised to include verification that the project was included on the approved project priority list (finding 3), that subcontractor licenses and certifications were received (finding 4), and that the bonds had been received for each Guaranteed Maximum Price on the Project (finding 5). The checklist was updated in April 2024, prior to the release of the Auditor General's report in May 2024.
- **School Safety and Security – Met this subtask**

As noted in the summary of the Auditor General Report No. 2024-199 May 2024, which is displayed in Exhibit 2 above, the School Safety and Security program area had one finding. This finding is "Finding 1: District school safety procedures need improvement to ensure and demonstrate that school resource officers have completed required mental health crisis interview training." The District noted as a response to that finding that "the District will include language

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in the law enforcement agency contracts that require the completion and documentation of all required training before services are provided.”

MGT inquired of the Executive Director of Safety and Security as to the actions taken by the program to address the findings in the Auditor General’s report. In response, it was noted that the program has taken the following actions:

- The program worked with law enforcement and the College of Florida to schedule Crisis Intervention Training for August 5-7, 2024, for all school resource officers (SROs) needing the training.
 - Due to Hurricane Debby, these classes were moved to and completed on August 6-8, 2024,
- The program has developed language to amend its SRO agreement that requires all SROs to complete the Crisis Intervention Training and provide a copy of the certificate to Marion County Public Schools upon request.
 - This amendment is scheduled to go for School Board approval on August 27, 2024.

The Auditor General’s report was issued in May 2024. The program has taken reasonable actions to address the findings. The action of having all SROs attend the Crisis Intervention Training was completed before students returned to school, and the policy amendment will be completed shortly after schools start back up. These timelines to address the findings appear reasonable as well.

- **Technology Acquisition – Met this subtask**

Auditor General report No. 2024-199 findings 6 and 7, noted that information technology access privileges were not always appropriate and not always timely deactivated. MGT examined documentation to support the establishment of role-based security groups and the processes that were put in place to remove access upon employee separation or when employees change positions. The establishment of role-based security groups occurred in December 2023 for the District’s financial system while the audit was in progress. The establishment of a Security Advisory Committee, consolidation of security groups, and establishment of a process to identify inappropriate access, including changes resulting from transfers, occurred in March 2024, also while the audit was in progress. MGT also requested documentation of Technology and Information Services’ communications with departments and school leaders to promptly submit Post-Personnel Activity Reports (PARS). According to District personnel, this notification is scheduled to be sent to departments and school leaders at the beginning of the school year to ensure that it was not missed over the summer; however, as of August 19, 2024, the District had not yet sent the communication. Based on the review of the documentation, it appears that Technology and Information Services has taken appropriate corrective action to resolve the audit findings, except for the pending communication to ensure that Technology and Information Services is timely notified of employee transfers and separations.

- **Bond Indebtedness and Leasing Agreements —Subtask is not applicable**

This subtask is not applicable to Bond Indebtedness and Leasing Agreements as there were no findings and recommendations for this program.

DETAILED FINDINGS AND RESULTS

Subtask 1.3 Recommendation: MGT recommends that the District further revise the contract agreement to include specific language requiring contractors to submit to the District weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance with the Davis-Bacon Act.

Subtask 1.4 – Cost, Timing, and Quality of Programs – Overall conclusion – Meets

- **Facilities and Land Acquisition – Met this subtask**

As discussed in Subtasks 1.1 and 1.2, the District does not have any reports or measures to evaluate program performance or cost at a program level.

Although the program does not have measures to review program performance, MGT gathered data from the FDOE and analyzed peer data to evaluate operations and maintenance costs for reasonableness. This data is compiled and published annually by the FDOE. A variety of metrics are available to program administrators and staff to assess program performance. The table below displays the capital outlay cost per equivalent full-time student (EFTS). The District has the lowest costs per square foot and per equivalent full-time student among its peer districts, as indicated in Table 1.1 below:

Table 1.1: Summary of Construction Costs per Gross Square Feet and Equivalent Full-Time Student

District	Total Capital Outlay per EFTS (Operations and Maintenance)	Florida Inventory of School Houses Gross Square Feet	2022-23 UFTE Students
Marion	\$1,194.64	7,602,685	41,661
Lake	\$1,303.99	8,251,083	40,907
Collier	\$1,465.21	9,348,135	41,999
St. Lucie	\$1,356.34	6,650,118	37,051
Sarasota	\$2,021.66	8,615,483	37,288

Source: FDOE School District Annual Plant Maintenance Report.

In addition, MGT compared the District’s cost of construction for its 2022 calendar year project with similar projects completed during the year as shown in Table 1.2. The cost per gross square foot was slightly higher than another similar project, but lower than a smaller project that was also similar to the Marion project.

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Table 1.2: Comparison of Similar Construction Projects

District	Project Type	Gross Square Feet	Total Cost	Cost per Gross Square Foot
Marion	Cafeteria	15,894	\$7,371,876	\$464
Highlands	Cafeteria Expansion	3,624	\$2,918,765	\$805
Indian River	Cafeteria Expansion/Renovation	1,655	\$304,617	\$184
Polk	Cafeteria	18,322	\$6,761,900	\$369

Source: FDOE 2022 Calendar Year Cost of Construction Report.

MGT also reviewed operations and maintenance costs per square foot for the District and compared those costs to the costs of related peer districts and the state average. As reflected in Table 1.3 below, the District has a relatively low cost of operations and maintenance compared to its peer districts and costs are below the state average.

Table 1.3: Operations and Maintenance Costs per Square Foot

District	Cost per Square Foot		
	Operations	Maintenance	Total
Marion	\$5.04	\$1.51	\$6.55
Collier	\$4.50	\$2.08	\$6.58
Lake	\$4.96	\$1.50	\$6.46
St. Lucie	\$6.46	\$1.09	\$7.55
Sarasota	\$6.38	\$2.37	\$8.75
State Average	\$5.50	\$1.73	\$7.23

Source: FDOE Annual Plant Maintenance and Operations Cost Information 2022-23 Fiscal Year.

- **School Safety and Security – Met this subtask**

For this subtask, MGT focused more on collecting data regarding the program’s performance against its peers and the State of Florida as a whole. While program costs are important and should be managed appropriately, the performance of this program is more important to the District in order to provide a safe and secure learning environment for all students, faculty, staff, and administrators.

MGT reviewed the Florida Health Charts website for “School Environmental Safety Incidents.” This site gathers data from all school districts within the State of Florida and provides comparison metrics for each as well as the state as a whole.

DETAILED FINDINGS AND RESULTS

An incident count is a safety incident reported, which includes incidents considered severe enough to require the involvement of a school resource officer and/or incidents reported to law enforcement. The rate is the number of incidents divided by the number of enrolled students and displayed as a rate per 1,000 K-12 students. Table 1.4 below displays the information gathered for 2023.

Table 1.4 Rate of School Safety Incidents

District	School Safety Incidents 2023		
	Count	Population	Rate
Marion	1,567	43,518	36.0
Collier	1,784	47,258	37.8
Lake	1,582	46,314	34.2
St. Lucie	1,776	45,093	39.4
Sarasota	2,724	44,467	61.3
Peer Average	1,967	45,783	43.2
State Total	120,297	2,807,190	42.9

Source: FL Health Charts – School Environmental Safety Incidents.

When comparing the Marion County School District to its peers, the District has a lower rate of incidents per 1,000 students than all its peers with the exception of the Lake County School District. The District also has a rate that is lower than the state average.

Also, the website states that the Marion County School District is in the second quartile for this measure, which means about half of the districts within the state have a higher incident rate than Marion County School District.

Based on the information gathered regarding the program’s performance, it appears reasonable when evaluated against its peers.

- **Technology Acquisition – Met this subtask**

As discussed in Subtasks 1.1 and 1.2, the District does not have any reports or measures to evaluate program cost at a program level. However, based on the District’s reports, it appears that Technology and Information Services is managing its projects to ensure that they are completed timely. Additionally, MGT gathered data from the FDOE and analyzed peer data to evaluate technology spending for reasonableness. The table below displays instructional and total technology spending per unweighted full-time equivalent (UFTE). The District has some of the lowest technology spending per UFTE, as indicated in Table 1.5 below:

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Table 1.5: Comparison of Instructional Technology Spending

District	Instructional Technology Spending	Administrative Technology Spending	UFTE Students	Instructional Technology Spending per Student	Total Technology Spending per Student
Marion	\$5,803,832	\$1,430,821	43,015.70	\$134.92	\$168.19
Collier	\$7,074,865	\$1,121,237	42,051.79	\$168.24	\$194.90
Lake	\$9,094,792	\$3,138,210	37,515.17	\$242.43	\$326.08
St. Lucie	\$3,475,197	\$583,759	38,453.56	\$90.37	\$105.55
Sarasota	\$11,258,530	\$2,349,911	37,801.48	\$297.83	\$360.00

Source: 2022-23 Fiscal Year Educational Funding Accountability Act Reports.

Spending on information technology can vary significantly from district to district depending on the age of the district’s systems and whether upgrades are necessary to the infrastructure, making comparisons across districts difficult. However, based on its peer districts, the District’s technology spending appears reasonable.

- **Bond Indebtedness and Leasing Agreements – Subtask is not applicable**

Bond indebtedness and leasing agreements is a function of the District’s Finance and Budget Department and is not a program. Bond and leasing payments are based on a predetermined debt schedule. As such, MGT has determined that this subtask is not applicable to this function.

Subtask 1.4 Recommendation: Not applicable, the District met this subtask.

Subtask 1.5 – Case Studies – Overall conclusion – Meets

- **Facilities and Land Acquisition – Met this subtask**

During the period July 2022 through March 2024, the District completed 22 projects and started, but not yet completed, an additional 8 projects. Of the 30 projects totaling \$25.8 million started or completed during the period, MGT selected 5 projects totaling \$6,416,908 for audit testing to determine if the projects were completed satisfactorily, on-time, within budget, and at a reasonable cost. MGT obtained documentation including field inspection reports, biweekly status meeting notes, contractor applications for payment, budget and cost worksheets, and work authorizations. The projects reviewed are described in Table 1.6.

Table 1.6: Summary of Projects Reviewed

Facility	Project Description	Budget	Actual Cost	Projected Start Date	Actual Start Date	Projected Completion Date	Actual Completion Date
Marion Technical Institute	HVAC Cooling Towers	\$2,092,297	\$2,089,854	03/13/23	05/10/23	09/05/23	09/05/23
Horizon Academy	HVAC Upgrades	\$1,389,752	\$1,352,871	03/01/23	09/06/23	09/04/23	02/27/24

DETAILED FINDINGS AND RESULTS

Facility	Project Description	Budget	Actual Cost	Projected Start Date	Actual Start Date	Projected Completion Date	Actual Completion Date
Fort King Middle School	Covered Dining	\$605,095	\$605,095	09/18/23	07/11/23	11/29/23	02/21/24
Oakcrest Elementary School	Chiller Replacement	\$2,184,863	\$2,184,682	09/13/23	04/02/24	07/12/24	N/A
Dunnellon High School	Football Scoreboard	\$144,901	\$144,901	08/10/22	07/19/22	08/15/22	08/19/22

N/A – Project is in progress and scheduled to be completed in August 2024.

Source: District records.

To determine if projects were completed on budget and at a reasonable cost, MGT reviewed the procurement method and compared the actual costs to the budget established by District Board resolution(s). The procurement method was reviewed to determine if the project was procured through a competitive procurement process or another process that supports costs are reasonable. The selected projects were all procured through one of the District’s annually contracted construction managers through a Work Authorization. The Work Authorization identifies the project location, scope of work, compensation, project schedule, and subcontractors including the design firm and contractor. However, the District was unable to provide the work authorization for the Dunnellon High School Football Scoreboard project. For this project, MGT was able to obtain planned start and completion dates from the contractor’s project proposal. According to the interim Facilities Director, the form could not be located and staff that were involved with the project were no longer employed by the District. MGT also reviewed the District’s Budget to Cost Sheet to obtain total budget and contract costs. Additionally, MGT reviewed the Contingency Fund Disbursement Request forms which are completed if the contractor is using contingency funds or adding to the contingency funds. The forms list a description of the activity and reason for the request along with approval by the District. The forms were reviewed to determine if any cost increases were appropriately explained and approved. The selected projects had no requests for the release of contingency funds, but the forms were used to document the shift of funds from one account to another or the increase in contingency funds. For example, the excerpt from a Contingency Fund Disbursement Request for Fort King Middle School Covered Dining Pavilion is shown in Exhibit 3 below.

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Exhibit 3: Contingency Fund Disbursement Request

Description of Activity	Reason For Request
Move \$8,260.32 from 01.000 General Conditions to 03.000 concrete, move \$15,885.81 from 01.000 General Conditions to 01.040 Contingency, and move \$1,260.38 from 01.030 Contractor's Fee to 01.040 Contingency.	Added costs of concrete covered by unused general conditions. Moved remaining unused general conditions to Contingency and reduced Contractor's Fee by 8% of the amount of credited general conditions.

Additional Time Requested: Yes No _____ Calendar Days

Cost of Activity:

Subcontractor Costs (Attach Price Quote(s)):	\$ 0.00
Subcontractor Allowed Markup Per Owner's Contract:	\$ 0.00
Total Requested Contingency Disbursement Amount	\$ 0.00
Previous Contingency Amount	\$ 702.13
Amount of This Request	\$ (17,146.19)
Current Contingency Amount	\$ 17,848.32

Source: District records.

