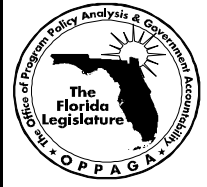




Office of Program Policy Analysis And Government Accountability



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Best Financial Management Practices for Florida School Districts

ABSTRACT

- ◆ As directed by the 1997 Legislature, OPPAGA and the Auditor General have developed and the Commissioner of Education has adopted best financial management practices for Florida school districts.
- ◆ Districts that use these best financial management practices could realize significant cost savings by increasing their efficiency and effectiveness.
- ◆ Districts that OPPAGA and the Auditor General determine to be using best financial management practices can receive a seal from the State Board of Education. This should increase public confidence in the districts' resource management.

LEGISLATIVE INTENT OF BEST PRACTICES

The 1997 Legislature created the Best Financial Management Practice Review for Florida school districts to:

- ◆ Increase public confidence and support for districts that demonstrate good stewardship of public resources;
- ◆ Encourage cost-savings; and
- ◆ Improve school district management and use of resources.

AREAS COVERED BY BEST PRACTICES

Chapter 97-265(11), Laws of Florida, directs OPPAGA and the Auditor General to develop a system to determine whether districts use best financial management practices. These practices cover efficient use of resources, compliance with generally accepted accounting principles, performance accountability, and cost control. To meet this requirement OPPAGA and the Auditor General developed best practices for the 10 specific school district managerial and operational areas. (See Exhibit 1.)

Exhibit 1

Specific Areas for Which Best Financial Management Practices Have Been Developed

1. Management Structures
2. Performance Accountability System
3. Personnel Systems and Benefits
4. Use of Lottery Proceeds
5. Use of State and District Construction Funds
6. Facilities Construction
7. Facilities Maintenance
8. Student Transportation
9. Food Service Operations
10. Cost Control Systems:
 - *Internal Auditing*
 - *Financial Auditing*
 - *Asset Management*
 - *Risk Management*
 - *Financial Management*
 - *Purchasing*
 - *Information System*

COLLABORATION WITH STAKEHOLDERS

To develop the best practices, we conducted an extensive literature review; interviewed education finance experts, professional organizations, and Education Department staff in other states; and collaborated with education stakeholders in Florida.

The stakeholder groups we collaborated with represented a broad segment of the education community including:

- ✓ Department of Education staff;
- ✓ School district staff;
- ✓ Florida groups representing teachers, parents, school administrators, school boards, and superintendents;
- ✓ Legislators and legislative staff;
- ✓ Governor's Office of Planning and Budgeting staff; and
- ✓ Private organizations such as the Florida Chamber of Commerce and Florida Tax Watch.

FOCUS OF BEST PRACTICES

On September 4, 1997, the Commissioner of Education adopted the best financial management practices. The best practices are designed to encourage districts to:

- ◆ Use performance and cost-efficiency measures to evaluate programs;
- ◆ Use appropriate benchmarks based on comparable school districts, government agencies, and industry standards to assess their operations and performance;
- ◆ Identify potential cost-savings through privatization and alternative service delivery; and
- ◆ Link financial planning and budgeting to district priorities, including student performance.

Exhibit 2 presents examples of these best financial management practices. A complete list of the best practices is provided in Appendix A. We also identified indicators that can be used to assess whether districts are using these best practices. These indicators will continue to be developed over time, and are available upon request.

