Presentation: Talbot County School System Financial Assessment

Prepared for: Talbot County Board of Education

November 4, 2025

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I. Overview and Background

The Georgia Department of Education engaged Mauldin & Jenkins to conduct a financial assessment of Talbot County School System's financial activities for the past five years, including funding sources, management and use of funds, and overall financial management. The District has received significant audit findings for FY21-23; the FY24 audit was ongoing during the M&J fieldwork period. With the exception of payroll testing, M&J fieldwork concluded in early September; payroll testing was completed on September 26th, 2025.

II. Scope and Approach

The scope of the Financial Assessment included a review of the District's financial transactions from the past five years as well as an assessment of the District's financial management competencies, key business processes, and internal controls. The scope of the Assessment includes the following:

- Review of financial activities and related financial process over the past five years
- Identification of fiscal trends and outliers
- Assessment of financial processes
- Compliance with applicable governing laws and regulations

II. Scope and Approach

1. Initiation & Planning

- Sent Notice of Assessment
- Conducted Kick Off Meeting
- Prepared initial information and interview requests

2. Information Gathering

- Conducted interviews
- Reviewed District-provided information
- Shadowed performance of processes

3. Fieldwork & Analysis

- Tested implementation of processes
- Evaluated compliance and use of leading practices
- Developed meaningful recommendations

4. Validation & Reporting

- Provided bi-weekly status reports
- Developed and shared preliminary observations
- Shared draft report
- Prepared and presented final report

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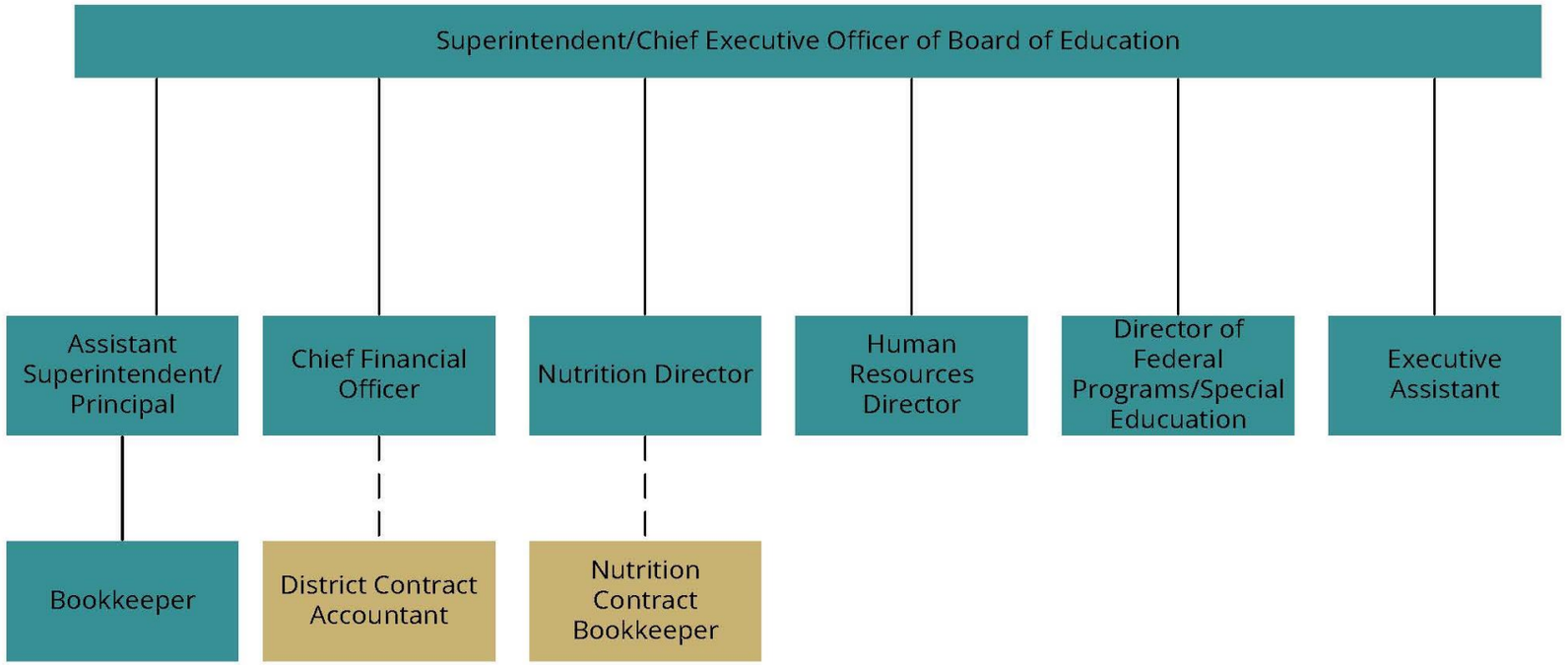
III. Organizational Structure