MGT's review of the Budget to Cost sheets and Contingency Fund Disbursement Requests indicated that the projects MGT examined were completed within budget.

To determine if projects were completed well and on-time, MGT compared the projected start and completion dates with the actual start and completion dates. In addition, MGT reviewed inspection reports, biweekly status reports, and field reports. These reports were reviewed to identify whether the project was proceeding as planned or whether there were concerns in completing the project, such as delays in obtaining supplies and materials, failed inspections, or contractor performance issues. MGT also reviewed the reports to determine if the District had timely followed up on issues noted, such as timely reinspections when an inspection failed. In those instances where projects were not started or completed in accordance with the schedule, MGT made inquiries with the interim Facilities Director and reviewed relevant supporting documentation to determine if the delay was due to problems with the District's oversight of the project or to circumstances beyond the District's control. For example, for the Horizon Academy HVAC Upgrades project, the interim Director indicated that delays were due to the first chiller not arriving according to schedule, and there were subsequent problems with installation. Also, the first chiller had to be fully functional before the second chiller could be taken offline and replaced. This explanation was substantiated by a review of the District's October 12, 2023, electrical inspection, which failed because the circuit ampacity was less than the minimum ampacity required for the chiller. Additionally, the Engineer's field report showed that at the date of the inspection on October 27, 2023, the chiller was not in operation as the wiring was being pulled due to the failed electrical inspection. MGT also reviewed the District's October 30, 2023, electrical inspection where the District verified the wiring had been corrected. Based on MGT's review of the documentation for the selected projects, the District has adequate explanations for delays in project schedules and ensured that projects were completed timely and well.

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As discussed in detail above, MGT's review of project documentation indicated that the District is effectively managing projects to ensure that the projects are completed satisfactorily, on-time, within budget, and at a reasonable cost.

- **School Safety and Security – Met this subtask**

MGT received a listing of all projects indicated as ongoing, in progress, or completed. In total, the department had 18 projects, of which 4 were completed, 3 are in progress, and the remaining 11 are ongoing projects. The District's ongoing projects are projects in which the Safe Schools Department is consistently improving at all school sites, such as fencing, cameras, and door locks.

MGT selected the following projects for testing: bus radios, signal strength testing, Knox boxes, fencing, and cameras. The bus radios and signal strength testing projects were completed during MGT's audit period. The Knox boxes project is in progress, and the fencing and cameras projects are ongoing as described above. MGT noted that the District had completed or was close to completing 10 different fencing projects. MGT reviewed documentation for 6 of the 10 projects.

MGT reviewed all relevant procurement documents for each of the selected projects. The documents reviewed include the following for each project:

- Bus Radios
 - State of Florida Alternate Contract Source Addendum
 - Initial and revised pricing quotes
 - Signed agreements with Motorola for product and services
 - School Board minutes which included the approval of price and vendor
- Signal Strength Testing
 - State of Florida Alternate Contract Source Addendum
 - Signed agreements with Motorola
 - School Board minutes which included the approval of price and vendor
- Knox Boxes
 - Notice of Intent to Sole Source Purchase
 - Signed agreements with Knox Transitional (vendor)
 - School Board minutes which included the approval of price and vendor
- Cameras
 - Purchase orders for camera
 - Documentation of approval of purchase
- Fencing
 - Contract agreements with each of the different vendors
 - School Board minutes which included the approval of price and vendors for each project

Based upon the review of the documents noted above and discussions with the Executive Director of Safety and Security, MGT has gathered the information displayed in Table 1.7 below.

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Table 1.7 – List of Selected Safety and Security Projects

Project	Project Cost	Over Budget (Y/N)	Completion Date	Installed/Completed On Time (Y/N)	Satisfied with Service (Y/N)
Bus Radios	\$75,000.00	N	01/02/24	Y	Y
Signal Strength Testing	\$2,399,110.79	N	04/04/24	Y	Y
Knox Boxes*	\$96,500.00	N	09/13/24 (Expected)	N/A*	Y
Cameras	\$44,298.71	N	06/30/24	Y	Y
Fencing Projects	\$912,324.12	N	Various	Y	Y

*Knox Boxes project has not been completed as of this report but is expected to be completed on Sept. 13, 2024, and there are no expectations of the project going over the agreed contract price or being delayed.

Source: District records.

While MGT was reviewing documents related to the fencing projects, it was noted that two of the six projects that were sampled were completed under budget and saved the District approximately \$51,000.

Based on the information reviewed, MGT has determined that the projects were of reasonable cost, completed well and to the District’s satisfaction, were completed on time, and completed within the set budget or contract agreement.

- **Technology Acquisition – Met this subtask**

Information and Technology Services provided a listing of eight projects completed during the period July 2022 through March 2024. MGT examined documentation including purchase orders, contracts, bid documents, and installation evidence for four of the projects. The projects reviewed are described in Table 1.8.

Table 1.8: List of Selected Information Technology Projects

Project	Project Time Frame	Completion Date	Cost
Installation of Security Cameras at Schools	2023-24 Fiscal Year	June 2024	\$44,397.71
Chromebook Device Refresh	2022-23 Fiscal Year	December 2023	\$3,124,701.00
Chromebook Device Refresh	2023-24 Fiscal Year	December 2023	\$1,162,595.96
Interactive Flat Panel Installation	2023-24 Fiscal Year	January 2024	\$418,879.35

Source: District records.

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To determine if costs were reasonable, MGT reviewed the procurement methods to assess whether the contracts were procured through a competitive process or another purchasing method that would yield a similar result. MGT's review of the procurement documentation indicated that the projects were competitively bid or obtained through a purchasing consortium. Specifically, the camera project was completed in-house, the Chromebook devices were procured through the National Cooperative Purchasing Alliance, and the interactive flat panels project was procured through a competitive bidding process. Additionally, to assess whether costs did not exceed the budget, MGT inquired with the Technology Director regarding the department's process for establishing the budget and actual costs. Technology establishes the budgets based on the actual costs to be incurred, for example, the listing price of the Chromebooks with the features required by the District. Based on the department's procedure, MGT compared the cost on the purchase orders to the actual amounts paid to determine if the costs matched. To determine if the projects were completed timely, MGT reviewed the dates on the tracking sheets for the Chromebooks and the interactive flat panels to show the progression through the District's schools. To determine if projects were completed well, MGT reviewed receiving reports and photographs of the panels with the school, technician, serial number, and room number written on the flat panel screen. MGT also reviewed correspondence with the contractor on deficiencies noted. The correspondence included the noted deficiency, the identified cause, the corrective actions taken for the specific problem, the corrective actions taken across the District, and the preventive measures and future protocol. MGT's review of the documentation for the four projects indicated that the projects were completed well, on time, within budget, and at a reasonable cost.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

MGT reviewed documentation supporting the procurement of the two bonds the District issued during 2024. These bonds are identified as the 2024 BAN and 2024 COPS. MGT first reviewed the District's policy on borrowing. This policy is PO6145 "BORROWING."

The borrowing policy allows the District two methods of permissible debt, short-term and long-term debt. According to the policy, "long-term debt includes bonds, leases, certificates of participation (COP) and other similar obligations. Both the 2024 BAN and 2024 COPS fit into long-term permissible debt. This policy also states that long-term debt can be used for, "the acquisition, construction, or renovation of facilities or the acquisition of equipment that cannot be funded from current revenue sources..." Also the policy allows for long-term debt to refund all or a portion of its outstanding debts. The purpose of the bonds were to finance the District's need to expand its capacity for more students through the construction of new schools or additions to preexisting schools. Also, part of the proceeds of the 2024 COPS bond was to pay off the 2024 BAN bond.

MGT then reviewed the School Board's minutes for the appropriate approval of both bonds. MGT found that on February 27, 2024, the District's School Board approved Resolution 24-04 Authorizing the Issuance of Certificates of Participation, Series 2024 Bond Anticipation Note (BAN) not to exceed \$92 million. In the same meeting, the Board approved Resolution 24-03 Authorizing the Issuance of Certificates of Participation, Series 2024, not to exceed \$330 million. The BAN was

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finalized at \$92 million, which is the approved amount, and the COPS was finalized at \$296 million, which is under the approved amount.

Next, MGT reviewed the planned use of the bond funds according to the bond documents. Within the 2024 BAN document, the following projects were noted as the planned use:

- Southwest High School “CCC”
- Middle School “DD”
- Elementary School “W”
- Elementary School “X”
- Liberty Middle School Addition
- Horizon Academy Addition
- Oceola Middle School Addition

Within the 2024 COPS document, the District had the same projects listed above with the addition of Hammett Bowen Additions and Marion Oaks Elementary Additions. All of these projects fall under the approved uses for long-term borrowing according to the District’s borrowing policy.

The last two topics MGT reviewed these bond agreements for were the timeliness of completing the bonds and the interest rate the District received for the COPS bond. The School Board approved the issuance of these bonds on February 27, 2024, as noted above. The 2024 BAN was completed and issued a few days later, on March 1, 2024. The 2024 COPS bond was completed and issued a couple of months later, on June 1, 2024. Also, the interest rate, also known as the cost of borrowing, for the 2024 COPS bond is approximately 3.4%. MGT compared this rate to AAA 20-year municipal bond rates and 20-year treasury rates, which were 3.15% and 4.35%, respectively, as of August 8, 2024. The borrowing rate of 3.4% obtained by the District for the 20-year COPS bond appears reasonable.

Subtask 1.5 Recommendation: Not applicable, the District met this subtask.

Subtask 1.6 – Written Policies and Procedures for Competitive Procurement and Pricing – Overall conclusion – Meets

The District’s programs utilize the Procurement office when procuring goods and services. The District has established numerous policies and procedures to ensure that competitive procurement is utilized when appropriate and that other procurement methods, such as Direct Purchasing and Cooperative Purchasing Agreements, are utilized to ensure the best price is obtained. The District’s policies include:

- Board Policy 6330 – Acquisition of Professional Architectural, Engineering, Landscape Architectural, or Land Surveying Services
- Board Policy 6334 – Prequalification of Contractors for Educational Facilities Construction
- Purchasing Policy 6320 – Purchasing and Contracting for Commodities and Contractual Services
- Purchasing Policy 6320.01 – Vendor Preference
- Purchasing Policy 6324 – Cone of Silence

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- Purchasing Policy 6325 – Procurement – Federal Grants Funds
- Purchasing Policy 6326 – Bid Protests
- Purchasing Policy 6440 – Cooperative Purchasing
- Purchasing Policy 6450 – Local Purchasing
- Purchasing Policy 6460 – Vendor Relations

Facilities has established additional procedures for procurements and competitive pricing, including:

- Professional Services Procurement Procedures
- Design Procedures
- Project Bidding and Start-Up Procedures
- Building Code Compliance Procedures
- Construction Procedures

The District's policies require competitive solicitations for commodity or contractual services purchases equal to or greater than \$50,000. Board approval is also required for contracts of \$50,000 or more. In addition, Facilities uses techniques such as owner-direct purchasing, where the District buys equipment and machinery directly, and the construction company installs it to save on sales tax.

The District has established standard forms to help document compliance with District policies. These forms include a Bid Tabulation Document, which requires the Purchasing Specialist's signature for the bid recommendation; Facilities Department Construction Office Project Start-Up Checklist which details all documents needed for the contract; and standard contract templates which include approval boxes identifying the parties authorized to sign the contract on behalf of the District. As part of MGT's case studies detailed in Subtask 1.5, MGT reviewed the 5 Facilities and 4 Information Technology projects for compliance with the related purchasing requirements. As described in Subtask 1.5, the Facilities contracts were executed through work authorizations under continuing contracts and the Information Technology contracts were procured through purchasing consortiums and bids. MGT's review of the project documentation indicated that the District followed established procedures in procuring the contracts for these projects.

Subtask 1.6 Recommendation: Not applicable, the District met this subtask.

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Chapter 2: Program Design and Structure

The audit evaluation subtasks were:

2.1 Program Organizational Structure – 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; and

2.2 Program Staffing Levels – Assess the reasonableness of current program staffing levels given the nature of the services provided, program workload, and accepted industry standards and best practices.

Finding: Overall, the Marion County School District partially met expectations for this task.

Organizational structure aligns and relates parts of an organization so it can achieve its maximum performance. Organizational structure is the method by which work flows through an organization. It allows groups to work together within their individual functions to manage tasks. Five elements create an organizational structure: job design, departmentation, delegation, span of control, and chain of command. Departmentation refers to the way an organization structures its jobs to coordinate work and span of control means the number of individuals who report to a manager. Organizational structures should clearly define the entity's units and lines of authority and be structured in a manner that there is a minimal overlap of functions. To ensure an efficient organization, the organizational structure should minimize administrative layers.

Overall, Facilities, Safe Schools, and the Technology and Information Services Departments have organizational structures that have clearly defined units, minimize overlapping functions and excessive administrative layers and have lines of authority that minimize administrative costs. Additionally, staffing levels appear appropriate given the current workloads and comparison to peer districts. However, MGT noted that Technology and Information Services was organizationally located with the Deputy Superintendent for Curriculum and Instruction's organization, which does not provide for an appropriate level of organizational independence.

MGT recommends the District evaluate the current organizational placement of Technology and Information Services and consider moving the Department to report directly to the Superintendent to allow for a sufficient level of organizational independence.

