

July 18, 2012

Dr. Mel Jurado, Executive Director  
Florida's Office of Early Learning  
250 Marriott Drive  
Tallahassee, Florida 32399

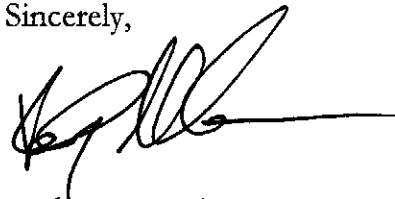
Dear Dr. Jurado:

As required by Section 20.055(5)(h), Florida Statutes, we have prepared the attached status of corrective actions, as of July 17, 2012, taken by Florida's Office of Early Learning for findings and recommendations contained in Auditor General Audit Report No. 2012-061, *Early Learning Programs and Related Delivery Systems*, issued on December 20, 2011.

This status report is a continuation of updates that were previously submitted to you in February and April of this year.

In accordance with Section 20.055(5)(h), Florida Statutes, I am also copying the Joint Legislative Auditing Committee. If you have any questions, please call me at (850) 717-8554.

Sincerely,



Rodney MacKinnon  
Acting Inspector General

Enclosure

Cc: Joint Legislative Auditing Committee

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**FINDING NO. 1:** Notwithstanding the adequacy of the design of the early learning program governance structure, in many respects, OEL did not effectively administer its responsibilities for the School Readiness and VPK Programs. Therefore, the effective, efficient, and economical accomplishment of early learning program goals and objectives Statewide is less certain.

**Auditor Recommendation:** Notwithstanding the reasonableness of the design of the early learning program governance structure, OEL should establish procedures to prevent and detect improper payments, provide stronger oversight of early learning coalition activities, foster accountability by implementing Statewide measures of program success, and continue to collaborate with DOE and DCF at the State level. Additionally, the early learning coalitions should adhere to the requirements of the State's early learning programs.

**Florida's Office of Early Learning Response:** OEL concurs that opportunities exist for operational improvement within the current governance structure. The design of the early learning program governance structure ensures that the state is well poised to implement a system that will gain efficiencies as existing projects are completed.

**Establish procedures to prevent and detect improper payments:** OEL continues to improve the accountability system to prevent and detect improper payments, and has stood up a fraud investigation unit. As OEL readies for implementation of the Early Learning Information System (ELIS), data interfaces are included in the project scope that will support the prevention and detection of improper payments. Prior to this audit OEL initiated a request to be provided data from the Social Security Administration (SSA), this request was approved during the audit and OEL is currently working with SSA on required data protocols to be utilized prior to ELIS implementation. Specific corrective actions addressing improper payments are included in the OEL responses to findings No. 2 and 3 and the ELC responses to findings No. 13, 15, 16, 17, and 22.

**Provide stronger oversight of early learning coalition activities:** OEL concurs with this recommendation as demonstrated in the responses to this report indicating corrective action that has been implemented and is in process as identified in findings No. 2, 3, 9, 10 and 11. In addition, the Director has embarked on a statewide visitation to the 31 communities where coalitions exist. The focus of these visits has included ELC staff members, board members, providers, elected officials, community leaders, parents, early learners, and other key stakeholders. Discussions and actions have focused on improved communications, coordination, strategy solutions, and a celebration of best practices identified through creative approaches (i.e., the ELC of St. Lucie's recovery of \$70,000 in fraudulent payments). OEL is also currently working in conjunction with the Governor's Office to ensure three (3) gubernatorial appointees are in place on each of the thirty-one (31) ELCs.

**Foster accountability by implementing Statewide measures of program success:** OEL agrees with this recommendation, and began work on program measures prior to this audit on projects that will support comprehensive program measurement. Specific corrective actions are identified in the responses to findings No. 5 and 7.

**Continued collaboration with DOE and DCF:** OEL will continue to collaborate with DOE and DCF. For example, the Director regularly meets with these Agency Heads to ensure a seamless

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connection of our work and has recently collaborated to discuss the implementation of the P.O.W. E. R. (Power of Words Equip Readers) Campaign. OEL has also been deeply engaged in collaboration with DOE and DCF through activities within the Early Learning Partners Initiative. OEL meets weekly with DOE to work more seamlessly around projects including curriculum approval processes, early learning and developmental standards and child screening and assessment. OEL partners directly with DCF on the professional development project, including contracting directly with the Child Care Licensing Office to build the professional development registry within the Child Care Training Application. Both DOE and DCF attend and participate in cross-sector workgroups, committees and councils with OEL. Examples of this include the Professional Development Initiative committee, Early Learning Partners Initiative project workgroups, the Early Learning Advisory Council (ELAC), and the Children and Youth Cabinet.