Exhibit 2 Examples of Best Practices

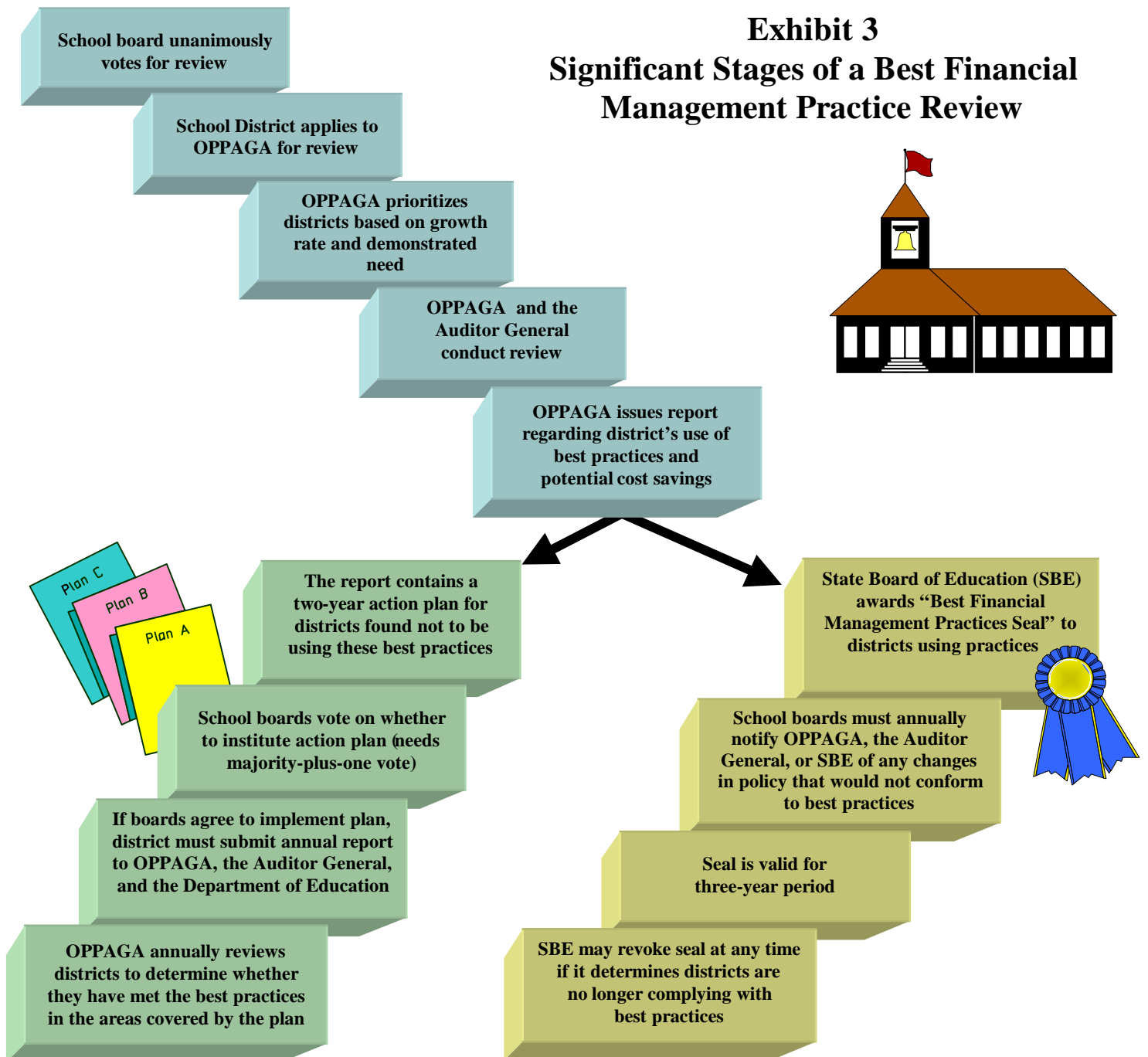
- \$ The district periodically reviews its organizational structure and staffing levels to minimize administrative layers and processes.
- \$ The district has an ongoing system of financial planning and budgeting linked to achievement of district goals and objectives, including student performance.
- \$ The district regularly evaluates the performance and cost of its major educational and operational programs and analyzes potential cost savings of alternatives, such as outside contracting and privatization.
- \$ The district regularly evaluates employee salaries and benefits, using appropriate benchmarks that include standards derived from comparable school districts, government agencies, and private industry.
- \$ The district approves use of construction funds only after determining that the project(s) are cost-efficient (in comparison to other feasible alternatives) and in compliance with the designated purpose of the funds.
- \$ The district periodically evaluates maintenance and operations activities to determine the most cost-effective means of providing needed services, including consideration of management improvements, outside contracts or privatization, and joining associations of other government agencies.
- \$ The district has established student transportation cost comparison benchmarks based on standards from similar school districts and other organizations, taking district conditions into consideration.
- \$ The district identifies barriers to student participation in the school meals program and implements strategies to eliminate barriers.