Findings by Subtask:

- Subtask 2.1 – Program Organizational Structure – Partially Meets
- Subtask 2.2 – Program Staffing Levels – Meets

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Subtask 2.1 – Program Organizational Structure – Overall conclusion – Partially Meets

The District’s administrative offices include Business Services, led by the CFO, and Operations, led by the Senior Executive Director. Business Services includes Finance-Accounting, Budgeting, and Risk Management. Operations includes Facilities, Transportation, and Support Services. Technology and Information Services is located within the Deputy Superintendent for Curriculum and Instruction’s organization. As reflected in Table 2.1, MGT compared the Unweighted Full-Time Equivalent (UFTE) cost for District administrative personnel with the costs for Collier, Lake, St. Lucie, and Sarasota County School Districts. While the percentage of administrative and managerial personnel was slightly higher than the District’s peers, the District’s overall UFTE cost was significantly less than its peer districts.

Table 2.1: Comparison of Administrative Costs per Unweighted Full-Time Equivalent Students

	Marion	Collier	Lake	St. Lucie	Sarasota
Administrative Personnel	179	210	169	157	155
Managers	80	127	34	28	69
Direct Services Personnel	6,049	5,483	5,334	4,969	5,609
Total Staff	6,308	5,820	5,537	5,154	5,833
Admin. & Managers as a Percent of Workforce	4.11%	5.79%	3.67%	3.59%	3.84%
Administrative Cost per UFTE	\$604.28	\$1,048.56	\$1,008.48	\$666.86	\$954.44

Source: 2022-23 Fiscal Year Educational Funding Accountability Act Reports.

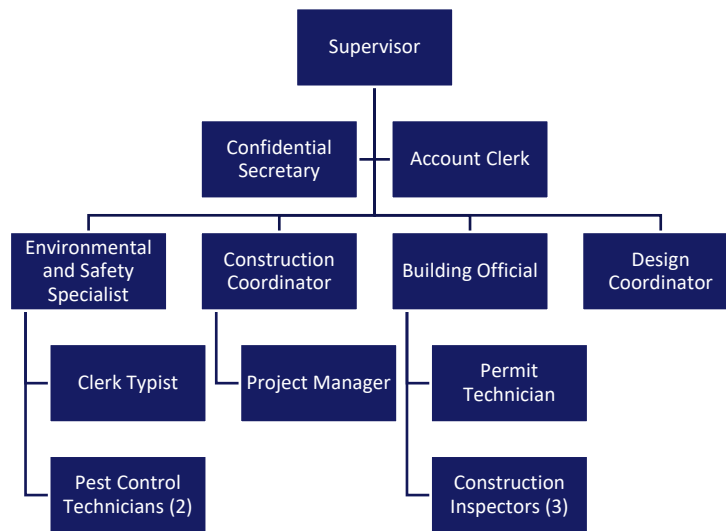
Organizational span of control refers to the number of subordinates that can be managed effectively and efficiently by executive/director level staff and middle management staff. Middle management typically includes manager and supervisor level staff. MGT compared the Departments’ organization chart span of control with Society of Human Resource Management (SHRM) benchmarks.

- **Facilities and Land Acquisition – Met this subtask**

MGT reviewed the organizational chart for the Facilities Department. The Facilities Department Supervisor reports to the Senior Executive Director for Operations. MGT’s review disclosed that the Department is separated into 4 distinct units and separates the Construction Inspectors from the Construction Coordinator, an important separation of duties to keep the Inspectors independent of the construction process. The Supervisor’s direct reports include the environmental and safety specialist, construction coordinator, building official, and design coordinator.

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Figure 1: Organizational Chart for Facilities Department



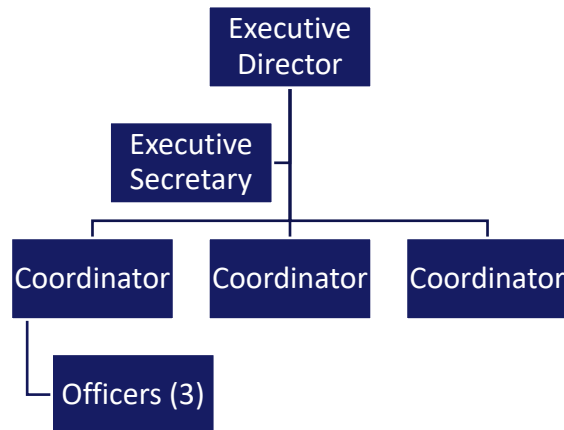
Source: District records.

We also reviewed the SHRM benchmarks for the span of control for middle management to determine whether excessive administrative layers may be present (e.g., staff have minimal direct reports). For example, the Supervisor has six direct reports, which falls between the 25th and median percentile for the middle management level. The organizational structure reflects that Facilities has clearly defined units which minimize overlapping functions and excessive administrative layers.

- **School Safety and Security – Met this subtask**

MGT reviewed the following organizational chart for the Safe Schools Department.

Figure 2: Organizational Chart for Safety and Security



Source: District records.

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After reviewing the organizational chart, MGT interviewed the Executive Director of Safety and Security to gain an understanding of the roles and responsibilities of each employee within the program to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

The Executive Director is responsible for the overall operation and performance of the program. The Coordinators report directly to the Executive Director. Each Coordinator has the same title but has different responsibilities for the overall function of the program. One Coordinator is a school safety specialist and has three direct reports while another Coordinator is responsible for threat management. These two Coordinators have responsibilities that are mandated by the State of Florida. The last Coordinator position is a school principal that has responsibilities outside of the program but is responsible for working with the program during emergency situations, such as hurricanes, active shooter events, and other emergencies.

Three Safe School Officers report to the Safe Schools Coordinator. These officers are responsible for working closely with school staff to create a safe teaching, learning and working environment.

Not noted in the organizational chart are the School Resource Officers (SROs) and Guardians that are used to ensure the program is meeting all statement mandates. The District works with Marion County Sheriff's Office, Ocala Police Department, and Belleview Police Department to ensure at least one SRO is on every campus. In addition to the SRO, the program has additional guardians on several campuses.

Based on the information provided and review of the organizational chart, the organizational structure has clearly defined units and lines of authority. Each Coordinator and Safe School Officer has designated responsibilities that are exclusive to their position and do not overlap with their counterparts. There is also limited administrative cost as the only position that holds administrative duties is the Executive Secretary who is responsible for the entire program.

- **Technology Acquisition – Partially met this subtask**

Effective information technology controls include the establishment of an appropriate governance structure, including the placement of the Information Technology (IT) function within the District to ensure an appropriate degree of independence separate from the user departments and organizationally equal to other management areas. Placement within a user department can result in the focus becoming too narrow and serving the needs of the user department, rather than managing the needs of the District as a whole. Additionally, IT manages significant risks, including cybersecurity threats, data breaches, and system failures. These risks require a broad perspective and authority that spans the entire organization.

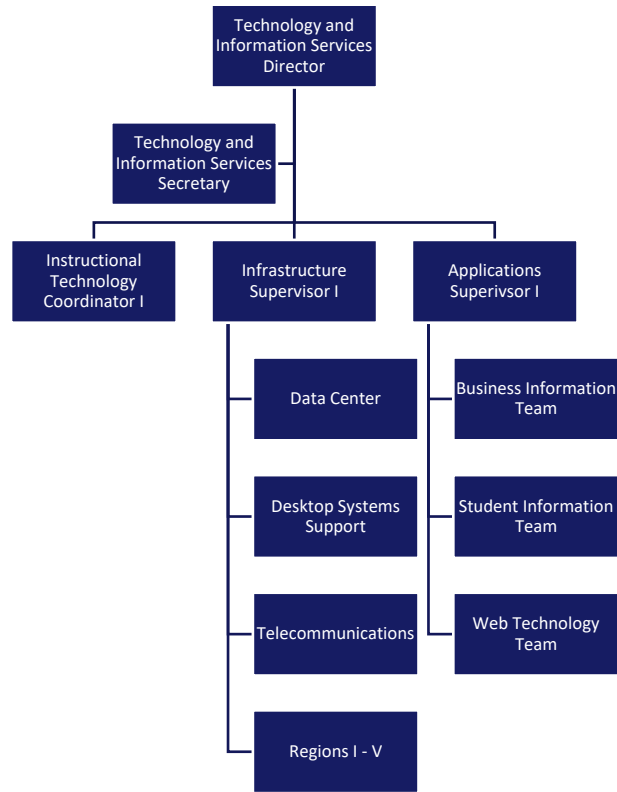
MGT's review of the District's organizational charts indicated that Technology and Information Services is placed under the Deputy Superintendent of Curriculum and Instruction. This placement does not provide Technology and Information Services with a sufficient degree of independence to safeguard the integrity of the District's systems.

MGT also reviewed the organizational chart for the Technology and Information Services Department. IT functions require specific separations in order to minimize the risk of errors, fraud, or sabotage. Functions that should be separated include the database administrator (DBA) from

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all other functions, applications development from the DBA and operations, information security from all other functions, and applications development from applications maintenance. System administrators and operating system administrators should also be separated from other functions. MGT's review identified that Technology and Information Services is separated into 7 distinct units and separates key functions, such as infrastructure management and application support, to help support a robust system of internal controls and minimize risk.

Figure 3: Organizational Chart for Technology and Information Services



Source: District records.

We also reviewed the SHRM benchmarks for the span of control for middle management. For example, the Director has four direct reports, which falls at the 25th percentile for the middle management level. Based on this information, the organizational structure reflects that Technology and Information Services has clearly defined units which minimize overlapping functions and excessive administrative layers.

- **Bond Indebtedness and Leasing Agreements – Subtask is not applicable**

Bond indebtedness and leasing agreements is a function of the District's Finance and Budget Department and not a program. Bond and lease payments are based on a predetermined debt schedule. As such, MGT has determined that the research tasks in this section are not applicable to the bond indebtedness and leasing agreements function as the organizational structure and

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function staffing levels have no impact on the District's ability to make on-time and accurate payments.

Subtask 2.1 Recommendation: MGT recommends the District evaluate the current organizational placement of Technology and Information Services and consider moving the Department to report directly to the Superintendent to allow for a sufficient level of organizational independence.

Subtask 2.2 – Program Staffing Levels – Overall conclusion – Meets

- **Facilities and Land Acquisition – Met this subtask**

During the 2023-24 fiscal year, the Facilities Department had 11 full-time employees who oversaw the construction process, including the Facilities Supervisor and Confidential Secretary. The Facilities Department received funding for the 2024-25 fiscal year to add an additional Construction Coordinator and an additional Project Manager. MGT interviewed the Facilities Supervisor and the Finance Director to understand how the District determines if additional Facilities positions are required. According to the District, Facilities will evaluate total projects in the 5-year plan to determine if additional staff are needed. At the beginning of each budget cycle, each department is sent a worksheet with a list of budgeted and year-to-date expenditures by category and a list of salaries. The Department can request to add staff to the planned budget, identifying the position requested and the applicable justification.

MGT also reviewed the District's project listing to determine if Facilities had sufficient staffing to execute the projects as planned. The District provided a listing of 75 projects that were planned, started, or completed during the period July 1, 2022, through March 31, 2024. MGT requested District explanations for the 35 projects that had not been started as of March 2024. According to the interim Facilities Director, new projects cannot be started until the 5-year plan is approved by the Board. Once projects are approved, the architect/engineer finetunes the scope and begins the design phase. Depending on the scope, the design phase can take several months. There are several stages of review and coordination involved to get the best possible design at the lowest cost to the District. Once the design is complete, the projects go through a bidding process, a contract is negotiated, and then the contract is submitted for Board approval. The District provided reasonable explanations for the delays in starting the projects; for example, 3 projects were awaiting permitting, 5 projects were in the design phase, 5 projects were in the selection process, and 3 projects could not be funded.

Based on the processes in place to request additional staff and MGT's review of the District's project listing and reasons for delays, it appears that Facilities department staffing is appropriate to execute the projects.

- **School Safety and Security – Met this subtask**

As noted in Subtask 2.1, many roles and responsibilities within the School Safety and Security program are set by state requirements. Section 1006.07(6)(a), Florida Statutes, requires the District to have a School Safety Specialist who can be a school administrator employed by the District or a law enforcement officer employed by the Sheriff's office located within the District's area. Additionally, Section 1006.12, Florida Statutes, requires one or more safe school officers at each school facility within the District, including charter schools. Based on the review and the

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analysis discussed in Subtask 2.1, the program is operating with the staff necessary to meet the state requirements. Based on the services provided by the program area, and the employment standards set by the State of Florida, the program's current staffing level is reasonable.

- **Technology Acquisition – Met this subtask**

The Technology and Information Services Department includes 78 established positions as outlined in Table 2.2.

Table 2.2 – Technology and Information Services Positions by Unit

Unit	Number of Positions
Information Services and Software Development	12
District Technology Office	9
Data Center Operations	13
Desktop Systems Support	9
Telecommunications Services	6
Infrastructure	29

Source: District records.