**OEL and ELC Response:** Early learning coalitions should adhere to requirements of the State's early learning programs: OEL is developing a strategic system-wide communication campaign to provide ELC's with tools that will assist them with meeting the requirements of the State's early learning programs. This communication campaign will be developed by a team made up of OEL's new Communications Director, the Deputy Director of Operations and AELC leadership. This team is charged with tracking and identifying common issues; outlining guidelines, training and technical assistance; as well as, communicating this information on a regular basis to the ELC's to assist them with proactively monitoring potential issues.

**Six-Month Status:** Florida's Office of Early Learning continues to implement operational improvements to ensure proper governance for this system. A few highlights include:

- A fraud prevention, investigation, and recovery unit has been created.
- Steps have been taken to fill the gubernatorial appointee positions on the early learning coalition boards.
- The Director of Florida's Office of Early Learning has visited every coalition.
- A Scorecard for the Florida's Office of Early Learning is under development.
- A communications strategic plan has been developed.
- Weekly phone calls are held with the Director, Deputy Director of Operations, and the AELC Leadership.
- Weekly phone call with all 31 ELC Executive Directors
- A Crisis Communication Policy has been developed and provided to the coalitions.
- Technical Assistance Papers were created in response to issues raised in the audit and additional trainings have been provided.

Further updates related to this finding are found in later, more specific findings.

**FINDING NO. 2:** OEL did not conduct data matches between School Readiness Program information and Unemployment Insurance (UI) benefit payment data. Our comparison of School Readiness Program information and UI data identified individuals who were improperly receiving School Readiness Program benefits under a work-dependent eligibility category while also collecting UI benefits. The information for these individuals was provided to OEL for further investigation of fraud.

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**Auditor Recommendation:** We recommend that OEL routinely conduct data matches between School Readiness Program information and UI benefit payment data. Such analyses are necessary to ensure the proper payment of School Readiness Program benefits under work-dependent eligibility categories. In addition, OEL should continue to pursue the investigation of the potential improper payments noted above.

**Florida's Office of Early Learning Response:** OEL is working with the Department of Economic Opportunity on a data sharing agreement for access to claims paid for Unemployment Insurance (UI). Under the current information system this will serve as an "audit" step to help identify potential improper payments, coalitions and UI staff will need to follow-up on each client identified to determine if improper payments were actually made. UI clients may receive reduced benefits if they are working and their wages are under a set amount, additionally certain types of wages would not be reported to UI. As stated in the response to finding No. 1, OEL is also working on data sharing with the Social Security Administration, which will also support post eligibility "audits." The OEL and DEO have completed their investigation of the clients noted and have made fraud referrals as applicable. In addition to the actions noted above as well as the expansion of edit reports and data analysis noted in the response to finding No. 3, the implementation of ELIS will provide functionality to verify this type of data during the intake process versus a post eligibility "audit," which will ensure that improper payments are prevented. Conjointly to the above mentioned items, OEL is taking steps to stand up a fraud investigation unit.

**Six-Month Status:** A data sharing agreement was executed on July 3, 2012 between the following three agencies; the Department of Economic Opportunity (DEO), the Department of Revenue (DOR) and Florida's Office of Early Learning. DEO has ultimate authority over the administration of Florida's Unemployment Compensation (UC) program or its successor, Reemployment Assistance Program (RA); however they contract with DOR for data services. This Agreement establishes the terms and conditions whereby DEO and DOR agree to provide Florida's Office of Early Learning access to confidential RA claim, employer and wage information and Florida's Office of Early Learning agrees to provide DEO's Benefit Payment Control Unit access to confidential School Readiness information. DEO will use the information obtained from Florida's Office of Early Learning for unemployment fraud detection and prevention activities. Florida's Office of Early Learning will use the information obtained from DEO and DOR in the administration of the School Readiness Program for the early detection, investigation, and prevention of fraud.

The Florida's Office of Early Learning selected 820 cases from the original Unemployment Insurance match that fell within the three year statute of limitations for public assistance fraud. Of those 820 cases, 557 were determined to be intentional program violations and were referred, along with subsequent fraud cases involving unemployment insurance, to the Department of Financial Services' Division of Public Assistance Fraud. 329 Cases will be referred to DEO Benefit Payment Control Unit for fraud investigation. Florida's Office of Early Learning has created a four-person fraud prevention, investigation, and recovery unit.

**FINDING NO. 3:** OEL's Enhanced Field System (EFS) data analysis and edit report processes need enhancement to ensure that program data used as the basis for reimbursement and State and Federal reporting are accurate and complete. Our EFS data analyses disclosed instances in which

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excess reimbursements were made, as well as an instance of potential School Readiness Program fraud

**Auditor Recommendation:** To improve the accuracy and completeness of EFS data and detect potential improprieties, we recommend that OEL enhance its data analysis process and implement appropriate edits in the information system used for the State's early learning programs.