Talbot County School System
Administration Organizational Chart



- Prior to 7/1/25, the Superintendent was also serving as Special Education Director
- The CFO converted from a contract employee to a full-time District employee on 7/1/25
- The Superintendent retired 8/31/25 and the Assistant Superintendent/Principal was named Interim Superintendent
- The Board has retained Helms & McCorkle to assist in the search for a new Superintendent

IV. Strategy and Leadership

- The size of the District and the District's organizational model places the Superintendent in each decision and as an approver for nearly all matters
- The Superintendent in place during the majority of fieldwork appears to utilize an informal leadership model
    - This informal model, plus inclusion in nearly all approvals, creates perception that he makes all final calls, and so questions or concerns are deferred to him for determination
    - This informal model has also resulted in inconsistent change management or enforcement of changes implemented to assist in addressing financial risk and/or identified audit issues
- There is no notable correlation between strategy documents and operations at the enterprise level
- The District is highly reliant on institutional knowledge and lacks complete written processes and procedures
    - Board policy directs the Superintendent to develop processes, which are not formally developed or documented, creating risk for inconsistent treatment
    - The District utilizes contractual and 49% FTE positions for training as well as performance of key financial functions

V. Testing, Themes, and Results

Accounts Payable: Check Payments

M&J tested 122 samples from FY21-FY25. M&J tested for:

- Existence of a requisition and/or purchase order to support prior approval of the purchase
    - Including documented approvals with dates that precede the date of order/purchase
- Adequate backup documentation to support receipt of the good or service, including packing slips or other shipping confirmation detail to document receipt
- For travel, a copy of the prior authorization form
- Copies of any contracts, solicitation documents, or other documentation to support the vendor selection process, as appropriate
- Copy of the issued check to verify match of vendor information and payment amount

V. Testing, Themes, and Results

Accounts Payable: Check Payments

Results:

- 42% of the requested samples could not be produced
- Of the samples that were produced, most of them lacked at least a portion of the supporting documentation
    - Only 17/49 had the expected PO to document the prior approval
    - 0/4 travel samples included the travel authorization form that was reportedly required before any travel
    - Most of the goods ordered online lacked a packing slip or other document to confirm receipt of the total order (except Nutrition, who utilized dated signatures to document receipt)

V. Testing, Themes, and Results

Accounts Payable: Check Payments

Results:

- Purchases over $10,000 lacked information about procurement or solicitation action taken. While several of the purchases were made using statewide contracts or other authorized contracting vehicles, there was no documentation noting the use of these eligible contracts
    - Only one of the 16 samples over $10,000 had documented Board approval. The Board meeting minutes that documented approval have recently been amended, due to issues identified during the FY24 audit

- There was no documentation as part of the AP packet that illustrated how the purchase may have aligned with a strategic plan or other strategic documents

- Overall, there was no area of consistent improvement year-to-year

V. Testing, Themes, and Results

Accounts Payable: PCards

After learning during interviews that the District's two PCards were physically given to employees (along with the pin number if applicable) for use at local vendors, M&J tested all PCard transactions for FY24 and FY25. We tested 517 transactions for that period, absent the statement for 12/16/23-1/15/24, which the District could not locate. 506 of the transactions were charges, with the other 11 transactions statement credits/refunds

M&J tested for:

- Credit card authorization form
- Backup documentation:
  - Matched the charged amount
  - For online orders of goods or materials, was there an included packing slip or other shipping order confirmation
  - For hotels, was the final receipt reflecting all charges and confirming the balance was paid and that no taxes were charged

V. Testing, Themes, and Results

Accounts Payable: PCards

Issue Type:	Total Instances	FY24	FY25
Lacking Credit Card Authorization	284	168	116
Lacking Backup	145	94	51
Backup Doesn't Match Charged Amount	43	19	24
Lacking Final Hotel Bill	80	45	35
Charged Taxes*	25	14	11

**2/25 reflect a refund of taxes on a future credit card statement*

V. Testing, Themes, and Results

Accounts Payable: PCards

- Overall, the District has developed some templates and informal processes that could address issues and mitigate risk. If implemented consistently, the designed processes and templates could help ensure appropriate internal controls and supporting documentation