To assess the reasonableness of the Department's staffing, MGT compared the Technology and Information Services Department staffing to total District staffing. According to the Consortium for School Networking, school districts should have 1 IT employee for every 400 devices. The District averaged 727 devices per IT employee, almost twice the standard suggested. Additionally, the Consortium for School Networking suggests that for districts with more than 5,000 users, the district should employ 1 IT employee for every 200-300 users. With approximately 50,000 users (6,900 employees and 43,000 students), the District averages approximately 640 users per IT employee, again almost double the suggested ratio. While the District ratios for employees per IT employee and the number of devices per IT employee appear high, MGT's analysis of IT overtime showed that overtime charges for Technology represented only .11 percent of total payroll over the 2022-23 and 2023-24 fiscal years. Additionally, MGT's review of 4 Technology and Information Services projects in Subtask 1.5 indicated that Technology and Information Services was completing their projects in a timely manner. Therefore, the Technology and Information Services Department's staffing levels appear reasonable given the nature of the services provided, program workload, and accepted industry standards and best practices. However, the District should carefully monitor Technology and Information Services' ability to keep up with District requests for system changes, upgrades, new systems, and hardware installations given the relatively low staffing levels.

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- **Bond Indebtedness and Leasing Agreements – Subtask is not applicable**

Bond indebtedness and leasing agreements is a function of the District's Finance and Budget Department and not a program. Bond and lease payments are based on a predetermined debt schedule. As such, MGT has determined that the research tasks in this section are not applicable to the bond indebtedness and leasing agreements function as the organizational structure and function staffing levels have no impact on the District's ability to make on-time and accurate payments.

Subtask 2.2 Recommendation: Not applicable, the District met this subtask.

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Chapter 3: Alternative Service Delivery

The audit evaluation subtasks were:

3.1 Evaluation of Alternative Methods – Determine whether program administrators have formally evaluated existing in-house services to assess the feasibility and cost savings of alternative methods of providing services, such as outside contracting and privatization, and determine if services were outsourced when the evaluations found that doing so could result in improved performance or cost savings;

3.2 Assessment of Contracted and Privatized Services – Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and, when appropriate, made changes to improve the performance or reduce the cost of any outsourced services; and

3.3 Opportunities for Alternative Service Delivery Methods – 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 (e.g., other school districts, etc.).

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

The evaluation of existing services to determine whether a service should or could be privatized, along with an objective determination of the value of privatization, can help the District identify areas where cost savings may be achieved. Additionally, for those services already privatized, ongoing evaluations to verify that forecasted cost savings have materialized and the quality of services is at or exceeds levels prior to privatization are essential to ensuring that taxpayers receive quality services at a good value.

MGT examined the processes used by the District to evaluate whether a service could be privatized to evaluate whether privatized services are operating efficiently and effectively. MGT also evaluated the services currently provided by the District for opportunities for outsourcing. MGT's examination disclosed:

- Evaluation of services for the feasibility of outsourcing. MGT's inquiries with District management disclosed that while the District's programs appeared to evaluate the feasibility of outsourcing services, those evaluations were not always documented in writing. While Facilities had written documentation supporting their evaluation of different methods of contracting for construction services, the conclusions were not in writing.

For Safety and Security and Technology and Information Services, in determining whether to outsource a project, the District's departments will evaluate whether staff resources are available and the staff has the expertise to perform the project. If the District does not have

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the resources or expertise to perform the project in-house, then the District will outsource the project and work with outside contractors and privatized businesses to manage, install, and/or assess projects and District activities. However, the District has no written documentation to support these decisions.

- Evaluation of outsourced services. While the District has processes in place to manage the outsourced projects, the District’s Safety and Security department and Bond Indebtedness function did not have written assessments of the effectiveness and, when applicable, costs savings achieved by using outside providers.
- Opportunities for outsourcing. The District currently works with a number of trusted vendors and contractors for its services. Based on an assessment of the District’s in-house services, it appears the District is appropriately outsourcing activities when required by staff capacity limitations or to achieve a cost savings without sacrificing the quality of services. MGT noted that the District began using staff augmentation for Technology services in August 2024. Benefits of staff augmentation include the ability to quickly scale IT resources, cost effectiveness as compared to hiring full-time employees, and knowledge transfer and learning opportunities for existing staff.

MGT recommends:

- District management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted and documented. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained.
- The District conduct assessments of contracted and privatized services to verify the effectiveness and cost savings achieved, with written documentation of the reasonableness of their conclusions.
- The District consider additional utilization of staff augmentation services for its Information and Technology Services Department.

Findings by Subtask:

- Subtask 3.1 – Evaluation of Alternative Methods – Partially Meets
- Subtask 3.2 – Assessment of Contracted/Privatized Services – Partially Meets
- Subtask 3.3 – Opportunities for Alternative Service Delivery Methods – Meets

Subtask 3.1 – Evaluation of Alternative Methods – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Met this subtask**

Facilities management provided a listing, dated March 2022, of construction project delivery methods that identified pros and cons of each method. The listing included Design-Bid-Build, Design-Build, Construction Management, Cost-Plus-Fee, and Guaranteed Maximum Price. The listing did not contain conclusions on the best methods to use for construction projects. However,

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the District uses Construction Management services and Guaranteed Maximum Price contracts for its projects. Construction management involves planning, budgeting, coordinating, and supervising construction projects from start to finish. The District's analysis of Construction management included:

- Contractor is selected based on expertise and experience with type of project
- Profit is determined up front
- Contractor can be brought in for parts of the project or management of entire project
- Contractor input during design can add to cost, time savings, and/or improved quality
- More scrutiny of construction and of the contractor's records and books
- Contractor holds the brunt of the risk if issues arise as subcontractors contract with the contractor

Guaranteed Maximum Price contracts set a maximum price for a project, beyond which the contractor absorbs additional costs. As noted in the District's analysis, the characteristics of Guaranteed Maximum Price contracts include:

- Contractor's fee is negotiated based on budget, not actual costs
- Fee does not change depending on material or subcontractor costs
- The contractor is responsible for overall maximum cost
- The contractor is responsible for overall schedule and finish date
- Budget can be determined or revised up-front due to guarantee of maximum cost
- Owner (District) receives reimbursement for any funds not spent on the project

Additionally, the District provided us with correspondence documenting the reasoning for utilizing Guaranteed Maximum Price contracts.

In addition to contracting for construction, the District also contracts for larger maintenance and repair projects. The decision to outsource these services depends on the nature and scope of the work needed and the certifications and capacity of the District's maintenance department to perform the work.

- **School Safety and Security – Subtask is partially met**

The Safe Schools Department is responsible for implementing strategic security measures, providing lines of communication and support to local law enforcement, and striving to provide a safe learning environment through prevention, intervention, and emergency preparedness planning. The staff within the department are responsible for day-to-day school safety, managing safety risks, assessing areas in need of hardening, and writing and evaluating school safety policies and procedures.

Based on discussions with the Executive Director of Safety and Security, the program evaluates existing in-house services to assess the feasibility and cost savings of alternative methods of providing services, such as outside contracting. This is specifically relevant when the program is looking to complete a new project such as installing cameras or other similar security measures. These evaluations are performed during the program's regular staffing meetings as discussed in Subtask 1.2; however, the program does not keep any written or similar documentation regarding the program's determination on whether to outsource or complete projects in-house.

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This evaluation not only considers the cost of outsourcing the project, but also considers how quickly the work can be performed by an outside vendor as compared to the program internally. There are noted instances where the program decided to use an outside vendor to complete a project even though using the vendor was more expensive. For example, the program decided to use an outside vendor to install cameras within some of its schools, as the vendor could complete the project substantially faster than the department could do in-house. The timeliness of the project outweighed the additional cost for safety and security. It is reasonable to prioritize quickly addressing security concerns over some additional costs. If the additional costs would be double or triple the cost of performing the services in-house, that would be considered unreasonable, unless an emergency or high security risk needed to be addressed immediately.

While the program's evaluation of services appears reasonable, there is a lack of documentation to support the program's decisions.

- **Technology Acquisition – Partially met this subtask**

Based on discussions with the Director of Technology and Information Services, the Technology department is continuously assessing the methods used to provide services; however, the assessment is not in writing. The decision to outsource or provide services in-house is made on a project-by-project basis based on the skills and capacity of District staff. The Technology department outsources activities, such as the migration of the District's website to a new platform and the installation of interactive flat panels in classrooms where the District did not have the capacity to perform the services. Additionally, beginning in August 2024, Technology has begun using staff augmentation in a Security Administrator role to increase capacity. Staff augmentation is a flexible workforce strategy where external talent is temporarily employed to supplement the existing staff.

- **Bond Indebtedness and Leasing Agreements – Partially met this subtask**

For the bond indebtedness and leasing agreement function, the only in-house service provided is the record-keeping and payment of debt, as described in Subtasks 1.1 and 1.2. While the District evaluates the performance and cost of this function periodically, there are no evaluations as to outsourcing or privatizing this service. The debt payments are made by an employee at the District via wire transfer. Outsourcing or privatizing this service would not be reasonable as it would add an extra cost to the District that is not necessary, add more complexity in the process of making payments, and introduce more risk of fraud or misappropriation of assets as third parties would be involved in handling substantial sums of money.

This function does have one service that is contracted out to a third party. The District works with a financial advisor company, PFM, to procure and issue debt. District management indicated that it utilizes PFM for its expertise and vast knowledge to ensure the District is using the best options available to ensure the District is receiving the appropriate funding, rates, and level of service from a financial institution for debt issuance. PFM will work with the District to understand its intended goals and uses for issuing debt, and then PFM will write the request for proposal based on these identified needs. PFM will review the proposals, vet the responses, and bring a proposal that best suits the District's needs to the School Board for a vote. The School Board then has the final say to accept or reject the proposal.

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Once a year, the School Board votes to approve the use of the financial advisor group and within the materials submitted to the Board is a “mandatory synopsis,” which explains the reasoning for the District’s need to hire the financial advisor. See the mandatory synopsis in Exhibit 4 below. This is the only written documentation of the District’s decision to use outside services, instead of performing these services internally. There is no other written documentation or assessments of PFM’s performance to discuss the financial advisor’s effectiveness or if there are any cost savings available to the District.

Exhibit 4 – Mandatory Synopsis

**MARION COUNTY PUBLIC SCHOOLS
SCHOOL BOARD LEGAL DEPARTMENT
MANDATORY SYNOPSIS**

Date: 3/21/2024
Name of Requestor: Terri Cooke, Director of Finance
Initiating Department: Finance Department
Contract Manager: Terri Cooke, Director of Finance
Title of Document: Third Renewal to the PFM Financial Advisor, LLC Standard Agreement
Budget Source: General Fund Discretionary-Departments, Capital Projects Fund, Debt Service Fund
Dollar Amount: \$12,000.00
Total MCPS has paid vendor this school year: \$ 12,000.00 (If more than \$50,000 has been paid to this vendor, including this purchase, approval from the Board is required and this item must be placed on BoardDocs.)
Indicate requested approval cover: <input type="checkbox"/> Superintendent/School Board Chair Approval Cover (routine or contracts up to \$50,000) <input checked="" type="checkbox"/> School Board Approval Cover (aggregate total paid to vendor over \$50,000)
Synopsis (to include why contract/agreement is necessary and impact to the District): This Third Renewal will renew the Financial Advisor Services Agreement with PFM Financial Advisors LLC (PFM) that was derived from Request for Proposal 3776RC. This agreement provides for non-exclusive advice to the District regarding financial matters related to issuing and refinancing certain types of debt instruments as prescribed by Florida Statutes, including but not limited to general obligation bonds, racetrack revenue bonds, lease revenue bonds, Certificates of Participation (C.O.P.'s), Tax and Revenue Anticipation Notes, and sales tax bonds. PFM assists the District with its disclosure of information to the investment community in conjunction with prospective issuance of publicly offered financial instruments. PFM provides assistance in presenting information to financial rating agencies and also provides the District with advice concerning policies regarding financial and debt related matters. Prior Board Action Date(s): Board Meeting: 05/24/2022 Approved Board Meeting: 07/23/2019 Approved Board Meeting: 05/09/2023 Approved The supporting vendor is PFM Financial Advisors LLC of Philadelphia, Pennsylvania. This third renewal term is from July 1, 2024 through June 30, 2025. The estimated annual expenditure is \$12,000.00 for non-transactional fees. Upon debt issuance, the cost associated with the transaction will be included in the cost of issuance at that time in accordance with the proposal form included in Exhibit B of the Original Agreement. At the time of submission on the agenda, \$12,000.00 has been encumbered this fiscal year. By approving this Third Renewal to the Financial Advisor Services Agreement, the District will continue to be provided with multiple professional financial advisor services. Funding Source: General Fund Discretionary-Departments, Capital Projects Fund, [
If federal funds are being used for this Agreement, you must provide a copy of the grant or federal documentation so we can determine if additional federal provisions are required.

Source: District records.

Subtask 3.1 Recommendation: MGT recommends District management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted and appropriately documented. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained.


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Subtask 3.2 – Assessment of Contracted and Privatized Services – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Met this subtask**

Facilities monitors contractors through weekly site visits, inspections at key points in the construction process, and review of invoices and supporting documentation. Additionally, the District manages costs for outsourced services through the use of Guaranteed Maximum Price contracts. These contracts limit the costs paid by the District but include a contingency for unexpected expenses. In order to access contingency funds, the contractor must complete the District’s Contingency Fund Disbursement Request Form with justification for the amount of the contingency requested along with relevant supporting documentation. The forms are reviewed by the Project Engineer and the District’s Finance office before being approved. This form is also used to document cost savings achieved for a project (see Exhibit 5 below).