**Florida's Office of Early Learning Response:** The OEL Data Quality and Program Integrity Units have created a process to continue to identify errors in the Enhanced Field System (EFS) and provide technical assistance and follow up to the coalitions on correcting data to ensure accuracy of EFS. This cross unit process was implemented in 2010 and has gone through several edits to ensure the reports are accurate and the appropriate guidance is provided to the coalitions. The Data Accuracy Scorecards (monitoring tools) and Data Accuracy Review Guides are now final and are provided to the coalitions to assist them in monitoring their own programs. Data accuracy edit and exception reports are run on a monthly or quarterly basis by the Data Quality Unit and placed on the Coalition Zone as information for the coalitions to follow up on, as these reports may identify instances in which there is information missing, invalid, or inaccurate. In some instances there may be a questioned cost associated with an error in a file. Due to the number of reports available for the coalitions to review, the Program Integrity Unit selects two to three edit reports to be reviewed with the biennial reviews. Corrective action plans are required within 30 days of report publication to ensure data is corrected.

Additionally, regular technical assistance is provided by the Program Integrity Unit to the coalitions as part of the quarterly technical assistance process. This process is updated as the reports are revised, added, or discontinued. List of reports, analysis, and assessment activities related to the available reports are included in the Data Accuracy Review Guide and are made available to the coalitions.

Specifically, the OEL will review the VPK Dual Enrollment report logic to determine how the report can be enhanced so that children who received services during the school year program will be included on a coalition's report where the child has been determined eligible for the Summer Program and the child has a school-year payment greater than zero. By incorporating the logic into the VPK Dual Enrollment report, the OEL will not need to issue the VPKS Dual Enrollment report. This enhancement will be completed prior to the start of the upcoming Summer Program. The OEL has created a prioritized list of edit reports that will be added to the monthly and/ or quarterly edit report process. The identified reports include reports to identify potential payment issues (such as reimbursable days of care), eligibility determination errors (income level, purpose for care), data cleansing, and standardization. The OEL Data Quality and Accountability units are working with the Early Learning Information System (ELIS) team to roll out the edit reports, monitor the reports, and create performance measurements to track the correction of errors. The below table shows the current list or prioritized reports. As a result of ongoing meetings with the ELIS and Accountability teams, additional reports will be added to the list and the list re-prioritized.

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Purpose for Care Report	Identifies clients with active SR enrollments, employment as the purpose for care, but no employer is included in interview.	In Production
Other Income of UNEM	Identifies clients with active SR enrollments who have employment listed as the Purpose for Care but unemployment is included as a source of income.	In Production
Childs age => 13 excludes SN Teens	Lists children who are older than 13 and receiving SR services. Excludes special needs teens (SPTN). Includes special needs if incorrectly coded as SPCR.	In Production
Active SR files with SSA/SSI income	Lists clients with active enrollment and SSA/SSI income, identifies family member receiving SSA/SSI, and annual amount.	In Production
Care Level Too Low for Age	Lists children with active SR enrollments where the age based on the child's birth date does not equal the assigned care level.	Pending Accountability Review
TANF and RCG Income Report	Lists all TANF income amounts for validation check. Lists only RCG amounts that do not match the amounts given in the SR Standard Review Program Guide Appendix J. Include billing group, total family income, TANF and/or RCG amount.	In Development
HH Size For BG1, BG3R, and RCG	Lists clients who received SR services under BG1 14R, BG1 13, BG3R RCG, BG3 28A and the clients' family size. Client size should include child only or sibling group.	In Development
FTFT Childcare Days Exceed 20/Month	Lists children whose reimbursed days exceed 20 days a month.	Conceptual Design
BG3 with no TANF Income	Lists clients enrolled under BG3 who do not have TANF income. Puts indicator for Parent1 and Parent2 if employment is received. RCG is excluded.	Pending Accountability Review
Unemployment Income in SR for More Than 30 Days (Allow Variances)	Identifies families where the eligibility period associated with unemployment income exceeds 30 contiguous calendar days.	Conceptual Design
Total Family Income Exceeds 200%	Lists clients with family income above the FPL 200% amount for their family size. BG3, BG3R & BG3W are excluded.	Pending Accountability Review

**Six-Month Status:** Review of edit reports were incorporated in the Program Integrity monitoring and an additional technical assistance review in August 2011. The VPK Dual Enrollment Report was revised in March 2012 and was incorporated in the review process for the 4<sup>th</sup> quarter (April – June). Two additional reports were developed (listed below) and incorporated in the review process for the 4<sup>th</sup> quarter of the fiscal year 2011-12.