V. Testing, Themes, and Results

Accounts Receivable & Bank Reconciliation

One of the District's repeat financial statement findings noted that the District has not maintained sufficient accounting procedures to provide adequate internal controls over the cash and cash equivalents functions. The FY21 through FY23 financial statement findings indicated that the District did not properly reconcile its bank accounts totaling between $17,000 and $27,000 to the June 30 general ledger balance for the respective year, and that reconciliations were not consistently performed and/or reviewed within 45 days of the statement date. Additionally, the audit reports indicated cash overdrafts of approximately $10,000 to $27,000 for one account each year

M&J tested 8 bank accounts for compliance with the District's Corrective Action Plan, testing for:

- Reconciliation conducted within 45 days of month end
- Reduction of end of month overdrafts through a regular monitoring process

V. Testing, Themes, and Results

Accounts Receivable & Bank Reconciliation

Results

Fiscal Year	End of Month to Preparation	End of Month to Review/Approval
FY21	30 to 120 days (generally 60 to 105 days)	30 to 270 days (CY20) (no approvals conducted in CY21)
FY22	Most reconciliations conducted retroactively in June and July 2022	June 2022 was the only month with approval (39 days after EOM)
FY23	45 to 75 days	45 to 75 days
FY24	10 to 45 days	10 to 45 days
FY25	TBS3: 16 to 71 days Other Accounts: 12 to 18 days	TBS3: 16 to 71 days Other Accounts: 12 to 18 days

Note: Aug 23 was an outlier for FY24; it was reconciled the same day as September 23, 54 days after EOM
For FY25: TBS3 was evaluated separately as an outlier to the trend shown in other accounts

V. Testing, Themes, and Results

Accounts Receivable & Bank Reconciliation

Results

M&J was not provided documentation for the entry of any overdrafts that occurred during the second half of FY24 – though a review of bank statements listing a summary of fees for overdrafts indicated that there were overdrafts not included in the provided documentation. With uncertainty as to the completeness of documentation provided, M&J cannot confirm that the District met its action plan item of mitigating end of month overdrafts by the target date of December 31, 2024

Overall, with the exception to the TBS3 payroll account, M&J noted marked and consistent improvement in bank reconciliation, reflecting implementation of the corrective action, as designed. It should be noted that the majority of the improvement in this area is the work of the contract accountant, which may pose a risk to the District, given the lack of documented processes if the contract accountant should choose not to continue contracting with the District

V. Testing, Themes, and Results

Federal Drawdowns

M&J tested the timeliness of federal drawdowns, and ensured that the drawdowns were based on actual cash needs. M&J reviewed all drawdowns of ten federal funds for FY25:

For each of these grants, we noted in which months funds were drawn, to determine if there was regular and timely draws. We also noted whether or not each of these draws followed the District's preparation and approval process. Specifically, we tested:

- If the request was accompanied by a federal funds drawdown form
- If the federal funds drawdown form was signed by both a programmatic approver and the Superintendent
- If the request was supported by a PCGenesis expense report that provided detail for the amount of funds requested

V. Testing, Themes, and Results

Federal Drawdowns

Results:

- The majority of the requests included the appropriate backup form and the majority also included the PCGenesis report that supported the amount of funds drawn

- The timing of drawdowns was inconsistent, and most of the programs went several months without any draws

    - These delays suggest that federal program administrators may not have real-time budget insights into spend-to-date or spend-to-benchmark metrics, as these reports are often prepared for prior periods, and are largely caught up and corrected towards the end of the fiscal year. There is not a formal, consistent process for sharing budget-to-actuals with federal program administrators or holding budget review meetings to ensure that funds are being spent timely and strategically

V. Testing, Themes, and Results

Payroll

M&J selected three pay periods in FY25 to test. M&J tested for the following:

- Complete and accurate supporting documentation, including timesheets for hourly employees, leave forms and supplemental pay forms, all with both employee and supervisor signatures
- Accurate calculation of hourly and supplemental pay, with the pay register matching the timesheets
- Accurate benefit deductions

V. Testing, Themes, and Results

Payroll: Timesheet Testing

Hourly Time:

- All hourly timesheets matched the pay register for paid hours
- There was overall improvement in the inclusion of both employee and supervisor/Principal signature, going from 5 missing signatures in the December 2024 testing to 0 missing signatures in June 2025

Stipend Pay:

- M&J identified one instance where a stipend was paid using an undated, unsigned handwritten reminder to pay the stipend in the June pay period, lacking the formal memo with the appropriate signature, date and justification

Supplemental Pay:

- M&J tested to verify that the supplemental pay timesheet recorded hours matched the payroll register. M&J identified 5 hours of overpayment

Overall, supplemental pay and leave form maintenance appear to be fairly compliant, with noted improvement over the tested period

V. Testing, Themes, and Results

Deductions Testing

M&J selected a benefit provider that offers a number of benefits to District employees. M&J tested to verify that enrolled employees had pay deductions, that employee deductions matched the vendor-reported premiums, and that total deductions matched the payment to the vendor