BEST FINANCIAL MANAGEMENT PRACTICES REVIEW PROCESS

Best Financial Management Practice Reviews will be conducted by OPPAGA and the Auditor General at the request of school boards that unanimously vote to request a review. The district must contribute 50% of the review cost. OPPAGA will prioritize districts that apply for a review based on growth rate and demonstrated need. The reviews will be

completed within a six-month period and OPPAGA will publish a report within 60 days that indicates whether the district is using the best practices and will identify potential cost savings. Districts found to be using these best practices, will be awarded a “Best Financial Management Practices” seal by the State Board of Education. Districts found not to be using Best Financial Management Practices will be provided a two-year action plan to facilitate their use of these practices. District school boards must vote on whether to institute this action plan. Exhibit 3 shows the best financial management review process.

Exhibit 3 Significant Stages of a Best Financial Management Practice Review



Appendix A

Best Financial Management Practices for Florida School Districts

Practice Area

Goals and Best Practices

I. Management Structures

- Goal:** **A. The district’s organizational structure and staffing levels ensure that programs operate efficiently and effectively.**
- Best Practices:**
1. The district’s organizational structure has clearly defined units and lines of authority. These are reflected in the district’s organizational charts and job descriptions which are reviewed periodically and updated as necessary.
 2. The district periodically reviews its organizational structure and staffing levels to minimize administrative layers and processes.
 3. The Board members exercise appropriate oversight of the district’s financial resources.
 4. The district has clearly assigned authority to school administrators for the effective and efficient supervision of instruction, instructional support, and other assigned responsibilities, including consideration of site-based decision-making and other organizational alternatives.
- Goal:** **B. The district makes decisions and allocates resources in a manner that ensures the quality of education and minimizes administrative and other costs.**
- Best Practices:**
1. The district has a multiyear strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.
 2. The district has a system to accurately project enrollment.
 3. The district regularly assesses its progress toward its strategic goals and objectives.
 4. The district has an ongoing system of financial planning and budgeting linked to achievement of district goals and objectives, including student performance.
 5. The district’s management information systems provide data needed by management and instructional personnel in a reliable, timely, and cost-efficient manner.
 6. The district considers local options to increase revenue.
 7. The district periodically evaluates operations and implements actions to improve the quality of education and reduce administrative and other costs.
 8. The district uses cost-efficient legal services to review policy and reduce the risk of lawsuits.
 9. The district periodically evaluates the prices it pays for goods and services and, when appropriate, uses state-negotiated contracts, competitive bidding, outsourcing, or other alternatives to reduce costs.

II. Performance Accountability System

- Goal:** **A. The district is accountable to parents and other taxpayers for its performance and efficiency and effectiveness in providing services.**
- Best Practices:**
1. The district has clearly stated goals and measurable objectives for its major educational and operational programs.
 2. The district uses appropriate performance and cost-efficiency measures to evaluate its major educational and operational programs and uses these in management decision-making.
 3. The district has set performance and cost-efficiency benchmarks for its major educational and operational programs that may include appropriate standards from comparable school districts, government agencies, and private industry.
 4. The district regularly evaluates the performance and cost of its major educational and operational programs and analyzes potential cost savings of alternatives, such as outside contracting and privatization.
 5. District management regularly reviews and uses evaluation results to improve the performance and cost efficiency of its major educational and operational programs.
 6. The district reports on the performance and cost efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.
 7. The district ensures that school improvement plans effectively translate identified needs into activities with measurable objectives.
 8. The district has established and implemented strategies to continually assess the reliability of its data.