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FTFT Childcare	This is an informational report that identifies all payments for the current month for a given child which has at least one payment using the FTFT unit of care.	School Readiness
Over 20 - Payment Days Greater Than Total Work Days	Identifies payments made for a child for the current month that exceeds the total possible workdays for the month.	School Readiness

**FINDING NO. 4:** Implementation of the Early Learning Information System (ELIS) is behind schedule and trending negatively with regard to the planned implementation date and cost, placing the accomplishment of planned project outcomes and benefits at risk.

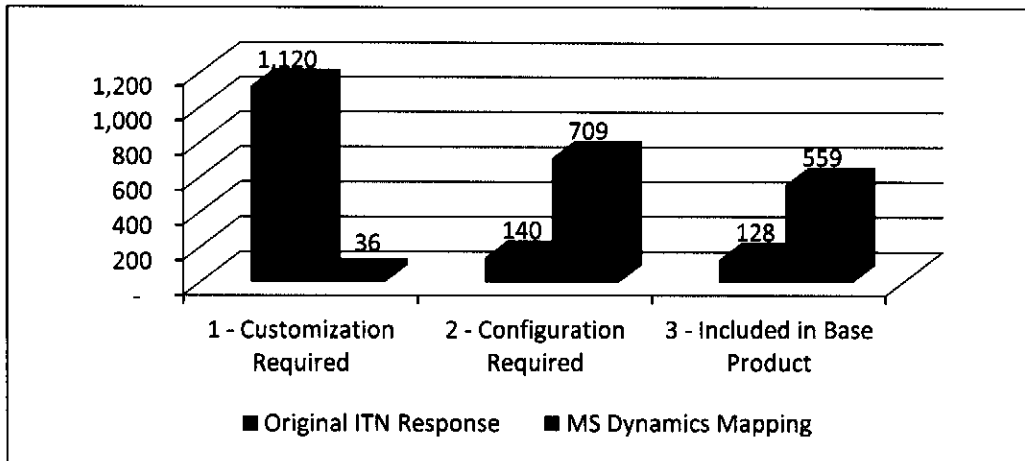
**Auditor Recommendation:** We recommend that OEL, in coordination with its ELIS project partners, take the steps necessary to minimize further project delays and avoid potential cost overruns.

**Florida's Office of Early Learning Response:** The mission of the Early Learning Information System (ELIS) Project is to develop a comprehensive, dynamic, web-based, centralized information system to efficiently support the state's administration of Florida's early learning programs. Currently the state's Early Learning Programs are being administered on a 20 year old distributed data system. This system is responsible for administering \$1 billion in services to more than 300,000 children and families annually. This outdated technology has left OEL with a technology system that must be supplemented by extensive use of cumbersome, manual paper processes. The Early Learning Information System (ELIS) will replace this system leading to multiple efficiencies. During the course of the Design Phase for the ELIS Project, the project experienced delays in performance by the ELIS System Integrator, HP. Issues included late performance, underestimation of work, lower than planned level of reuse for existing proven components, and an assumption the majority of work would be performed as new development. Accordingly, on October 6, 2011, OEL notified the ELIS System Integrator of the need to prepare a Corrective Action Plan as provided for in the contract to address these issues.

On November 14, 2011, OEL approved the ELIS System Integrator's Corrective Action Plan, which is now in a 60-day cure period, to ensure all state concerns have been adequately addressed. The approved Corrective Action Plan provides several benefits toward the successful completion of the project:

- **Solution:** HP has proposed an industry standard application development framework called Microsoft Dynamics CRM that HP has assured will provide the majority of ELIS requirements through configuration of the tool's existing capabilities. The proposed solution addresses open issues related to lower than planned re-use of existing proven components and underestimation of work. Below is a mapping of the proposed solution to ELIS high level requirements showing the improved fit when compared to the original HP ITN response:

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- **Approach:** HP has proposed a modified approach to developing ELIS that provides earlier and more frequent reviews and feedback from OEL, based on a Microsoft standard methodology that HP has used successfully on other MS Dynamics CRM projects. The nature of the new approach will help foster the ELIS project team to operate as a single integrated team, aligned with the objectives of the ELIS project.
- **Schedule:** HP has proposed a revised end date of June 2013, which represents a 9-12 month improvement when compared to implementing ELIS as primarily new development.