Exhibit 5 – Contingency Fund Disbursement Request Example



Facilities Department

CONTINGENCY FUND DISBURSEMENT REQUEST

Date: 9/29/2022 **Request No.:** 01
Project Name: Dunnellon High School Football / Soccer Scoreboard Installation
Project No. 22-114
Architect: Southard Engineering, Inc.
Contractor: The A.D. Morgan Corporation

The contractor hereby requests that the following activity be funded by the project contingency. The contractor is making this request after determining that the listed activity is not part of the itemized guaranteed maximum price and/or any change orders related to the project. Signature by all parties listed below is required in order to disburse the contingency funds. The owner requires a minimum of one original returned to the owner along with a copy of the updated contingency fund log sheet, after execution of the request by all parties.

Description of Activity	Reason For Request
Final Reconciliation Moving Savings to Owner Contingency	Returning Project Savings to Owner

Source: District records.

Outsourced maintenance and repair work is monitored through the inspection of completed work in the case of smaller projects. Larger projects are monitored and evaluated in a manner similar to construction projects, with inspections occurring at key points in the project and a final inspection when work is completed.

- **School Safety and Security – Partially met this subtask**

The School Safety and Security Program uses outside contractors and privatized services for many services including installation of cameras, fencing, and Knox boxes, assessments of certain

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security measures, and other safety devices for schools. The program also works with outside law enforcement agencies to serve as school resource officers, as explained in Subtask 2.1.

Based on discussions with the Executive Director of Safety and Security, the program evaluated contracted and privatized services for effectiveness and cost. These assessments are performed during the program's regular meetings; however, as noted in Subtask 3.1, these assessments are not documented in writing or other similar means. The program is consistently looking to improve and receive the most effective services to ensure a safe learning environment while still considering the needs to be cost effective as well. When procuring outside services, the program uses the District procurement policies and procedures in order to obtain the best available cost for the services being provided.

Also, as noted in Subtask 1.5, MGT reviewed documentation regarding several outsourced services and noted that the program was satisfied with the services provided by each contractor. The program appears to reasonably assess the services of contracted or outside vendors; however, this assessment is not documented in writing.

- **Technology Acquisition – Met this subtask**

Technology assesses contracted services throughout the project through documentation submitted by the contractors and, when applicable, inspection of the completed services. If the contract is at a school or facility, at the initiation of the contract, the Technology Department will conduct a walk-through with the contractor identifying the work to be performed. The contractor will submit pictures and reports documenting the work performed by school and classroom. After the contractor has completed the work, the Technology Department will walk back through the classroom, school, or other facility to verify that the work has been completed correctly prior to authorizing payment to the contractor. In addition, Facilities staff on-site at the schools will provide feedback on any issues noted during the course of the work. If the contract is for services not at the schools, such as the website migration, Technology works closely with the contractor and measures progress using the Gantt chart referenced in Subtask 1.1. According to the Technology Director, Technology's outsourcing is budgeted at the cost to perform the service or obtain the goods so cost savings are not expected.

- **Bond Indebtedness and Leasing Agreements – Partially met this subtask**

The District does not have any written or other similar documentation to support its evaluations of the services provided by PFM, the continued relationship and annual approval of the contract to work with PFM evidences that the District finds the services being provided acceptable. It was explained during the interview with the CFO and Director of Finance that the District understands its current staffing levels would not allow the District to function as effectively as the financial advisor, nor would it have the level of expertise of the financial advisor, which could potentially lead to the District not achieving the level of service required. District management noted that hiring an individual with the appropriate knowledge and expertise to bring this function in-house would be more expensive than working with financial advisors. For reference, the services to be rendered by PFM for the FY 2025 school year will cost the District \$12,000. The cost of hiring an employee to replace the needs met by the finance advisor would be substantially more than \$12,000. Also, due to the District not issuing debt often, this position would not be used to its capacity and would be an inefficient use of funds by the District.

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The bond indebtedness and leasing function has partially met this subtask as the District does not have written documentation of the evaluation of the financial advisors group's performance or the District's rationale for using a third party rather than performing the service in-house; however, as explained, the rationale for using the third party financial advisors is reasonable.

Subtask 3.2 Recommendation: MGT recommends the District conduct assessments of contracted and privatized services to verify the effectiveness and cost savings achieved and document the reasonableness of their conclusions in writing.

Subtask 3.3 – Opportunities for Alternative Service Delivery Methods – Overall conclusion – Meets

- **Facilities and Land Acquisition – Met this subtask**

Based on the findings above, MGT has not identified any possible opportunities for additional alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

- **School Safety and Security – Met this subtask**

Based on the findings in Subtasks 3.1 and 3.2 above, and review of peer information that is discussed in Subtask 1.4, MGT has not identified any possible opportunities for additional alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

- **Technology Acquisition – Met this subtask**

Technology just began using staff augmentation in August 2024. The department should look into additional utilization of staff augmentation for projects where additional specialized experience is needed for a limited time. Benefits of staff augmentation include the ability to quickly scale IT resources, cost effectiveness as compared to hiring full-time employees, and knowledge transfer and learning opportunities for existing staff.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

Based on the findings above, MGT has not identified any possible opportunities for additional alternative service delivery methods that have the potential to reduce function costs without significantly affecting the quality of services.

Subtask 3.3 Recommendation: MGT recommends the District consider additional utilization of staff augmentation services for its Technology programs.

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Chapter 4: Goals, Objectives, and Performance Measures

The audit evaluation subtasks were:

4.1 Clear and Measurable Goals and Objectives – Review program-level goals and objectives to determine whether they are clearly stated, measurable and address key aspects of the program’s performance and cost;

4.2 Consistency with Strategic Plan – Review program-level goals and objectives to ensure that they are consistent with the school district’s strategic plan;

4.3 Achievement of Goals and Objectives – Review the measures and standards the school district uses to evaluate program performance and cost, and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives; and

4.4 Internal Controls – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.

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

To facilitate the process of decision making for a School District, it should establish and communicate clear, relevant goals and objectives; set measurable targets for accomplishment; and develop and report indicators that measure its progress in achieving those goals and objectives. The establishment of clear, relevant goals and objectives; measurable targets; and indicators that measure progress that have been communicated to all applicable staff help promote the economic and efficient operation of the program by identifying potential areas where operations need to be improved or resources need to be adjusted.

MGT inquired of District management regarding the District’s the goals and objectives established for the Facilities, Safe Schools, Technology and Information Services, and Finance Departments. MGT also reviewed the District’s Strategic Plan to assess the relationship of program-level goals to the District’s overall strategic goals. MGT’s review of District goals and objectives disclosed that the departments needed to establish specific, measurable program-level goals and objectives that fully address the performance and cost of each department and ensure that those measures are periodically evaluated.

MGT recommends District departments establish goals and objectives that encompass all department operations, are measurable, and address program performance and cost. The Departments should ensure that established goals, objectives, and performance measures are consistent with the District’s Strategic Plan. MGT also recommends that the Facilities department ensure that once goals and objectives are established that related performance measures, standards, and reports are established that will enable the department to assess performance towards the achievement of its goals and objectives. MGT recommends that the departments establish policies and procedures that set forth

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the process for establishing goals and objectives, including ensuring the goals are measurable and consistent with the Strategic Plan. Additionally, the departments should establish procedures establishing the frequency and the methods to be used to measure progress towards the achievement of District goals and objectives.

Findings by Subtask:

- Subtask 4.1 – Clear and Measurable Goals and Objectives – Partially Meets
- Subtask 4.2 – Consistency with Strategic Plan – Partially Meets
- Subtask 4.3 – Achievement of Goals and Objectives – Partially Meets
- Subtask 4.4 – Internal Controls – Partially Meets

Subtask 4.1 – Clear and Measurable Goals and Objectives – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Did not meet this subtask**

The Facilities program has not established programmatic goals and objectives that address key aspects of the program’s performance and cost. However, as discussed later under Subtask 4.2, the District’s strategic plan includes one broad goal for Facilities and Technical Services this goal does not appear to address Facilities performance related to construction projects, nor does it address program costs.

- **School Safety and Security – Partially met this subtask**

The school safety and security program does not have any written or otherwise documented goals and objectives at the program level. While the program lacks program-level goals, there are some goals that relate to the program within the District’s Strategic Plan, as discussed under Subtask 4.2. MGT noted during discussions with the Executive Director of Safety and Security that the program has several unwritten goals that the department is working to achieve. These goals are discussed during the regular meetings, but they are not documented. Also, Policy 8405 “School Safety and Security” sets all safety requirements for the District and is updated annually when new mandates are passed by legislation.

- **Technology Acquisition – Partially met this subtask**

Technology and Information Services has established goals as outlined in Table 4.1. However, the goals do not address program cost, nor are the goals measurable. The District’s Strategic Plan Technology Goal 4 – Fiscal and Operational Efficiency includes one goal related to Technology which is to improve student access to devices and bandwidth from 90% in 2021 to 100% by 2026.

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However, the goal included in the Strategic Plan does not encompass all services provided by Technology and Information Services, such as security and support for District Administration.

Table 4.1: Marion County School District Technology Goals

Goal	Description
I	Ensure all schools will have adequate and equitable technology resources.
II	Improve learning for students and enhance instruction by teachers.
III	Enhance communication between schools, parents, and the district office.
IV	Provide a secure, efficient, and reliable school/district technology infrastructure.
V	Provide world-class technical support for all schools and departments.
VI	Enhance technical staff development for all personnel in the effective use of technology.

Source: District website.

In response to MGT’s inquiries regarding the goals in Table 4.1, the District provided documentation demonstrating achievement towards the goals. For example, for Goal I, the District provided inventory reports showing the number of Chromebooks available to be assigned to students at each school and the ratio of Chromebooks to students. Additionally, for Goal II, the District provided an Engaged Inventory report which shows the number of classrooms and the number of interactive flat panels, enhanced audio systems, and document cameras at each school. For Goal V, the District provided a summary of the calls received by the help desk and the average time on the calls. The District also provided a summary of training sessions held during the 2023-24 school year to demonstrate their activity related to Goal VI. However, without established measures, it is not possible to determine whether the District is achieving its goals.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

Internally, the bond indebtedness and leasing agreements function is responsible for ensuring debt payments are made on time and for the correct amount. Based on interviews with the District’s CFO and Director of Finance, the goal and objective of the function is to carry out this responsibility. This goal is clear, can be measured by the function either making timely and accurate payments or not, and has a direct correlation to the function’s performance and cost.

Subtask 4.1 Recommendation: MGT recommends that District departments establish goals and objectives that encompass all department operations, are measurable, and address program performance and cost.

Subtask 4.2 – Consistency with Strategic Plan – Overall conclusion – Partially Meets

The District’s Strategic Plan contains five goals as noted in Exhibit 6 below.

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Exhibit 6 – Marion County School Board Strategic Plan Goals

Our Strategic Plan (at a glance)

Goal 1 – Student Success

Increase student achievement, opportunities, access, and equity.

Goal 2 – Safe and Positive Learning and Working Environment

Provide a safe and supportive learning and working environment for all students and staff.

Goal 3 – Talent Management

Ensure all students have access to highly effective and diverse teachers, administrators, and support staff.

Goal 4 – Fiscal and Operational Efficiency

Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities.

Goal 5 – Community Engagement and Communications

Increase dialogue, partnerships, and collaboration to meet stakeholder needs and productively engage them in our successes.

Source: District's Strategic Plan.

Each goal in the Strategic Plan has identified outcome metrics. For example, as reflected in Exhibit 7, Goals 2 and 4 include outcome metrics related to Facilities, Safety and Security, and Technology and Information Services.

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Exhibit 7 – Marion County School Board Strategic Plan Outcomes

Goal 2 – Safe and Positive Learning and Working Environment

Provide a physically and emotionally safe and supportive learning and working environment for all students and staff.

Outcome Metrics

- Reduce chronic absenteeism rates from 37% in 2021 to 10% by 2026.
- Reduce alternative placements from 397 in 2021 to no more than 200 by 2026.
- Reduce the number of expulsions from 16% in 2021 to 9% by 2026.
- Increase percentage of students and staff feeling safe (physically and psychologically) at school through climate survey data to be determined once survey is developed.
- Increase the percentage of schools that are secured with fences, cameras, and door buzzers installed from 52% in 2021 to 100% by 2026.

Goal 4 – Fiscal and Operational Efficiency

Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities.

Outcome Metrics

- Technology - Improve student access to devices and bandwidth (achieving 1:1 with Chromebooks) from 90% in 2021 to 100% by 2026.
- Transportation - Improve average daily bus driver attendance from 85% in 2021 to 100% by 2026.
- Facilities and Technical Services - Reduce time to complete work orders (baseline to be determined by 2022).

Source: District's Strategic Plan.

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The Strategic Plan also identifies strategies related to each goal. For example, Goal 4 – Fiscal and Operational Efficiency, has 6 priority strategies including enhance use of technology for improved efficiency and effective instruction across the district, ensure facilities are healthy and safe physical environments for working and learning, and provide financial stability, sound fiscal management, and operational efficiency. The District created an Appendix with Strategy Profiles for each of the identified priority strategies. The Strategy Profiles include, by goal, the strategy, a description of the strategy, and key activities.

