



State Board of Education

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9-29-23

September 29, 2023

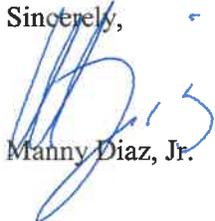
Melinda Miguel
Chief Inspector General
Office of the Chief Inspector General
The Capitol
Tallahassee, Florida 32399-0001

Dear Ms. Miguel:

In accordance with Section 20.055(6)(h), Florida Statutes, attached is the six-month status of corrective actions taken in response to Auditor General Report #2023-174, State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards.

If you have any concerns regarding this status report, please contact Mike Blackburn by phone at 850-245-9418 or by email at mike.blackburn@fldoe.org.

Sincerely,


Manny Diaz, Jr.

Attachment

cc: Mike Blackburn, Inspector General
Suzanne Pridgeon, Deputy Commissioner, Finance and Operations
Janice Brown, Assistant Deputy Commissioner, Finance and Operations
Legislative Auditing Committee

**Department of Education
Office of the Inspector General – Internal Audit
Six-Month Status Report on: State of Florida Compliance and Internal Controls Over Financial
Reporting and Federal Awards
Report #2023-174 Issued: March 29, 2023
Status as of September 29, 2023**

**Program Title: Adult Education – Basic Grants to States Charter Schools Twenty-First Century
Community Learning Centers**

Finding 2022-027: The FDOE did not always timely deactivate Florida Grants System (FLAGS) user access privileges upon an employee’s separation from FDOE employment.

Recommendation: We recommend that FDOE management establish a process to ensure that FLAGS user access privileges are deactivated immediately upon a user’s separation from FDOE employment.

Response as of March 29, 2023: On March 3rd, 2022, FDOE established a process enhancing its security controls to ensure for the timely deactivation of user access privileges immediately upon their separation from FDOE employment.

FDOE Response as of September 29, 2023:

Corrective action was taken to align Florida Grant System (FLAGS) user management with departmental access management procedures.

Anticipated Completion Date & Contact:

Fully Corrected: Andre Smith, Chief Information Officer

Program Title: Twenty-First Century Community Learning Centers (21st CCLC)

Finding 2022-028: The FDOE did not always monitor subrecipients in accordance with established procedures or clearly evidence expectations regarding timely follow up by subrecipients regarding issues noted during monitoring.

Recommendation: We recommend that the FDOE ensure that monitoring is completed in accordance with FDOE Procedures. In addition, we recommend that the FDOE revise the Procedures to require the reviewer to document the follow-up actions to be taken and the time frame for when follow-up actions should be completed by the subrecipient to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

Response as of March 29, 2023: FDOE concurs that during the 2021-22 fiscal year, monitoring of subrecipients was not always consistent in the Quarterly Document Review (QDR) process. This issue has been rectified with review and updating of Standard Operating Procedures (SOP) beginning in February 2023. Accountability for monitoring this process has also been amended.

FDOE Response as of September 29, 2023:

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This issue has been rectified with review and updating of Standard Operating Procedures (SOP) beginning in February 2023 and completed in May 2023. Accountability for monitoring this process has also been amended.

Anticipated Completion Date & Contact:

Fully Corrected: Andria Cole, Bureau Chief

Program Title: English Language Acquisition State Grants (ELAG)

Finding 2022-029: FDOE records did not evidence that local educational agencies (LEAs) met the maintenance of effort (MOE) requirement.

Recommendation: We recommend that the FDOE enhance ELAG program procedures to include documented verification that the MOE requirement was met by all LEAs.

Response as of March 29, 2023: With respect to the preliminary calculation and the two LEAs mentioned by the auditors, it is important to point out that both LEAs' Title I program was audited and no finding for MOE was made. Considering the cross-cutting nature of the Title I program with ELAG, FDOE can be assured that the two LEAs cited by the auditors did in fact meet MOE for the 2020-21 fiscal year. The parameters of the federal single audit are established in the compliance supplement and testing for MOE is included for ESEA programs in the 2022 compliance supplement cross cutting section. Since the single audit covers this fiscal monitoring, it has not been duplicated by the FDOE. Historically, FDOE ran a preliminary MOE calculation using unaudited expenditure data and then relied on the federal award single audits that are required for all Florida local educational agencies (LEAs). FDOE will review and revise its procedures to ensure MOE compliance.