In addition to corrective actions in progress by HP, OEL has taken steps to streamline project decision making and governance in alignment with the new OEL organizational structure through a formal contract amendment with HP. The contract amendment, currently in OEL Legal Review, once executed will establish a single overall ELIS Project Sponsor as the primary lead, point-of-contact, and decision architect for the project. Other changes are in progress to project change control processes and the associated decision framework which will be reviewed with the ELIS IV&V for input prior to OEL approval.

Following completion by HP of corrective actions by January 13, 2012, including the transition to implement ELIS using the new solution, the project will be positioned for successful completion in June 2013. We will reinstate Monthly status briefings commencing January 2012 to ensure transparency and keep stakeholders apprised.

**Six-Month Status:** ELIS successfully exited the cure period in mid-January. The project has been holding weekly meetings to discuss the status of the project. The project is currently on target to be completed by the revised June 2013 target date and will not exceed the original budget.

**FINDING NO. 5:** While performance standards had been established for the School Readiness Program, OEL had not developed or implemented Statewide uniform outcome measures for the Program.

**Auditor Recommendation:** We recommend that OEL in collaboration with the coalitions develop and implement uniform, Statewide outcome measures for the School Readiness Program that



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provide stakeholders with the information necessary to measure and assign responsibility for Program successes and failures, and assess the effectiveness of the investments made.

**Florida's Office of Early Learning Response:** As noted in the audit report, OEL has begun and made significant progress in defining processes for gathering statewide child outcome data. The Child Progress Project encompasses three key components of measuring child outcomes: developmental screening, ongoing assessment, and child outcomes.

To address child screening, OEL in collaboration with the early learning coalitions, has implemented a unified developmental screening process using the Ages & Stages Questionnaires®, Third Edition (ASQ-3™). In 2010, early learning coalition trainers participated in statewide train-the-trainer seminars on the screening tool and began training providers across the state. All 31 early learning coalitions now utilize the ASQ-3™ to provide developmental screening to children participating in the School Readiness Program. Furthermore, OEL will initiate rulemaking on developmental screenings for children that participate in the School Readiness program.

To address ongoing assessment of children in the School Readiness program, the Association of Early Learning Coalitions issued a statement of commitment to adopt Teaching Strategies GOLD statewide. This means that all coalitions will begin moving toward the use of one assessment system. The primary purpose of Teaching Strategies GOLD is to document children's learning gains and inform instruction. Results of these assessments will feed into the state's data system, allowing stakeholders to access information about how children in the School Readiness program are progressing. Furthermore, OEL will initiate rulemaking on child assessments for children that participate in the School Readiness Program.

To address child outcomes, in the fall of 2010, OEL began researching the process for assessing a sample of children participating in the School Readiness program using a norm-referenced instrument to determine how children who participate in the School Readiness program perform against their peers. The development of a sound methodology for determining sample size and administration of the sample is under development. In addition, OEL has initiated a qualitative study to identify high quality classrooms across the state to determine the sample for the child outcome study which is being funded by the State Advisory Council. This qualitative study is currently underway and scheduled for completion in early 2012.

An Intent to Negotiate has been drafted to help identify a contractor for the child outcomes study. This study is scheduled to begin in fall 2012. Results from this study will be used to provide credible evidence regarding the extent to which state-funded, high-quality center-based providers of early care and education impact the school readiness of three- and four-year-old children receiving School Readiness funding.

Initiation of Rule promulgation for the Child Performance Standards and Child Screening and Assessment will be packaged to coincide with related rules including Developmentally Appropriate Curriculum beginning in January 2012.

**Six-Month Status:** Draft Rule 6M-4.720, Florida Administrative Code (Screening of Children in the School Readiness Program) was sent to Florida Administrative Weekly on June 20, 2012. Advertisement occurred June 29, 2012 and public hearing will occur on July 20, 2012. Florida's

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Office of Early Learning held a rule workshop on draft Rule 6M-4.730 (Assessment of Children in the School Readiness Program) on February 17, 2012. Revisions continue to be made to the draft rule. The next step is a second workshop.

Based on a thorough review of projects associated with Child Outcomes under the new leadership of the Florida's Office of Early Learning, the following changes have been made to the initial response:

- While the coalitions decided to adopt Teaching Strategies GOLD for ongoing assessments, Florida's Office of Early Learning determined a statewide RFP for assessment instrument will ensure alignment with statutory requirements and transparency in the procurement process. Details of the RFP process are discussed under the six-month response for Finding No. 7.
- The studies to address child outcomes have been discontinued, as the Florida's Office of Early Learning is moving forward to measure outcomes with the existing screening instruments and procurement of a nationally recognized construct valid instrument to measure outcomes through the RFP process.

**FINDING NO. 6:** OEL had not implemented a standard Statewide School Readiness Program curricula review and approval process.