- **Facilities and Land Acquisition – Did not meet this subtask**

As discussed in Subtask 4.1, the Facilities program has not established programmatic goals and objectives, consequently MGT could not evaluate consistency with the Strategic Plan. Notwithstanding the lack of programmatic goals and objectives, MGT obtained the District's strategic plan to identify goals in the plan for Facilities. MGT noted Goal 4 – Fiscal and Operational Efficiency includes a strategy to ensure facilities are healthy and safe physical environments for working and learning. The Plan description for this strategy is to develop a facility database and tracking system to effectively address facility and maintenance needs. The Plan identifies 4 key activities: (1) Develop a facilities master plan that addresses infrastructure with a priority on critical systems, (2) Develop a system for tracking, prioritizing, and responding to maintenance requests, (3) Explore alternative revenue sources to meet facility and maintenance needs that are unfunded in the Five-Year Capital Improvement Plan, and (4) Secure vendors and contracts to provide air quality enhancements in heating, ventilation, and air conditioning units.

The goal included for Facilities and Technical Services in the District's Strategic Plan does not appear to address the identified key activities or Facilities performance related to construction projects, nor does it address program costs. The goal contained in the strategic plan is to reduce time to complete work orders with a baseline to be determined in 2022. The activities identified as related to this goal are to separate critical system work orders and focus on replacing antiquated facilities entirely. While the District has identified that the Facilities Management express work order completion report will be used to measure the goal, a target has not been established.

- **School Safety and Security – Partially met this subtask**

As discussed in Subtask 4.1, the Safety and Security program has not established written program-level goals, consequently MGT could not evaluate consistency with the Strategic Plan.

It was noted during discussions with the Executive Director of Safety and Security that there are many unwritten goals and objectives that the program is working to achieve, and some relate to the goals stated within the Strategic Plan. However, without having these goals in writing, MGT cannot verify the consistency of the goals with the Strategic Plan.

Notwithstanding the lack of programmatic goals and objectives, MGT obtained the District's strategic plan to identify goals in the plan for Safety and Security. Within the District's Strategic Plan is Goal 2 – Safe and Positive Learning and Working Environment. This goal has two outcome metrics that directly relate to this program. The outcome metrics are as follows:

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- Increase percentage of students and staff feeling safe (physically and psychologically) at school through climate survey data to be determined once survey is developed; and
- Increase the percentage of schools that are secured with fences, camera, and door buzzers installed from 52% in 2021 to 100% by 2006.

The first outcome listed above is clearly stated; however, there is no measurable target to identify if the goal is achieved. An increased percentage of students and staff feeling safe is a great goal to have, but there should be a specific percentage of increase the program wants to achieve, such as a 5 or 10 percent increase. The second outcome listed above is both clearly stated and measurable.

- **Technology Acquisition – Met this subtask**

MGT's review indicated that Technology's goals identified in Table 4.1 were consistent with the District's strategic plan. The District's strategic plan for Goal 4 – Fiscal and Operational Efficiency includes a strategy to enhance use of technology for improved efficiency and effective instruction across the District (Technology Goal I, II, IV, VI). The Plan identifies 3 key activities: (1) Develop a digital master plan that identifies needs and opportunities to strengthen technology across the district (Technology Goal I), (2) Explore innovative technologies and resources to expand digital opportunities for student engagement and learning (Technology Goals I and II), and (3) provide training and support on how to utilize technology to improve high-quality instruction (Technology Goal VI).

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

Part of the District's strategic plan is Goal 4 - Fiscal and Operational Efficiency. Within goal 4 is a listing of priority strategies that the District plans on performing to achieve its designed outcome metrics. While none of the outcome metrics relate to the bond indebtedness and leasing agreements function, priority strategy "F" does. This priority strategy is as follows, "Provide financial stability, sound fiscal management, and operational efficiency." As noted in Subtask 4.1 above, the goal for this function is to make timely and accurate debt payments. This achievement of this goal would coincide with "financial stability and sound fiscal management."

Subtask 4.2 Recommendation: MGT recommends that the departments continue to ensure that established goals and objectives are consistent with the District's Strategic Plan. The Departments should also ensure that performance measures are consistent with the strategy identified in the Strategic Plan.

Subtask 4.3 – Achievement of Goals and Objectives – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Did not meet this subtask**

As discussed in Subtask 4.1, Facilities has not established goals and objectives against which performance and cost could be measured. Also, as discussed in Subtasks 1.1 and 1.2, Facilities does not have established reports, measures, or standards to evaluate program performance.

- **School Safety and Security – Partially met this subtask**

As discussed in Subtask 4.1, School Safety and Security has not established written goals and objectives against which performance and cost could be measured. However, as discussed in

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Subtasks 1.1 and 1.2, the School Safety and Security Program area has several reports, measures, and standards it uses to evaluate program performance and costs. These reports and measures include several emergency drill reports, internal assessment documents, and external assessments that are required by the state. Also, the program is aware of the state statutes and maintains policy documents to align with changes in state statutes, as discussed in Subtask 4.1. While MGT is unable to view completed drill reports and assessment documents due to security risks and confidentiality requirements, it is MGT's understanding that the information documented within said reports are sufficient to evaluate the program's performance and cost and are sufficient to assess the programs progress towards achieving its goals, based on discussions with the Executive Director of Safety and Security. This applies to both its stated goals and the program's undocumented goals.

- **Technology Acquisition – Met this subtask**

As discussed in Subtask 1.2, Technology and Information Services uses a Gantt chart to assess program performance and has no reports available to assess program cost. The District provided other reports with data that would facilitate the measurement of Technology and Information Services' progress towards its goals, both at the program level and in the Strategic Plan. In addition to the reports noted in Subtask 4.2, Technology and Information Services maintains an inventory report that lists devices by school and compares that listing to students in the school to develop a ratio of devices to students. Based on review of the reports provided, it appears that, once Technology has measurable goals, there are sufficient reports to assess achievement of those goals. For example, based on the inventory reports, as of June 2024, the District's ratio is 1.18 devices to 1 student, indicating that the District has met its Strategic Plan goal of having Chromebooks accessible to 100 percent of its students.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

As discussed within Subtask 1.1, the Finance and Budget Department uses a few documents to monitor the bond indebtedness and leasing agreements function, one of which is a monthly cash flow statement that coincides with the District's budget and is monitored by the Senior Accountant. The District uses this document to maintain and ensure debt payments are made timely and accurately. This document helps support the measurement of whether a debt payment is made timely and accurately or not. For the limited scope of this function, this measure is sufficient to assess the function's progress towards meeting its goal and objective.

Subtask 4.3 Recommendation: MGT recommends that the Facilities department ensure that once goals and objectives are established that related performance measures, standards, and reports are established that will enable the department to assess performance towards the achievement of its goals and objectives.

Subtask 4.4 – Internal Controls – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Did not meet this subtask**

Facilities does not have procedures and processes in place to provide for the establishment and periodic evaluation of the Department's achievement of goals and objectives. In addition to not

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having established goals and objectives, as of July 2024, no benchmark has been established to measure the goal in the District's Strategic Plan.

- **School Safety and Security – Partially met this subtask**

As noted in Subtask 4.1, this program does not have any established program-level goals and objectives. However, as described in Subtasks 1.1 and 1.2, the program does have reports and a process to evaluate the program's performance and cost.

Once the program develops and establishes program-level goals that are clearly stated and measurable, it would be reasonable to believe the internal controls and policies and procedures in place would provide reasonable assurance that program goals and objectives will be met.

- **Technology Acquisition – Partially met this subtask**

Technology and Information Services has established a report to facilitate the monitoring of program performance towards the goal in the strategic plan. Additionally, the Department has reports available for its other established goals; however, without measurable goals, the evaluation of program performance and cost is subjective, and there are no written procedures to facilitate the evaluations. The Technology and Information Services Director runs reports at the beginning, middle, and end of the school year to evaluate the District's achievement of goals related to student devices and classroom technology, such as interactive flat panels.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

As discussed in Subtasks 1.1 and 1.2 the bond indebtedness and leasing agreements function has two Excel spreadsheets it uses to keep track and ensure timely and accurate payments of the District's debt. MGT reviewed the two spreadsheets called the "Debt Schedules" and "Cash Flow Analysis", which are discussed in detail in Subtasks 1.1 and 1.2. Both spreadsheets are created internally using Excel and are managed and maintained by the District's Senior Accountant. In addition to the two spreadsheets, reminder emails from the financial institutions are sent to the District's CFO and Director of Finance, which are then forwarded to the Senior Accountant.

To make payments, the Senior Accountant will submit a request for payment. This request is reviewed and approved by the Director of Finance and then sent to the Accountant 1 to make payment. The Accountant 1 will make payment via a wire transfer to the bank. Before making the payment, the Accountant 1 will verify all necessary bank information directly with the financial institution before making the wire transfer.

MGT reviewed the wire transfer documentation for the three debt payments made during the audit period to ensure the District is making timely and accurate payments. MGT noted that all reviewed payments were made on time and accurately, as required by the amortization schedule provided in the bond documents. Due to this, and the controls noted above, the bond indebtedness and leasing agreements function has internal controls and policies and procedures that provide reasonable assurance that the function's goals will be met.

Subtask 4.4 Recommendation: MGT recommends that the departments establish policies and procedures that set forth the process for establishing goals and objectives, including ensuring the goals are

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measurable and consistent with the Strategic Plan. Additionally, the departments should establish procedures establishing the frequency and the methods to be used to measure progress towards the achievement of District goals and objectives.

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Chapter 5: Reporting Accuracy and Adequacy

The audit evaluation subtasks were:

5.1 Information Systems – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public;

5.2 Public Access – Determine whether the public has access to program performance and cost information that is readily available and easy to locate;

5.3 Accuracy and Completeness of Public Information – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public;

5.4 Correction of Public Documents – 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 school district and that these procedures provide for adequate public notice of such corrections; and

5.5 Corrections to Program Information – Determine whether the school district has taken reasonable and timely actions to correct any erroneous and/or incomplete program information.

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

One of the District's goals is to increase dialogue, partnerships, and collaboration to meet stakeholder needs and productively engage them in the District's success through community engagement and communications. To meet that goal, it is essential that the District support the distribution of information to members of the public, and to do so with a level of transparency that encourages trust in government. The District should ensure that sufficient information is publicly available to support community engagement and have policies and procedures in place to ensure the accuracy of information made publicly available, along with procedures for correcting erroneous information as necessary.

The District uses its website to disseminate both financial and non-financial information to the public. Examples of the information disseminated include the annual budget, including a list of capital projects, Board meeting agendas and supporting documents, and Department missions and goals. However, cost and performance information for construction, information technology, and safety and security projects, such as projected and actual costs and completion dates, is not publicly available. Additionally, while the District has processes in place to evaluate the accuracy of financial information posted to its website, the District does not have procedures addressing the correction of data previously made publicly available. District management asserted that no corrections to publicly available data were required during the period July 2022 through March 2024. Useful, timely, and accurate information, both financial and non-financial, made available to the public, assists the District in its goal of transparency.

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MGT recommends the District:

- Establish written guidelines regarding the content that the departments should include on the website.
- Publish additional financial and non-financial information for facility projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.
- Establish written procedures for the review, approval, and submission of information that will be made publicly available to ensure that information submitted to Public Relations is appropriately reviewed and determined accurate prior to submission. The District should also establish written procedures outlining the process for correcting public data.

Findings by Subtask:

- Subtask 5.1 – Information Systems – Meets
- Subtask 5.2 – Public Access – Partially Meets
- Subtask 5.3 – Accuracy and Completeness of Public Information – Partially Meets
- Subtask 5.4 – Corrections to Public Documents – Partially Meets
- Subtask 5.5 – Corrections to Program Information – Meets

Subtask 5.1 – Information Systems – Overall conclusion – Meets

- **Facilities and Land Acquisition – Met this subtask**

Facilities maintains an internal portal which provides the District with information on each construction contract, including timelines, milestones, and changes to projects. Additionally, the District has a work order system which tracks requests for maintenance and repairs at all District facilities. Based on MGT's review of supporting documentation for 5 of the 30 projects started or completed during the period July 2022 through March 2024, the systems used by the District generally appear to be accurate and complete and could be used to provide useful, timely, and accurate information to the public.

- **School Safety and Security – Met this subtask**

The School Safety and Security Program uses the District's financial systems to provide useful, timely, and accurate information to the public. This is in relation to the program's budget, the contracts it procures, and other similar financial information. Non-financial information is strictly limited to providing knowledge, tips, and alerts to the District's students, parents, teachers, and staff. The program has its own page on the District's website and utilizes select social media outlets, such as X, YouTube, and Facebook, to provide useful, timely, and accurate information to the public.

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- **Technology Acquisition – Met this subtask**

Similarly to School Safety and Security, disclosing data related to information technology (IT) could expose vulnerabilities in the District’s system that could be exploited to attack the system. The District’s budget includes information on IT projects; however, it is lumped into broad classifications to protect the confidentiality of the individual projects. Additionally, Technology and Information Services has its technology goals, the services provided by the Information Services and Support Division, and contact information on the website. Occasionally, information on an IT-related program, such as the distribution of laptops to students, is also published on the District’s fast facts. Based on MGT’s review of supporting documentation for 4 of the 9 projects started or completed during the period July 2022 through March 2024, the systems used by the District generally appear to be accurate and complete and could be used to provide useful, timely, and accurate information to the public.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

The bond indebtedness and leasing agreements function utilizes Microsoft Excel and Skyward, the District’s financial information system, to evaluate and measure the performance of the function. These systems are updated regularly throughout the District’s day to day functions, and the Excel spreadsheets are managed and reviewed by employees within the District’s Finance and Budget Departments as discussed in Subtasks 1.1 and 1.2. These information systems provide useful, timely, and accurate information. While the information regarding this function is not explicitly provided to the public, either on the District’s website or other means, it can be provided upon request.