FDOE Response as of September 29, 2023:

The Florida Department of Education undertakes a final calculation for any local educational agency that does not have an ESEA program audited as a major program during the LEA's Federal Awards audit to ensure compliance with MOE requirements.

Anticipated Completion Date & Contact:

Fully Corrected: Sean Freeman, Educational Program Director

Program Title: English Language Acquisition State Grants

Finding 2022-030: Certain security controls related to user authentication for the Comprehensive Management Information System (CMIS) need improvement to ensure the confidentiality, integrity, and availability of CMIS data and related information technology (IT) resources.

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Recommendation: We recommend that FDOE management improve certain security controls related to CMIS user authentication to ensure the confidentiality, integrity, and availability of CMIS data and related IT resources.

Response as of March 29, 2023: On August 8th, 2022, FDOE enhanced security controls surrounding CMIS user authentication to ensure the confidentiality, integrity and availability of CMIS data and related IT resources.

FDOE Response as of September 29, 2023:

Corrective action was taken to improve security controls related to user authentication for the Comprehensive Management Information System (CMIS).

Anticipated Completion Date & Contact:

Fully Corrected: Andre Smith, Chief Information Officer

Program Title: English Language Acquisition State Grants (ELAG)

Finding 2022-031: The FDOE did not conduct fiscal monitoring to ensure that subawards were used for authorized purposes.

Recommendation: We recommend that the FDOE enhance ELAG program monitoring procedures to include fiscal monitoring to ensure that subawards are used for authorized purposes.

Response as of March 29, 2023: FDOE concurs with the finding. As recommended by the Florida Auditor General's office, FDOE will implement actions to enhance ELAG program monitoring procedures.

FDOE Response as of September 29, 2023:

FDOE conducted onsite monitoring of selected subrecipients in the spring of 2023. The onsite monitoring process included:

- 1) Developing and using monitoring protocols which included fiscal monitoring requirements;
- 2) Developing and sending to the monitored LEAs a documentation request template which included requests for documentation of selected fiscal transactions;
- 3) Reviewing the documentation submitted by subrecipients; and
- 4) Outlining any issues noted and further required actions in a final monitoring report.

Anticipated Completion Date & Contact:

Fully Corrected: Dinh Nguyen, Ph.D., Bureau Chief

Program Title: Education Stabilization Fund (ESF) – Governor's Emergency Education Relief (GEER) Fund, Elementary and Secondary School Emergency Relief (ESSER) Fund

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Finding 2022-033: FDOE monitoring activities did not validate the allowability of actual subrecipient ESF program expenditures.

Recommendation: We recommend that FDOE management ensure that monitoring activities that validate the allowability of ESF program expenditures, verify the accuracy of annual report information submitted to the USED, and assess subrecipient compliance with Federal statutes, regulations, and the terms and conditions of the subaward, are appropriately performed.

Response as of March 29, 2023: The Department disagrees that its subrecipient monitoring for the Education Stabilization Fund (ESF) programs in 2021-22 was insufficient. Subrecipient monitoring begins with application and budget review. For all ESF programs, except for the ESSER II Advance Lump Sum program, the Department required LEAs to submit an application and detailed budget outlining anticipated expenditures. The Department reviews the detailed budget to ensure all anticipated expenditures are allowable prior to making the award. In addition, all subgrantees undergo a risk analysis prior to receiving an award. At the end of the program period, LEAs submit a Final Disbursement Report that aids in verifying that actual expenditures match the approved budget. All LEAs in Florida are subject to an annual independent audit and a federal single audit. All of these activities constitute monitoring.

In addition to these activities, as noted in the finding, the Department has already contracted with a vendor to provide additional subrecipient monitoring to include sampling expenditures, procurement activities, inventories and other programmatic requirements. This monitoring has occurred and is continuing to occur within the program period for each of the ESSER and GEER grants. We note that all of the ESF programs are multi-year programs and still within the program period at the close of this audit reporting period (6/30/22). We also note that the ESSER and GEER programs are emergency programs, not recurring in nature; and therefore the processes, scope and contracts for monitoring took time to put into place. Under the circumstances presented, the timeline and process for monitoring has been reasonable and sufficient.