Appendix A (continued)

Practice Area

Goals and Best Practices

III. Personnel Systems and Benefits

- Goal:** A. The district recruits, hires, trains, and retains qualified staff to maximize productivity and minimize personnel costs.
- Best Practices:**
1. The district recruits and hires qualified personnel.
 2. The district bases employee compensation on the market value of services provided.
 3. The district uses a comprehensive staff development program to increase productivity.
 4. The district communicates personnel expectations to each employee and elicits feedback for improvement.
 5. The district formally evaluates employees to improve performance and productivity.
 6. The district periodically evaluates its personnel practices and adjusts these practices as needed.
 7. The district properly and efficiently maintains personnel records.
 8. The district uses cost-containment practices for its Worker Compensation Program.
 9. The district regularly evaluates employee salaries and benefits, using appropriate benchmarks that include standards derived from comparable school districts, government agencies, and private industry.

IV. Use of Lottery Proceeds

- Goal:** A. The district uses lottery funds to enhance educational programs.
- Best Practices:**
1. The district has defined “enhancement.”
 2. The district uses lottery money consistent with its definition of enhancement.
 3. The district allocates lottery funds to school advisory councils as required by law.
 4. The district accounts for the use of lottery money in an acceptable manner.
 5. The district annually evaluates and reports the extent to which lottery fund expenditures have enhanced student education.

V. Use of State and District Construction Funds

- Goal:** A. The district uses state and local educational facilities construction funds to meet its construction and renovation priorities in a cost-effective manner.
- Best Practices:**
1. The district approves use of construction funds only after determining that the project(s) are cost-efficient (in comparison to other feasible alternatives) and in compliance with the designated purpose of the funds.
 2. The district uses capital outlay funds for facilities construction projects and uses operational funds for facilities maintenance and operations. If the district does not implement this practice, it demonstrates that there were no unmet facilities needs.
 3. When designing and constructing new educational facilities, the district incorporates factors related to minimizing the maintenance and operations requirements of the new facility.
 4. The district uses, accounts for, and reports the use of educational facilities construction funds in a proper manner.

VI. Facilities Construction

- Goal:** A. The district has a framework for long-range facilities planning to meet the needs of the district in a cost-effective manner.
- Best Practices:**
1. The Board has established authority and assigned responsibilities for educational facilities planning.
 2. The Board has allocated adequate resources to develop and implement a realistic long-range master plan for educational facilities.
 3. The district has established a standing committee that includes a broad base of school district and community stakeholders.
 4. The district has assigned one person with the authority to keep facilities construction projects within budget.
 5. The district has assigned budget oversight of each project or group of projects to a single project manager.

Appendix A (continued)