Subtask 5.1 Recommendation: Not applicable, the District met this subtask.

Subtask 5.2 – Public Access – Overall conclusion – Partially Meets

The District does not have written guidelines on the types of information that should be available on the District’s website. However, according to the District’s Public Relations Department, at a minimum, each department should include contact information and a brief description of the department’s function.

- **Facilities and Land Acquisition – Partially met this subtask**

The information publicly available for Facilities is limited and not based on any financial or nonfinancial systems. The District includes information on planned capital projects in its annual budget, which is posted on the website. Additionally, Facilities prepares information on contracts to be placed on the Board agenda. However, the District does not have information available on projects in progress, including actual and planned start and completion dates and budgeted and actual costs on the District website.

- **School Safety and Security – Met this subtask**

Due to the sensitivity and confidentiality of the information involved with the School Safety and Security Program, there is very limited information that is made available to the public. The limited information provided is largely to protect the safety of students, teachers, and other staff members, as certain performance information could compromise the District’s safety should it

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become public. Because of these concerns, performance information is protected and not made available to the public. MGT considered this when assessing the program's performance for each of the subtasks within this task. This is reasonable and normal for this type of program.

Certain cost information is made readily available and can be easily located on the District's website. Within the District's Finance and Budget page is annual budget information and annual financial statements, which include the program's cost data. Also, cost information regarding projects and other services that are approved by the School Board are readily available and can be easily located on the District Board's website.

- **Technology Acquisition – Met this subtask**

Technology and Information Services does not post information on its planned or ongoing projects on the District website. Disclosure of planned or ongoing information technology projects could identify weaknesses in the District's information technology controls that could compromise the security of District data and related resources.

- **Bond Indebtedness and Leasing Agreement – Met this subtask**

The Finance and Budget Departments post many different financial reports and records to the District's website. These reports include the District's Annual Comprehensive Financial Report, annually approved budgets, and other information, some of which is required by the State of Florida. Bond indebtedness and leasing agreement information is easily located within the District's financial reports.

This function's performance (the act of paying debts on time and accurately) is not disclosed in a manner that would be easy to locate for an individual with little experience reviewing an audited financial statement. However, should an individual not know how to locate this information within the District's financial statements and wishes to obtain it, the individual could request the information from the District, who can provide the information to the individual.

Subtask 5.2 Recommendation: MGT recommends that the District establish written guidelines on the types of information that should be available on the District's website. Specifically, MGT recommends the District publish additional financial and non-financial information for construction projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.

Subtask 5.3 – Accuracy and Completeness of Public Information – Overall conclusion – Partially Meets

The District's Office of Communications and Community Engagement, Public Relations authorizes the publication of District information. The District does not have written procedures guiding the process used to provide information to the public. However, the District has a process that is generally followed for making information available to the public. District Departments submit requests for the publication of information to Public Relations or Public Relations requests information from the Department. Information is reviewed for accuracy before it is sent to Public Relations. Once information is provided to Public Relations, the documents are reviewed for ease of accessibility, understandability, accuracy, and reasonableness. After Public Relations reviews and approves the information, Public Relations authorizes

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the District's Information and Services Support Division (ISSD) to post the information on the District's website. ISSD does not post information without Public Relations' approval.

For Public Records requests, the District uses an online platform called NextRequest to manage the requests. The District's policy is to respond within 2 business weeks of the request, but many requests are answered in 2-3 business days. Public Relations will coordinate the response to the public records request and obtain information from the relevant Department(s). Similarly to information made available through the website, the Department is responsible for ensuring the accuracy of the information before providing it to Public Relations.

- **Facilities and Land Acquisition – Met this subtask**

Facilities public information primarily consists of: (1) Information for Board agendas, including supporting documents, for the approval of construction contracts, and (2) Listing of capital projects included in the budget. Information for Board agendas is sent directly to Public Relations, while budget information is sent to Finance for further processing and inclusion in the official budget documents before publishing. Prior to sending the information to Public Relations, the Facilities Director will review the information and compare it to the information in the Facilities portal to ensure the accuracy of the information.

- **School Safety and Security – Partially met this subtask**

Due to the nature of this program, there is limited information made publicly available, and as such, the program does not have written procedures for reviewing the accuracy of such information. However, based on discussions with the Executive Director of Safety and Security, the program has a process in place should public information be requested.

Once the request is received from Public Relations, the program would gather the information necessary and thoroughly review the information to ensure no sensitive or confidential information is documented within said information. If sensitive or confidential information is on the document, this information would either be redacted or the document would not be provided due to safety concerns. The information would then be sent to Public Relations.

- **Technology Acquisition – Partially met this subtask**

Because Technology and Information Services has such limited information publicly available, there are no written procedures for reviewing the accuracy of such information. However, based on discussions with the Technology and Information Services Director, information would be reviewed for accuracy and any confidential information before being sent to Public Relations.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

Based on interviews with the District's CFO and Director of Finance, it was noted that the information made available on the District's website regarding the bond indebtedness and leasing agreement function is within the District's budget and financial statements. The budget, financial statements, and other financial information all go through various levels of review by employees within the Finance and Budget Department and are approved by the School Board. The processes in place to review the various financial information that is posted on the District's website appear

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reasonable to ensure that the information provided to the public is accurate and complete in regards to the function's performance and cost.

Subtask 5.3 Recommendation: MGT recommends that the District establish written procedures for the review, approval, and submission of information that will be made publicly available to ensure that information submitted to Public Relations is appropriately reviewed and determined accurate and appropriate prior to submission.

Subtask 5.4 – Correction of Public Documents – Overall conclusion – Partially Meets

The District does not have written procedures outlining the process for correcting errors noted in public information. If a department notices an error in data, the department will contact Public Relations. Public Relations will work with ISSD to remove the version with an error and replace it with the updated version. If a file is replaced, the word Revised or Updated will appear in the document's name on the website along with the date of revision.

- **Facilities and Land Acquisition – Partially met this subtask**

If Facilities notes an error in information that has been submitted for a Board agenda, the Facilities Director will notify Public Relations to pull the item and supporting documents from the agenda. The information will then be corrected and included on the next Board agenda. Other corrections will be handled in the same manner as the posting of the original information, where a request will be submitted to Public Relations.

- **School Safety and Security – Partially met this subtask**

Based on discussions with the Executive Director of Safety and Security, because the program has such limited information publicly available, there are no procedures for correcting information, beyond the process outlined by Public Relations.

- **Technology Acquisition – Partially met this subtask**

Because Technology and Information Services has such limited information publicly available, there are no procedures for correcting information, beyond the process outlined by Public Relations. The Department is not aware of any corrections that have had to be made to public Technology data.

- **Bond Indebtedness and Leasing Agreements – Partially met this subtask**

Based on information gathered through interviews with the CFO and Director of Finance, the bond indebtedness and leasing agreements function has not posted incorrect information. However, should information ever be posted, and an error was noted, the Finance and Budget Department would remove the incorrect information from the website or other public domain and provide the corrected information with a title change of "amended." The report would also have a disclaimer of what information needed to be amended to correct.

Subtask 5.4 Recommendation: MGT recommends that the District establish written procedures for correcting errors in public information.

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Subtask 5.5 – Corrections to Program Information – Overall conclusion – Meets

- **Facilities and Land Acquisition – Met this subtask**

If Facilities notes an error in the information in the Facilities portal or work order system, Facilities staff will verify the information against supporting documentation and make the appropriate correction.

- **School Safety and Security – Met this subtask**

The Safe Schools Department has noted no corrections needed for program information.

- **Technology Acquisition – Met this subtask**

Technology and Information Services has noted no corrections needed for program information.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

The Finance and Budget Department has noted no corrections needed for program information.

Subtask 5.5 Recommendation: Not applicable, the District met this subtask.

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Chapter 6: Program Compliance

The audit evaluation subtasks were:

6.1 Compliance Processes – 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;

6.2 Compliance Controls – 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;

6.3 Addressing Noncompliance – 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;

6.4 Surtax Compliance – 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; and

6.5 Charter School Funds Distribution – 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.

Finding: Overall, the District met expectations for this task.

School districts are subject to a number of state and federal laws and regulations, along with District policies and procedures. Given the number and breadth of laws, regulations, and policies governing District operations, it is imperative that the District develop and implement appropriate controls to ensure compliance with these laws and regulations.

MGT assessed how the District ensures compliance with applicable federal, state, and local laws and regulations; contracts; and grant agreements. The District ensures compliance through monitoring of Legislative changes, the development of standard policies and procedures, and the utilization of contractors with subject matter expertise. MGT’s review of the documentation for five Facilities projects, five Security projects, four Information Technology projects, and two Bond projects disclosed no issues of noncompliance.

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MGT inquired with the District's Staff Attorney regarding the development of the ordinance language. Additionally, MGT compared the requirements contained in Section 212.055, Florida Statutes, with language in the February 13, 2024 Ordinance. Based on MGT's inquiry and review of documentation, it appears that the District took reasonable and timely actions to determine whether planned uses of the surtax comply with applicable state laws, rules, and regulations.

Laws, rules, regulations, and policies prescribe the District's objectives, structure, and methods to achieve objectives. Accordingly, compliance with laws, rules, regulations, and policies is essential to maintaining constituent trust and ensuring that the District is not subject to fines or penalties from the State or Federal government.

MGT recommends that District management develop appropriate policies and procedures to ensure compliance with Federal and state requirements and that appropriate corrective action is taken on all prior audit findings.

Findings by Subtask:

- Subtask 6.1 – Compliance Processes – Meets
- Subtask 6.2 – Compliance Controls – Partially Meets
- Subtask 6.3 – Addressing Noncompliance – Meets
- Subtask 6.4 – Surtax Compliance – Meets
- Subtask 6.5 – Charter School Funds Distribution – Meets

Subtask 6.1 – Compliance Processes – Overall conclusion – Meets

The District is a member of the Florida School Boards Association and participates in conferences such as the Florida School Finance Officers Association. These organizations provide Legislative updates annually to help keep District officials informed on changes to laws, rules, and regulations that affect District operations.

- **Facilities and Land Acquisition – Met this subtask**

Facilities has established standard contracting procedures to aid in ensuring compliance with applicable laws, rules, regulations, and District procedures. Also, Facilities recently had their contracting process reviewed by outside Counsel for compliance with applicable federal and State laws and District policies. Additionally, the District works with contractors and architects who specialize in working with Florida school districts and inform the District of changes to laws and rules. The District also contracts with an architect who reviews proposed contracts and flags language that may be noncompliant.

- **School Safety and Security – Met this subtask**

As mentioned throughout this report, the school safety and security program has several processes in place to assess compliance with applicable federal, state, and local rules and regulations; contracts; grant agreements; and local policies. These processes include having Board

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Policy 8405 “School Safety and Security,” which is adjusted annually as local, state, and federal requirements change over time, regular internal meetings to discuss compliance and other safe school needs, and program staff will attend state and local meetings that discuss compliance requirements. These processes appear reasonable to allow the program to assess compliance with all applicable requirements.

- **Technology Acquisition – Met this subtask**

Technology and Information Services has developed standardized policies and procedures to help ensure compliance with applicable laws, rules, regulations, and District procedures. Additionally, the Department has specialized policies to manage E-Rate requirements and contracted with a firm to help manage the E-Rate program. Technology and Information Services has also established an Access Review Committee, which reviews all access requests to verify that the access is appropriate for the user’s duties.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

As discussed throughout various subtasks within this report, the bond indebtedness and leasing agreement function has several processes in place to ensure timely and accurate payments of debts, this coincides with complying with state and local rules, regulations, and other requirements. This function also relies on the District’s procurement policies to ensure the use of debt funds and the payment of debt obligations comply with applicable federal, state, and local rules and regulations, as well as contracts, grant agreements, and local policies.

Subtask 6.1 Recommendation: Not applicable, the District met this subtask.

Subtask 6.2 – Compliance Controls – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Partially met this subtask**

As noted in Auditor General report No. 2024-199, findings 3 through 5, the District was not in compliance with State laws and rules governing construction and the appropriate use of construction funds. This noncompliance was due to weaknesses in internal control caused by the lack of procedures or outdated procedures. Additionally, the Annual Comprehensive Financial Report, Auditor General finding 2023-002, noted that District procedures were not adequate to ensure compliance with Davis-Bacon Act requirements. Other than the noted internal control weaknesses, MGT’s inquiry with Facilities’ management on their processes and procedures and review of District procedures did not disclose any further weaknesses in internal control over compliance. Additionally, MGT’s review of project documentation for five facilities projects did not disclose any instances of noncompliance.

- **School Safety and Security – Partially met this subtask**

Throughout this report, MGT has discussed the various internal controls and other policies and procedures that are in place to ensure the program is in compliance with applicable rules and regulations. Subtask 6.1 discloses many of these internal controls and policies and procedures. In general, MGT observed that the program has controls in place that are operating effectively. However, as noted in Auditor General report No. 2024-199 finding 1, program internal controls and procedures needed improvement to ensure school resource officers had completed required

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mental health crisis intervention training. With that finding noted, there is room for improvement as it relates to having internal controls in place and operating effectively to ensure compliance with the applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

- **Technology Acquisition – Partially met this subtask**

As noted in Auditor General report No. 2024-199, finding 6, IT access privileges were not always appropriate in part due to limited evaluations of those privileges to ensure that employees are restricted from performing incompatible functions, or functions outside their areas of responsibilities. Other than the noted internal control weaknesses, MGT's inquiry with Technology and Information Services management on their processes and procedures and review of policies and procedures did not disclose any further weaknesses in internal control over compliance. Additionally, MGT's review of project documentation for four information technology projects did not disclose any instances of noncompliance.