The Department disagrees that due to the fact that the “FDOE did not perform monitoring activities subsequent to the approval of the subrecipients’ Budget Narrative forms to validate the allowability of the subrecipients’ actual expenditures,” the auditors could not determine whether the expenditures, including expenditures for equipment and real property “were allowable and in accordance with the grant terms and conditions.” All expenditures are required to be documented by all subrecipients and are subject to sampling and validation by auditors using ordinary sampling and verification. Indeed, it is recognized that fiscal monitoring and auditing should not be duplicative; the Department is not required to monitor for those requirements covered by the single audit. The very fact that every LEA in Florida is covered by an independent audit that includes the federal single audit is an element of monitoring that ensures compliance.

FDOE Response as of September 29, 2023:

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A final monitoring report for ESSER I/GEER I was issued on December 9, 2022, and includes testing for actual expenditures. Similarly, a final monitoring report for ESSER II/GEER II was issued on June 8, 2023, and includes testing of actual expenditures. Monitoring activities for ARP ESSER have concluded.

Anticipated Completion Date & Contact:

Fully Corrected: Mari M. Presley, Policy Coordinator, Special Projects

Program Title: Child Care and Development Fund Cluster (CCDF), Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG)

Finding 2022-040: The FDOE did not conduct fiscal monitoring to ensure that subawards were used for authorized purposes.

Recommendation: We recommend that the FDOE enhance FFATA data collection controls to ensure that all required subaward information is accurately reported in the FSRS.

Response as of March 29, 2023: FDOE concurs. FDOE will take actions to enhance FFATA data collection controls to ensure that all required subaward information is accurately reported in the FSRS.

FDOE Response as of September 29, 2023:

FDOE took the following actions to enhance FFATA data collection controls to ensure that all required subaward information is accurately reported in the FSRS:

- 1) Enhanced the Division of Early Learning's FFATA procedures to include creating a static copy of Notice of Award (NOA) workpapers to support each issuance of subaward(s) and saving this file within the Division's designated location for FFATA reporting.
- 2) Enhanced the Division of Early Learning's FFATA procedures to include verification by the Division's assigned FFATA report preparer that all information in the FFATA NOA workpapers agrees with the subaward information on the signed/executed NOA(s), including subaward action/obligation dates and amount(s) for all applicable funding streams to include CCDF, TANF and SSBG.
- 3) Enhanced the Division of Early Learning's FFATA procedures to include a multi-layer review and approval process to include preparer and supervisor as documented by a signed routing form.

Anticipated Completion Date & Contact:

Fully Corrected: Lisa Zenoz, Deputy Director of Finance and Operations, Division of Early Learning

Additional Matter: Florida Department of Education (FDOE)

Finding AM 2022-07: The FDOE did not properly report amounts for one Federal program on the Schedule of Expenditures of Federal Awards (SEFA). As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect.

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Recommendation: We recommend that the FDOE ensure that grant numbers are established for all Federal awards to facilitate the proper reporting of Federal expenditures on the State's SEFA.

Response as of March 29, 2023: As result of a miscommunication between the Budget and Comptroller's offices, the grant was not initially established to separately track the expenditures. This was remedied in a timely manner that, in fact, allowed funds to be tracked separately. However, when the SEFA was prepared, the Comptroller's Office did not pick up those grant expenditures, resulting in the inaccuracy. Moving forward, the appropriate grant numbers will be set up and the Comptroller's office will coordinate with the Budget office to ensure all general revenue expenditures funded by federal funds will be added to the SEFA.

Estimated Corrective Action Date: March 31, 2023
Entity Contact and Telephone Number: Matt Kirkland

FDOE Response as of September 29, 2023:

The appropriate grant numbers will be set up and the Comptroller's office will coordinate with Budget office to ensure all general revenue expenditures funded by federal funds will be added to the SEFA.

Anticipated Completion Date & Contact:

Fully Corrected: Matt Kirkland, Comptroller