Practice Area	Goals and Best Practices
Goal:	B. The district balances facility needs, costs, and financing methods through a capital planning budget.
Best Practices:	<ol style="list-style-type: none"> 1. The district uses a capital planning budget based on comprehensive data collected in earlier stages of the master plan. 2. In developing the capital planning budget, the district considers innovative methods for funding and financing construction projects. 3. The capital planning budget accurately lists facilities needs, costs, and recommended methods of financing for each year of a five-year period.
Goal:	C. The district uses a proactive system to select and economically acquire proper school sites in a timely manner.
Best Practices:	<ol style="list-style-type: none"> 1. The district begins school site selection well in advance of expected need with the establishment of a broadly representative site selection committee. 2. The district has developed school site selection criteria to ensure schools are located to serve the proposed attendance area economically, with maximum convenience and safety. 3. The Board considers the most economical and practical locations for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties. 4. The district has a system to assess sites to ensure prices paid reflect fair market value. 5. For each project or group of projects, the architect and district facilities planner develops a plan to serve as a decision-making tool for future facilities needs.
Goal:	D. The district identifies future needs for sites and facilities based on analysis of valid enrollment projections.
Best Practice:	<ol style="list-style-type: none"> 1. The district can demonstrate that its identified facilities needs are based on thorough demographic study.
Goal:	E. The district systematically determines the student capacity and educational adequacy of existing facilities and evaluates alternatives to new construction.
Best Practices:	<ol style="list-style-type: none"> 1. The district uses the official Florida Inventory of School Houses inventory to analyze student capacity and classroom utilization. 2. The facilities planning leader, in cooperation with the instructional leader and the director(s) of maintenance and operations, conducts an evaluation of the physical condition and educational adequacy of existing facilities, and ensures that school facilities' inventories are up -to-date. 3. In determining actual space needs, planners consider alternatives to new construction such as (1) year-round education, (2) extended-day schedules, (3) changes in grade-level configuration, (4) changes in attendance boundaries, and (5) use of relocatable facilities (portables) to help smooth out the impact in peaks and valleys in future student enrollment.
Goal:	F. The district secures appropriate architectural services to assist in facility planning and construction.
Best Practices:	<ol style="list-style-type: none"> 1. The district uses an architect selection committee to screen applicants and identify and evaluate finalists. 2. The district involves the architect in all key phases of the planning process. 3. The architect selection committee reviews and evaluates the architect's performance at the completion of the project and refers findings to the board.
Goal:	G. The district develops educational specifications for each project to meet student education needs.
Best Practices:	<ol style="list-style-type: none"> 1. The district develops a general project description that includes a brief statement as to why the facility is being built, how large it will be, where it will be located, the population of students it is intended to serve, its estimated cost, the method of financing, the estimated time schedule for planning and construction, and the estimated date of opening. 2. Educational planners, instructional staff, and the architect develop a complete set of educational specifications before the architect begins to design a facility. 3. The specifications include an educational program component relating the curriculum, instructional methods, staffing, and support services, and also include a statement of the school's philosophy and program objectives. 4. The specifications include a description of activity areas that describe the type, number, size, function, special characteristics, and spatial relationships of instructional areas, administrative areas, and services areas in sufficient detail that the architect will not have to guess at what will occur in each of these areas.

Appendix A (continued)

Practice Area	Goals and Best Practices
	<ol style="list-style-type: none"> 5. The district communicates general building considerations, including features of the facility and the school campus in general, to the architect. 6. The district uses the educational specifications as criteria for evaluating the architect's final product. 7. All school board-approved program requirements are communicated to the architect before final working drawings are initiated. 8. The Board minimizes changes to facilities plans after final working drawings are initiated in order to minimize project costs.
Goal:	H. The district uses generally accepted architectural planning and financial management practices to complete projects on time and within budget.
Best Practices:	<ol style="list-style-type: none"> 1. The Board determines whether each new facility will be constructed using the traditional system of public works or by using some innovative system such as design/build or a construction manager. 2. The architect prepares the building specification document. 3. The architect coordinates plans, specifications, and questions concerning the project. 4. After bids are opened and tabulated, they are submitted to the board for awarding the contract. Legal counsel makes certain that bid and contract documents are properly prepared and that the award is properly authorized. 5. The district requires the contractor to submit a signed owner-contractor agreement, workers' compensation insurance certificates, payment bond, performance bond, and guarantee of completion within the time required. 6. The architect recommends payment based on the percent of work completed. A percentage of the contract is withheld pending completion of the project. 7. The district requires continuous inspection of all school construction projects. 8. Buildings are not occupied prior to the notice of completion.
Goal:	I. To maximize use of new facilities, minimize operation costs, and provide feedback for future construction planning, the district trains building users and evaluates building use.
Best Practices:	<ol style="list-style-type: none"> 1. The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function. 2. The district conducts comprehensive building evaluations, at the end of the first year of operation and periodically during the next three to five years, to collect information about building operation and performance. 3. The district analyzes building evaluations to determine whether facilities are fully used, operating costs are minimized, and changes in the district's construction planning process are needed. 4. The district analyzes maintenance and operations costs to identify improvements to the district's construction planning process.