- **Bond Indebtedness and Leasing Agreements – Met this subtask**

As discussed throughout this report and documented within Subtask 6.1 above, the bond indebtedness and leasing agreements function has reasonable controls in place to ensure compliance with applicable rules and regulations. Also, as mentioned in Subtask 4.4, MGT reviewed the three COP bond payments that occurred during the audit period and noted that each payment was made on time and for the correct amount as noted in the bond documents amortization schedules.

Based on the information gathered, it appears that the function has internal controls in and place and is operating effectively to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

Subtask 6.2 Recommendation: MGT recommends the District continue to enhance and improve on procedures and processes to ensure compliance across District operations.

Subtask 6.3 – Addressing Noncompliance – Overall conclusion – Partially Meets

- **Facilities and Land Acquisition – Partially met this subtask**

The Summary of Auditor's Results indicated that the financial statements were fairly presented and there was no material noncompliance with the District's major Federal programs. However, there were two findings related to noncompliance and significant deficiencies of internal control. The first finding related to the reporting of graduation cohort rates and is not related to the scope of this audit. The second finding related to compliance with the Davis-Bacon Act for federally funded construction projects and is within the scope of Facilities operations. Specifically, the District's contracts did not explicitly require and contractors did not submit weekly certified payrolls to the District. The finding included questioned costs totaling \$433,295. The Auditor General's recommendations were to enhance procedures to ensure compliance with all Davis-Bacon Act requirements and provide documentation to FDOE regarding the allowability of the questioned costs. In response to this finding, the District indicated that procedures will be enhanced to ensure compliance with the Davis-Bacon Act prevailing wage requirements.

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In addition, the Florida Auditor General released an operational audit of the District dated May 2024 which included three findings related to Facilities. Specifically, Auditor General report No. 2024-199, finding 3, noted that the District utilized Capital Outlay and Debt Service funds for projects that were not on the designated project priority list, contrary to FDOE requirements. Finding 4 noted that the District procedures did not require and ensure documented verification of subcontractor competitive selection, contracting, and licensure. Finally, finding 5 noted that contractor payment and performance bonds were for less than the total contract price. In response to these findings, the District indicated that the project start-up checklist would be revised to include verification that a project was on the approved project priority list and that bid tabulations and proof of licensure for each trade associated with a project be included in the contractor's submittal. The District also indicated that the bonding process will be enhanced to include a provision that all purchase orders that exceed the policy threshold amount be held until the bond is recorded and filed.

MGT examined the corrective actions taken for the findings noted in the Single Audit and the Operational Audit. Specifically, MGT's examination included:

- Examination of the construction procedures to verify that the procedures had been revised to include the specific language noted in the finding regarding the submission of weekly payroll reports and the certification required by the Davis-Bacon Act. MGT's examination disclosed that while the procedures had been revised in February 2024 to provide a general reference to the Davis-Bacon Act, the language had not been revised to explicitly require the submission of weekly certified payrolls. The District provided a memo sent to existing contractors in December 2023 requesting certified payrolls; however, this memo would not affect procedures going forward or provide notification of Davis-Bacon requirements for new contracts. In addition, the District provided email correspondence with FDOE beginning in March 2024, supporting that the revised procedures and weekly payrolls had been provided to FDOE.
- Examined the project start-up checklist to verify that it had been revised to include verification that the project was included on the approved project priority list (finding 3), that subcontractor licenses and certifications were received (finding 4), and that the bonds had been received for each Guaranteed Maximum Price on the Project (finding 5). The checklist was updated in April 2024, prior to the release of the Auditor General's report in May 2024.
- **School Safety and Security – Met this subtask**

As mentioned in Subtask 6.2 above, there was one instance of noncompliance noted for the school safety and security program. This noncompliance related to the Auditor General report No. 2024-199 finding 1, which noted that District procedures needed improvement to ensure school resource officers had completed required mental health crisis intervention training. As discussed in Subtask 1.3 the program took the following actions to address this noncompliance.

 - The program worked with law enforcement and the College of Florida to schedule Crisis Intervention Trainings for August 5-7, 2024, for all school resource officers (SROs) needing the training.

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- Due to Hurricane Debby, these classes were moved to and completed on August 6-8, 2024,
- The program has developed language to amend its SRO agreement that requires all SROs to complete the Crisis Intervention Training and provide a copy of the certificate to Marion County Public Schools upon request.
 - This amendment is scheduled to go for School Board approval on August 27, 2024.

The Auditor General's report was issued in May 2024. The program has taken reasonable actions to address the noncompliance. The action of having all SROs attend the Crisis Intervention Trainings was completed before students returned to school and the policy amendment will be completed shortly after schools started back up. These timelines to address the noncompliance appear reasonable as well.

- **Technology Acquisition – Met this subtask**

Auditor General report No. 2024-199 findings 6 and 7, noted that information technology access privileges were not always appropriate and not always timely deactivated. MGT examined documentation to support the establishment of role-based security groups and the processes that were put in place to remove access upon employee separation or when employees change positions. The establishment of role-based security groups occurred in December 2023 for the District's financial system while the audit was in progress. The establishment of a Security Advisory Committee, consolidation of security groups, process to identify inappropriate access, including changes resulting from transfers, occurred in March 2024, also while the audit was in process. MGT also requested documentation of Technology and Information Services' communications with departments and school leaders to promptly submit Post-Personnel Activity Reports (PARS). According to District personnel, this notification is scheduled to be sent to departments and school leaders at the beginning of the school year to ensure that it was not missed over the summer; however, as of August 19, 2024, the District had not yet sent the communication. Based on the review of the documentation, it appears that Technology and Information Services has taken appropriate corrective action to resolve the audit findings, except for the pending communication to ensure that Technology and Information Services is timely notified of employee transfers and separations.

- **Bond Indebtedness and Leasing Agreements – Subtask is not applicable**

Not applicable for Bond Indebtedness and Leasing Agreements as there was no noted noncompliance in this program.

Subtask 6.3 Recommendation: Not applicable, the District met this subtask.

Subtask 6.4 – Surtax Compliance – Overall conclusion – Meets

MGT inquired with the District's Staff Attorney to gain an understanding of how the District ensured that the planned uses of the surtax in the ordinance complied with the Florida Statutes. The District utilized resolutions from other Florida school districts as guides to assist in developing the language. Additionally, the District consulted with the CFO and local stakeholders to aid in developing the language. Before the

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proposed language was sent to the Board, the District's Attorney reviewed the language for legal sufficiency.

Additionally, the District's ordinance for the proposed surtax includes the establishment of an independent committee to oversee the use of surtax revenues and ensure they are consistent with the planned uses. See exhibit 8 below.

Exhibit 8 - Excerpt from Marion County School District Proposed Surtax Ordinance

SECTION 4. PROJECT OVERSIGHT BY AN INDEPENDENT COMMITTEE. The School Board shall establish an independent oversight committee of volunteers (the "Committee") for the purpose of monitoring and providing advice regarding the implementation of the Plan, commencing upon approval of the Sales Surtax and extending through the date of completion of the projects to be funded under the Plan. The membership of the committee shall be established by School Board policy.

Source: District's Proposed Surtax Ordinance.

Subtask 6.4 Recommendation: Not applicable, the District met this subtask.

Subtask 6.5 – Charter School Funds Distribution – Overall conclusion – Meets

The District has a process in place it uses to distribute referendum funds. The District will be using the same process and calculation when distributing the sales tax funds. The District distributes funds to the charter schools based on the charter schools' percentage of the District's student population,.

The District's Supervisor of Budgeting is responsible for this process and has a detailed step-by-step instructions document and an Excel spreadsheet to calculate the percentage and total amounts distributed to each charter school. Exhibit 9 is a screenshot of the spreadsheet used to calculate the percentages.

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Exhibit 9 – Charter School Distribution Calculator

	Original Budget Numbers	June 1st Estimate	July 1st 420 Line 4	
	3/7/2024	6/1/2024	7/1/2024	
1.0 Mills Referendum:	34,740,151.16	36,800,561.16	37,336,735.97	
Total UFTE	47,285.14	48,120.89	48,120.89	
9645- Ina A Colen	434.00	433.98	433.98	
9670- Marion	229.13	229.14	229.14	
9680- McIntosh	36.62	36.62	36.62	
9695- Ocali Charter Middle	190.92	190.92	190.92	
9696- Ocali Charter High	71.04	71.05	71.05	
Percent of Total UFTE				
9645- Ina A Colen	0.92%	0.90%	0.90%	
9670- Marion	0.48%	0.48%	0.48%	
9680- McIntosh	0.08%	0.08%	0.08%	
9695- Ocali Charter Middle	0.40%	0.40%	0.40%	
9696- Ocali Charter High	0.15%	0.15%	0.15%	
Referendum Allocation/School				12 Month Payment
9645- Ina A Colen	318,858	331,887	336,723	28,060.25
9670- Marion	168,341	175,235	177,788	14,815.67
9680- McIntosh	26,905	28,005	28,413	2,367.75
9695- Ocali Charter Middle	140,268	146,007	148,134	12,344.50
9696- Ocali Charter High	52,193	54,336	55,127	4,593.92
	706,565	735,470	746,185	62,182.08
Totals By School				Difference
9645- Ina A Colen	318,858.00	331,887.00	336,723.00	17,865.00
9670- Marion	168,341.00	175,235.00	177,788.00	9,447.00
9680- McIntosh	26,905.00	28,005.00	28,413.00	1,508.00
9695- Ocali Charter Middle	140,268.00	146,007.00	148,134.00	7,866.00
9696- Ocali Charter High	52,193.00	54,336.00	55,127.00	2,934.00
TOTALS	706,565.00	735,470.00	746,185.00	39,620.00

Source: District records.

The total population, or UFTE, is adjusted three times a year and coincides with student population surveys that typically come out around the following months: December/January, May, and September/October. When these surveys become available, the Supervisor of Budgeting adjusts the UFTEs in the spreadsheet and provides the charter schools with updated budgeted amounts.

Each year the District will have the charter schools sign an affidavit stating that they understand and acknowledge funds are only allowed to be spent on certain items or services and they agree to only use funds for those purposes.

In order to track the use of funds by the charter schools, the District requires the charter schools to submit quarterly reports which include the project and the object code for each expenditures that uses the funds. In addition to the quarterly reports submitted to the District, a district liaison reviews each charter schools' financials on a quarterly basis, which includes a review of the funds submitted to the District.

The District has a process in place to distribute funds to the charter schools and has mechanisms in place for charter schools to report how the funds are used; therefore, the District met this subtask.

Subtask 6.5 Recommendation: Not applicable, the District met this subtask

Management's Response

See the following page for Management's Response to the report.



August 26, 2024

MGT Impact Solutions, LLC
4320 West Kennedy Blvd.
Tampa, FL 33609

To Whom It May Concern,

This letter is in response to the Performance Audit prepared by MGT Impact Solutions, LLC, dated August 20, 2024. In accordance with s 212.055(11), F.S., and Government Auditing Standards, MGT Impact Solutions, LLC conducted a performance audit of the Marion County School District programs within the administrative units designated to receive funds from the referendum on discretionary sales surtax approved by the Marion County School Board on February 13, 2024.

The final report assessed 25 audit objectives or subtasks. The audit found that Marion County School District met expectations in one area and partially met expectations in five areas. Of 25 total subtasks, the audit determined that the District met 12 and partially met 13.

Marion County Public Schools has no objections to the findings or recommendations provided in the report and will work to implement them. The analysis, recommendations, and examples provided in the report will assist the School District as we strengthen and improve existing policies and procedures.

Marion County voters will decide in November 2024 whether to approve a half-cent sales surtax to upgrade and modernize its aging schools and facilities to keep them safe and make them more conducive to learning through renovation, replacement, constructions, security, and technology improvements, and provide for charter schools as set forth in section 212.055(6), Florida Statutes. If approved, the surtax would generate approximately \$325 million over ten years, with oversight of all funds by an independent committee of citizens and experts.

Importantly, the audit confirmed the District's readiness to receive and responsibly manage funds. Consistent recognition from independent rating agencies for strong management and conservative financial policies, including an upgrade in rating for General Obligation Debt to AA- and an upgrade in rating for Certifications of Participation to A+ underscores the District's fiscal stewardship.

The District has maintained clean external audits on its Annual Comprehensive Financial Report for decades and earned Certificates of Excellence for Financial Reporting from the Government Finance Officers Association for 23 years.

The District remains committed to fiscal responsibility and transparency, and we appreciate MGT Impact Solutions, LLC's contributions to our ongoing efforts to improve operations.

Sincerely,

Diane V. Gullett, Ed.D.
Superintendent

Dr. Diane Gullett
Superintendent

Dr. Allison Campbell
District 1

Lori Conrad
District 2

Eric Cummings
District 3

Nancy Thrower
District 4

Dr. Sarah James
District 5