- M&J identified a number of discrepancies between employee deductions and premium amounts, detailed in the report, including both over-deductions and under-deductions

- M&J identified a number of employees who were enrolled in benefits but had no deductions from their paycheck, as well as employees who had paycheck deductions, but were not policyholders with the vendor

V. Testing, Themes, and Results

Deductions Testing

M&J also tested for annual additional annuity benefit deductions. M&J tested the District's three vendors, comparing deductions to vendor invoices and, for 2 of the 3 vendors, confirmed individual deduction amounts (the third vendor did not provide employee-level deduction data)

- M&J was able to confirm the completeness and accuracy of the 2 vendors with detailed information, and found that the total amount paid to the third vendor matched the remaining deductions not attributable to the other two vendors

While there are still concerns with the completeness and accuracy of deductions throughout the three tested periods, there does appear to be some improvement between December 2024 and June 2025. For some of the deduction inaccuracies, there was a correction between February and June 2025

In June 2025, there were no employees with premiums deducted that were not enrolled with the provider, although there were two employees who were enrolled and whose premiums were paid by the District, without any deductions being taken from the employees' paychecks

V. Testing, Themes, and Results

Budget

Budgets are reportedly primarily based on the prior year's actual expenses, with some updates for personnel changes, benefit funds, or large projects that require additional funding support. This appears to align with the reviewed initial and final budgets for each fiscal year

V. Testing, Themes, and Results

Budget

M&J also reviewed for timely and complete budget actions, specifically:

- Budget adoption by July 1, or the start of the fiscal year under consideration
- Whether there were two budget hearings
- Whether the budget hearings were scheduled in two separate weeks, as required
- If the budget was adopted after July 1st, whether or not there was evidence of a spending resolution

V. Testing, Themes, and Results

Budget

Required Fiscal Actions	FY21	FY22	FY23	FY24	FY25	FY26
Budget Presentation	8/25/2020	11/19/2021	8/16/2022	5/2/2023	5/7/2024	5/22/2025
Budget Hearing I	8/25/2020	11/19/2021	8/25/2022	5/30/2023	5/28/2024	6/10/2025
Budget Hearing II	N/A	11/29/2021	8/30/2022	6/27/2023	6/18/2024	6/24/2025
Budget Adoption	8/25/2020	12/7/2021	9/6/2022	6/27/2023	8/6/2024	6/24/2025
Millage Hearing(s)	8/25/2020	8/3/2021, 8/17/2021	7/19/2022, 8/2/2022	8/1/2023	8/22/2024	8/19/2025
Millage Adoption	8/25/2020	8/27/2021	8/2/2022	8/15/2023	8/22/2024	8/21/2025
Notes:	FY21 had an interim budget presented and approved 7/7/2020					Millage vote scheduled for 9/16/2025

VI. Recommendations Summary

M&J provided 21 recommendations for steps that should be taken to improve District financial management. General themes of the recommendations are noted below:

- The District has very limited written processes and procedures, and relies on institutional knowledge and informal decisions made by the previous Superintendent. This has led to inconsistent change management support and inconsistent enforcement of processes designed to mitigate risk and address audit findings
- The District needs to establish a comprehensive PCard program of administration, including training for all card users, prior authorization requirements, physical cash controls for card use, supporting documentation requirements, and disciplinary remedies for non-compliant use of the card
- The reliance on wet signature and physical filing of all financial supporting documentation puts the District at risk. The physical space where files are maintained is in a wide hallway and has limited overall organization. The District should prioritize digitization of current year files, and as time permits work towards digitization of all records within required retention periods
- The District is operating tactically, responding to issues as they arise or are identified externally. There is limited proactive thought, true strategic effort, or consideration of efficiency or leading practice

VII. Next Steps

Overall, the District has demonstrated that it can develop and implement some of the necessary internal controls, and create forms and processes to help ensure standardization and compliance. The District appears to understand the issues that are being identified during the annual audit process, and the proposed corrective actions could be effective in resolving identified issues. Efforts to date, however, appear to be limited by the lack of change management support and enforcement of updated processes by leadership. If consistently implemented, a number of processes shown to M&J and discussed during interviews, would be effective in helping to mitigate risk and create a stronger control environment

VII. Next Steps

As a condition of the Georgia State Board of Education's approval of the District's strategic system waivers renewal, the District must contract with a financial firm to help ensure implementation of the recommendations found in the report, and the financial firm will also be expected to assist in training the new Superintendent

The firm will be required to send quarterly reports to the Georgia Department of Education, reporting on the progress and implementation of recommendations