VII. Facilities Maintenance

Goal:	A. The district uses cost-effective methods of providing maintenance and operations services.
Best Practice:	<ol style="list-style-type: none"> 1. The district periodically evaluates maintenance and operations activities to determine the most cost-effective means of providing needed services, including consideration of management improvements, outside contracts or privatization, and joining associations of other government agencies.
Goal:	B. The district ensures that maintenance and operations functions are performed in accordance with legal responsibilities.
Best Practice:	<ol style="list-style-type: none"> 1. The Board provides procedural guidance in areas such as replacement and selection of equipment, purchasing of supplies and materials, level of maintenance expectations, and maintenance and operations budget criteria.
Goal:	C. The district accomplishes maintenance program goals and objectives through the use of qualified maintenance and operations personnel or contracting for services.
Best Practices:	<ol style="list-style-type: none"> 1. The maintenance and operations departments have adequate staff to meet their program goals and objectives. 2. The maintenance and operations departments have a written job description for each position within the department. 3. The district clearly communicates performance standards to maintenance and operations staff.

Appendix A (continued)

Practice Area	Goals and Best Practices
	<ol style="list-style-type: none"> 4. The district provides appropriate supervision of maintenance and operations staff. 5. The district's staff development program includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety.
Goal:	D. The district has an annual budget for facilities maintenance and operations to support annual ongoing maintenance and deferred maintenance requirements to control and track maintenance and operations costs.
Best Practices:	<ol style="list-style-type: none"> 1. The administration has developed budgetary guidelines to provide for funding in each category of facilities maintenance and operations. 2. The Board has an established provision for a maintenance reserve fund to handle one-time expenditures necessary to support the maintenance and operations programs.
Goal:	E. The district has established maintenance standards to be used in planning and managing the maintenance program and in evaluating whether the department is achieving its program goals and objectives.
Best Practices:	<ol style="list-style-type: none"> 1. The district has established maintenance standards in its short- and long-term plans for providing adequately maintained facilities. 2. The district uses its maintenance standards to evaluate maintenance needs. 3. The district has a system for prioritizing maintenance needs. 4. The district accurately projects cost estimates of major maintenance projects. 5. The district minimizes equipment costs through purchasing practices and maintenance. 6. The district provides maintenance department staff the tools, training, and instructions required to accomplish their assigned tasks. 7. The district has established a computerized control and tracking system to accurately track inventory and parts and materials used, and provide a reordering system. 8. The district ensures that maintenance standards are updated to implement new technology and procedures.
Goal:	F. The district operates its facilities in a healthy, safe, energy-efficient, and cost-effective manner.
Best Practices:	<ol style="list-style-type: none"> 1. The district has established standards for health and safety. 2. The district uses external benchmarks to determine a cost-effective manner of meeting its health and safety standards. 3. The district uses external benchmarks to achieve energy efficiency. 4. Hazardous materials management complies with federal and state regulations. 5. The district has a comprehensive and systematic program for dealing with school safety and security.
Goal:	G. The district makes facilities available to the entire community, to allow all taxpayers to benefit from the investment.
Best Practices:	<ol style="list-style-type: none"> 1. The district follows established procedures for making school facilities available to the community. 2. The district meets accessibility requirements for persons with disabilities.

VIII. Student Transportation

Goal:	A. The district provides appropriate transportation for its students in a cost-efficient manner without compromising safety.
Best Practices:	<ol style="list-style-type: none"> 1. The district has established cost-comparison benchmarks based on standards from similar school districts and other organizations, taking district conditions into consideration. 2. The district uses cost comparisons to increase efficiency by identifying alternative methods of providing transportation and maintenance service, such as privatization and outsourcing. 3. The transportation program accurately accounts for direct and indirect costs, while excluding costs attributable to other district vehicles or programs. 4. The district regularly reviews and reports on its performance in comparison to its established benchmarks and adjusts its operational structure and staffing levels to improve efficiency.