**Auditor Recommendation:** We recommend that OEL establish the rules and guidance necessary to implement a standard Statewide curricula review and approval process.

**Florida's Office of Early Learning Response:** OEL has developed a standardized process for reviewing and approving School Readiness curricula aligned with the Florida Early Learning and Developmental Standards in collaboration with early learning coalitions and other stakeholders. To ensure alignment across all of the system improvement projects of the Partner's Initiative, the OEL initiated this work. In December of 2010, a workgroup of representatives from early learning coalitions, provider organizations, school districts and state community colleges was identified to guide the development of the curriculum review process, building on the processes originally implemented by the early learning coalitions. The OEL capitalized on the work initiated locally to implement an effective and accurate process for statewide use.

The workgroup, under leadership from OEL, developed a process for aligning curricula to Florida's Early Learning Developmental Standards, requirements for curriculum reviewers and a rubric to be used by reviewers. These system supports are under final review within OEL and will be codified in rule.

OEL is also required by statute to reduce duplication of services. To this end OEL is working with the Department of Education to prepare for coinciding promulgation of rules for the approval of School Readiness and VPK Low-Performing Provider curricula. This will reduce burden on the states' early learning system customers including: child care providers, schools, publishers, and stakeholders. OEL will try to align the policies and procedures documents for the School Readiness Curriculum Review Process to the DOE sponsored VPK Curriculum Review Process.

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As stated the response to Finding No. 5, initiation of Rule promulgation for the School Readiness Curriculum Review Process will be in January 2012.

**Six-Month Status:** Draft Rule 6M-4.710 (School Readiness Program Curricula), Florida Administrative Code, and draft forms were sent to Florida Administrative Weekly on June 20, 2012. Advertisement occurred June 29, 2012, and public hearing will occur July 20, 2012.

**FINDING NO. 7:** Contrary to statutory requirement, OEL had not implemented a Statewide Quality Rating and Improvement System that provided a uniform approach to assessing, improving, and communicating the level of quality delivered by child care providers in the State's School Readiness Program.

**Auditor Recommendation:** We recommend that OEL, in compliance with governing law and in collaboration with the coalitions and child care providers, work to implement a Statewide School Readiness Program QRIS.

**Florida's Office of Early Learning Response:** OEL developed a pilot statewide, uniform Quality Rating Improvement System (QRIS) by direction of former Lt. Governor Jennings in 2006. During an Early Learning Advisory Council (ELAC) meeting in October 2006, OEL presented the pilot system and the Early Learning Advisory Council approved the model. During the 2008 and 2009 legislative sessions, bills were proposed which gave OEL the authority and the funding (\$25 million fiscal impact included in the bill language) to implement the system statewide. No resulting bill was passed during either legislative session. However, following the October 2006 presentation to ELAC, a group of local QRIS leaders in early learning coalitions created what they called the QRIS Multicounty Collaborative by pooling local resources, knowledge, and expertise. The purpose of this group was to take the OEL's pilot system as presented on paper and begin to partner and move toward a uniform system. OEL dedicated staff to the QRIS Multicounty Collaborative and supported their efforts in beginning to mold local systems to match the state pilot system and generate buy-in locally.

The QRIS Multicounty Collaborative continues to work toward uniform measures of quality and the state's partnership with the group exists today. This relationship prepared OEL to begin strategically planning a statewide system when authority was granted during the 2010 legislative session. It is important to note, that funding was not attached to the authority.

In 2009, one year before OEL was granted authority – four major initiatives were set into motion, which comprise a QRIS system. Nationally, there are common components across different state QRIS including: Comprehensive Professional Development, Child Outcome Measurement, Program Quality Measurement, Family Engagement Activities, Unified Data Systems, and Program Administration.

Fully utilizing 2009 American Recovery and Reinvestment Act funds, OEL planned and continues to implement the following statewide, early learning system infrastructure projects:

1. Professional Development System:

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*Florida Steps to Success* – a comprehensive professional development system for all of the state's early childhood professionals to realize further training and higher education. The state, along with stakeholders, had planned for this system for seven years and began implementation once funding was available. To date OEL has in place a career pathway for early childhood professionals, which is a key component of the QRIS.

2. Child Outcome Measures:

Uniform Child Screening – completed in 2010 –OEL implemented statewide use of the Ages and Stages Questionnaire (ASQ and ASQ-SE) screening instrument to be used with all children enrolled in the School Readiness Program.

Consistent Child Assessment – concurrent to this report, the state's 31 early learning coalitions are in the process of statewide adoption of a consistent child assessment measure. Teaching Strategies GOLD Assessment System, self-selected by the coalitions, is closely aligned to the Early Learning and Developmental Standards. Data from these assessments will be used to inform classroom instruction and provide valuable data on the child development gains of children in the School Readiness Program.

