

# Legislative UPDATE

By Lori Fayhee

**Get the Facts Before You Vote.** The Lee County School District has a \$1.509 billion budget and is asking voters to approve an additional ½ penny sales tax on the 2018 General Election Ballot. If approved, this sales tax will be in effect for the next 10-years and will provide the District with an additional estimated \$1.1 Billion in Capital spending. In order for this referendum to pass, voters will need to determine if the Board has operated with transparency, according to Sunshine Law, and been fiscally responsible with our tax dollars.

Following is the summary of findings from the State of Florida Auditor General's 2017 operational audit of the Lee County School District. The District sent their response to the Auditor General on September 15, 2018 and released these findings to the public this week.

## SUMMARY

This operational audit of the Lee County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2015-069. Our operational audit disclosed the following:

**Finding 1:** District records did not always evidence that impact fee proceeds were used only for authorized purposes, resulting in questioned costs of \$13.6 million.

**Finding 2:** Contrary to State law, the District expended ad valorem tax levy proceeds for cleaning and groundskeeping services that did not appear to be allowable uses for the proceeds, resulting in questioned costs totaling \$3.9 million.

**Finding 3:** District controls over indoor air quality (IAQ) services and related payments did not ensure that District records documented:

- Evaluations of the need for the various IAQ services before the District contacted service providers and contracted for the services with related payments totaling \$5.9 million.
- Cost-benefit considerations to demonstrate the cost-effectiveness of contracting with an IAQ provider for both emergency services and services that did not require immediate attention.
- Verifications that the personnel who performed the services possessed the contract-required license and certificate qualifications or that the services were performed by the most qualified service provider.
- The reasonableness and propriety of negotiated contract rates.
- Prior to payment for the contracted services, the satisfactory receipt of the services performed consistent with the Board-approved contracts.

Additionally, District IAQ contracts did not contain maximum contract amounts to help the District monitor and limit the services provided and related costs. Also, the District made payments for cleaning services that appeared to be charged at rates for mold remediation rather than room cleaning services, resulting in questioned costs of \$291,126.

**Finding 4:** District procedures did not provide, before payments for construction management entity (CME) services, for comparisons of CME pay requests to the subcontractor bids and contracts for the Dunbar High School Remodel (DHSR) and the Bonita Springs High School (BSHS) Projects totaling \$64.4 million.

**Finding 5:** District construction administration procedures for the DHSR and BSHS Projects did not include comparisons of subcontractor bid awards to the CME subcontractor contracts to verify that the CME used a competitive selection process to select subcontractors and that the bid award and contract amounts agreed.

**Finding 6:** The District did not verify subcontractor licenses before the subcontractors commenced work on the DHSR and BSHS Projects.

**Finding 7:** The District needs to enhance controls over negotiating, monitoring, and documenting the reasonableness of CME general conditions costs.

**Finding 8:** District records did not always demonstrate that the District performed searches of prospective school volunteer names and information against the applicable registration information regarding sexual predators and sexual offenders.

**Finding 9:** The District needs to establish a mechanism for noninstructional employees to report time worked and procedures requiring supervisors to document the review and approval of such time.

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**Finding 10:** The District did not always base the eligibility of teachers for Florida Best and Brightest Teacher Scholarship awards on reliable and authentic records.

**Finding 11:** The District controls for monitoring school resource officer service contracts and related payments could be enhanced.

**Finding 12:** District controls over the purchasing card program continue to need improvement.

**Finding 13:** The District had not developed a comprehensive, written information technology (IT) risk assessment.

**Finding 14:** The existence of some unnecessary IT user access privileges and the lack of documented periodic reviews of access privileges increased the risk that unauthorized disclosure of student social security numbers may occur.

**Finding 15:** Certain District IT security controls related to user authentication, data loss prevention, and logging and monitoring of system activity need improvement.

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*Printed copies of their reports may be requested by contacting:*

*State of Florida Auditor General*

*Claude Pepper Building, Suite G74*

*111 West Madison Street*

*Tallahassee, FL 32399-1450*

*(850) 412-2722*

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