Appendix A (continued)

Practice Area	Goals and Best Practices
	<ol style="list-style-type: none"> 5. Costs are routinely analyzed and controlled, based on reliable projections of the number of students needing transportation and conditions in the district that influence costs. 6. The district continuously improves purchasing practices to decrease costs and increase the efficiency of the procurement of goods and services.
Goal:	B. The district maintains an adequate transportation fleet to safely and efficiently meet current and future needs of all students.
Best Practices:	<ol style="list-style-type: none"> 1. The district has a comprehensive plan in use for the cost-effective replacement and management of vehicles, based on a systematic method to project the number of buses needed to meet transportation needs. 2. The district has implemented inspection and maintenance practices to ensure that all vehicles in service meet or exceed state safety operating requirements. 3. The district has procedures and practices in place to ensure that vehicles are garaged, maintained, and serviced in a safe and economical manner. 4. The district provides appropriate transportation to efficiently meet the needs of special education students, as required by law.
Goal:	C. The district provides a safe and efficient transportation system that complements the educational needs of the district's students.
Best Practices:	<ol style="list-style-type: none"> 1. The district's transportation routing system is periodically reviewed to provide maximum safety for students and staff and efficiently meets the needs of the district. 2. Staff, drivers, and students are instructed and rehearsed in the procedures to be used in an accident or disaster. 3. The district has implemented hiring and training policies to employ and retain an adequate number of appropriately qualified bus drivers. 4. The district has a policy on drugs for all transportation department employees and enforces that policy.

IX. Food Service Operations

Goal:	A. The district food service program operates efficiently and effectively.
Best Practices:	<ol style="list-style-type: none"> 1. The Food Services Program has clear direction of and control over resources and services. 2. The district identifies barriers to student participation in the school meals program and implements strategies to eliminate the barriers. 3. The district has established cost-efficiency benchmarks based on comparable private and public sector food service programs and other applicable industry standards. 4. The district regularly evaluates the school nutrition program based on established benchmarks and implements improvements to increase revenue and reduce costs. 5. The district regularly assesses the benefits of service delivery alternatives, such as contracting and privatization, and implements changes to improve efficiency and effectiveness.
Goal:	B. The district maintains the financial accountability and viability of the school nutrition program.
Best Practices:	<ol style="list-style-type: none"> 1. The program budget is based on departmental goals, revenue, and expenditure projections. 2. The district's financial control process includes an ongoing review of the program's financial and management practices. 3. The district accounts for and reports meals served, by category. 4. The district regularly evaluates purchasing practices to decrease costs and increase efficiency. 5. The district has developed an effective inventory control system that is appropriate to the size of the school nutrition program. 6. The district has a system for receiving and storing food, supplies, and equipment. 7. The district has a long-range plan for the replacement of equipment and facilities that includes preventative maintenance practices.

Appendix A (continued)

Practice Area	Goals and Best Practices
Goal:	C. The district prepares and transports nutritious meals with minimal waste.
Best Practices:	<ol style="list-style-type: none"> 1. The district provides school meals to ensure that the nutritional needs of all students are met. 2. The district’s food production and transportation system ensures the service of high quality food with minimal waste.
Goal:	D. The district provides food services in a safe and sanitary environment.
Best Practice:	<ol style="list-style-type: none"> 1. The district follows safety and environmental health practices and regulations.

X. Cost Control Systems

Internal Auditing

- Goal:** The district has an adequate internal auditing function.
- Best Practice:**
1. The district has established an internal audit function with its primary mission to (1) provide assurance that the internal control processes in the organization are adequately designed and functioning effectively, and (2) where appropriate, offer recommendations and counsel to management that improve their performance.

Financial Auditing

- Goal:** The district ensures that it receives an annual external audit and uses the audit to improve its operations.
- Best Practices:**
1. The district obtains an external audit in accordance with government auditing standards.
 2. The district provides for timely follow-up to findings identified in the external audit.