3. Measuring Program Quality:

Program Assessment – OEL is in contract negotiations to provide training and materials on two program quality assessments to all early learning coalitions. Beginning in 2012, training and materials for the Classroom Assessment and Scoring System (CLASS) and the Environment Rating Scales (ERS) will be implemented consistently statewide. The goal is to build a cadre of reliable assessors who will be positioned to conduct program quality assessments necessary for implementing a statewide QRIS in Florida given such program quality scores are commonly a cornerstone of most national QRIS.

4. Early Learning Information System (ELIS):

Design, Development, and Implementation- The ELIS system will allow OEL to implement a centralized technology system that will provide critical information to parents, early learning partners, and early childhood professionals. The ELIS system will be used to administer a \$1 billion early learning budget while creating an annual reoccurring cost savings of \$28 million a year. Please see finding No. 4 for more information related to the ELIS project.

OEL, through these initiatives, is creating the foundation for the standards needed to successfully adopt a statewide QRIS model. OEL intends to ensure that any QRIS system adopted is tied directly to child outcomes instead of based solely on inputs. The methods to collect and analyze data from all instruments currently being deployed (screening, child assessment, program assessment) will ensure that the system designed by Florida is aligned to the state's Early Learning and Developmental Standards. Florida's Early Learning and Developmental Standards are nationally reviewed standards for what children should know and be able to do at all ages. This approach ensures that the system is focused primarily on positive outcomes for children.

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**Six-Month Status:** Fully utilizing 2009 American Recovery and Reinvestment Act funds, OEL planned and continues to implement the following statewide, early learning system infrastructure projects, updates are provided below:

1. Professional Development System:

In the spring of 2012, Florida's Office of Early Learning implemented a *Steps to Success* pilot project of the comprehensive professional development system. As the pilot project was being implemented, OEL contracted with an outside entity to conduct a statewide assessment tour to gather feedback from stakeholders to include early learning coalition staff, trainers, provider associations, providers, and practitioners on the proposed system. The feedback directed OEL to edit and rebrand to the current professional development initiative. Also, growing multi-disciplinary research called increasing attention to evidence that quality early childhood programs are critical to children's success in school and in life and demonstrated that quality programming was most strongly linked to teacher practices and qualifications. In order to be successful in impacting child outcomes, teachers need specialized training and knowledge of how children grow and develop and effective communication and relationships skills for working with children and families.

*Florida's Office of Early Learning Professional Development Initiative*— a comprehensive professional development system for all of the state's early childhood professionals to realize further training and skill development for implementation in early learning environments. Currently OEL has adopted trainer qualifications and identified 31 (1 per early learning coalition) Lead Trainers. These trainers are responsible for identifying and training additional trainers in their coalition area. All Lead Trainers have successfully completed the Outcomes Driven Training Facilitators Program which is the approved training design for the initiative. We will be conducting a Lead Trainer Training on Wednesday, July 18, 2012. This training will provide Lead Trainers with their roles and responsibilities, reporting processes, training manuals and materials for implementation of five training modules all aligned to the approved Florida Core Competencies for Early Care and Education Practitioners. We are also in the process of developing an OEL recognized master's credential program.

2. Child Outcome Measures:

Uniform Child Screening

- Florida's Office of Early Learning (OEL) staff is currently collecting screening data from the early learning coalitions use of ASQ and ASQ-SE for the 2011-2012 Fiscal Year.
- On February 17, 2012, OEL held a rule workshop for the draft rule, 6M-4.720 Screening of Children in the School Readiness Program. Edits were made to the draft rule based on feedback received in the workshop. A public rule hearing will be held on July 20.

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Consistent Child Assessment.

- A Request for Proposal for an Early Childhood Assessment Instrument was developed and subsequently advertised by Florida's Office of Early Learning on June 6, 2012.
- The anticipated award date was June 29, 2012.
- A notice of withdrawal of the Early Childhood Assessment Instrument RFP was issued by Florida's Office of Early Learning on July 5, 2012.
- Florida's Office of Early Learning anticipates the reissuing of the Early Childhood Assessment Instrument RFP and a companion RFP for analytics and reporting for the child assessment data generated by the instrument immediately upon resolution of the VPK questions generated by the original RFP.
- A rule for child assessment is currently under development. A list of guiding questions was issued and discussed at a rule workshop on February 17, 2012.
- A second rule workshop is planned for review and public input on the draft rule, once completed.