Asset Management

- Goal:** District management has established controls to provide for effective management of capital assets.
- Best Practices:**
1. The district segregates responsibilities for custody of assets from recordkeeping responsibilities for those assets.
 2. The district has established controls that provide for proper authorization of asset acquisitions.
 3. The district has established records that accumulate project costs and other relevant data to facilitate reporting construction and maintenance activities to the board, public, and grantors.
 4. The district provides recorded accountability for capitalized assets.

Risk Management

- Goal:** The district has established procedures that identify various risks and provide for a comprehensive approach to reducing the impact of losses.
- Best Practices:**
1. The district has an adequate process to set objectives for risk management activities, identify and evaluate risks, and design a comprehensive program to protect the district at a reasonable cost.
 2. The district has comprehensive policies and procedures relating to purchasing and reviewing insurance coverage.
 3. The district regularly monitors and evaluates its self-insurance program to ensure the feasibility of its self-insured coverages.

Financial Management

- Goal:** The district has established controls to ensure its financial resources are properly managed.
- Best Practices:**
1. District management communicates its commitment and support of strong internal controls.
 2. The district records and reports financial transactions in accordance with prescribed standards.
 3. The district prepares and distributes its financial reports timely.
 4. The district has a financial plan serving as an estimate of and control over operations and expenditures.

Appendix A (continued)

Practice Area

Goals and Best Practices

5. The district has adequate controls to provide recorded accountability for cash resources.
6. The district has an investment plan that includes investment objectives and performance criteria, and specifies the types of financial products approved for investment.
7. The district has established controls for recording, collecting, adjusting, and reporting receivables.
8. The district has established controls that provide accountability for employees' compensation and benefits pursuant to an approved compensation plan.
9. The district has procedures for analyzing, evaluating, monitoring, and reporting debt financing alternatives.
10. The district adequately monitors and reports grants activities.

Purchasing

Goal: The district has established a defined purchasing function with controls over requisitioning, authorizing, and receiving activities.

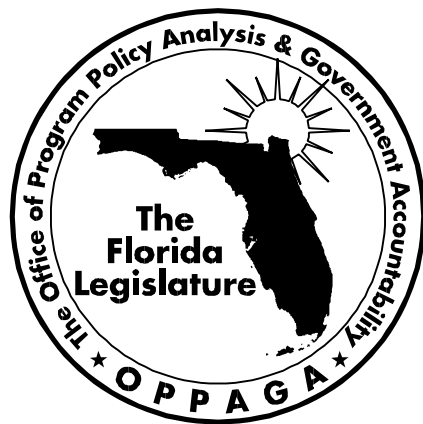
- Best Practices:**
1. The district segregates purchasing responsibilities from the requisitioning and receiving functions.
 2. The district has established controls for authorizing purchase requisitions.
 3. The district has established controls to ensure that goods and services are acquired at prices that are fair, competitive, and reasonable, consistent with acceptable quality and performance.
 4. The district has established controls to ensure that goods are received and meet quality standards.
 5. The district has established controls for processing invoices to ensure that quantities, prices, and terms coincide with purchase orders and receiving reports.
 6. The district has established controls to ensure disbursements are properly authorized, documented, and recorded.
 7. The district has established controls to ensure payables/encumbrances (obligations) are properly authorized, documented, and recorded.

Information Systems

Goal: The district maintains an information system to provide quality data.

- Best Practices:**
1. The district segregates duties to prevent unauthorized transactions by appropriately limiting access to data systems processes and functions.
 2. The district's user controls ensure authorization prior to processing transactions and ensure all output represents authorized and valid transactions.
 3. The district has established appropriate data controls between the user and the data system department.
 4. The district has established general controls designed to provide physical security over terminals, limit access to data programs and data files, and to control risk in systems development and maintenance.

The Florida Legislature
Office of Program Policy Analysis
and Government Accountability



Mission Statement

This Office provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision-making, to ensure government accountability, and to recommend the best use of public resources.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302). Web site: <http://www.state.fl.us/oppaga/>

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