3. Measuring Program Quality:

Program Assessment – FOEL has contracted with Teachstone, LLC to provide training and materials on the Classroom Assessment and Scoring System (CLASS) program assessment to all early learning coalitions. The initial training for early implementing coalitions began on July 9, 2012 and will be implemented consistently statewide. The goal is to build a cadre of reliable assessors who will be positioned to conduct program assessments necessary for implementing a statewide continuous improvement system in Florida.

4. Early Learning Information System (ELIS):

The project is currently on target to be completed by the revised June 2013 target date

**FINDING NO. 8:** The types of expenditures classified as School Readiness Program quality dollar expenditures varied and did not always appear to relate to activities that improved the quality of child care.

**Auditor Recommendation:** When establishing criteria for the expenditure of funds to improve the quality of School Readiness Program services, we recommend that OEL clearly define the types of expenditures that should be classified as quality dollar expenditures.

**Florida's Office of Early Learning Response:** Federal Cost Principles state that costs should be allocable to a cost activity if the goods or services involved are chargeable or assignable to that activity in accordance with the benefit received. OEL confirmed with the Administration for Children and Families on October 21, 2011 that these cost principles were applicable to quality expenditures associated with this program. Included in this confirmation were various examples of support costs that would be appropriately charged to quality activities, which did include but was not limited to office space, computers, and phones. Cost Allocation and Disbursement Testing continue to be a major focus area in OEL's annual fiscal monitoring tasks which will include quality

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expenditures. As recommended OEL will develop more specific criteria for expenditures of funds for quality activities and provide additional guidance on cost allocation to ensure consistency in quality reporting expenditures. Additionally, OEL will proceed with rule promulgation as identified in the statute.

**Six-Month Status:** OEL held a workshop with early learning coalition finance directors to review detailed expanded definitions of all Administrative, Nondirect and Quality OCA's. A revised guidance document for cost allocation is under review and additional Quality OCA's are being added.

**FINDING NO. 9:** The complex and changing nature of OEL's monitoring process may have contributed to deficiencies in the timely performance and reporting of monitoring efforts.

**Auditor Recommendation:** OEL should improve the timeliness and execution of the monitoring processes. In addition, coalitions should ensure that CAPs are timely prepared and submitted to OEL.

**Florida's Office of Early Learning Response:** The coalition review process has gone through several modifications as OEL refined its approach, combined two separate processes into one process, cross trained staff to be able to complete programmatic and eligibility monitoring, and to reduce duplication. As of the 2011-2012 fiscal year the monitoring tools were updated and final before the beginning of the review year and will be updated with statute or Rule changes. The coalitions were provided with a detailed list of areas that were to be reviewed, including a monitoring schedule in order for the coalitions to prepare themselves for the monitoring. Timelines are being reviewed to ensure they are appropriate for the workload, staffing, and integrity of the reviews. Timelines will be reinforced with Program Integrity staff to ensure timelines are met. Additionally, coalitions will be provided with a memo to explain the monitoring process and expectations, timelines for document and corrective action submission, and what constitutes acceptable requests for extensions.

Additionally, quarterly trainings have occurred to provide technical assistance and training to coalition staff on specific areas so that they can be prepared and compliant when their coalition comes up for review. Trainings that have already occurred with coalitions within the previous year include "Child Care Resource and Referral Requirements and the Provider Update process," "Data Security Training," Outcome Measures and SR Plan Amendments," "SSI/SSA in relation to determining SR eligibility," "SR Review Guide," "VPK Child Eligibility," "VPK Provider Eligibility," "Fraud Prevention," and "Home Instruction for Parents of Preschool Youngsters" eligibility.

Upcoming trainings include Benefit Recovery and Suspected Fraud Prevention Process, Data Accuracy Edit and Exception reports and data cleansing processes, SR/VPK Guide Review, and Data Security Training (part II).

OEL has finalized all the scorecards and created a Review Guide that includes assessment activities to accompany the Data Accuracy Scorecard. This will be provided to the coalitions as part of the training for Edit and Exception/Data Accuracy Reports in the next quarter. During the course of

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the prior years, the scorecards were modified and the version that was available at the start of each review was used during that review, even though modifications were made to the template during the review.

**Six-Month Status:** Monitoring tools were finalized prior to the start of the 2011-2012 review cycle. A memo was sent to the early learning coalitions on February 20, 2012 explaining processes, expectations, timelines for documentation and corrective action submission, and requirements for requests for extensions. Additionally, in order to meet our objective of being efficient and effective with our monitoring resources as well as to ensure we are providing excellent quality assurance to meet or exceed our Office's early learning requirements, the following steps were implemented:

- The post-site visit review timeline was re-evaluated; redundant quality assurance processes were eliminated. A 6 step quality assurance management review process was reduced to 4 steps, thus reducing closeout time by an estimated 14 days.
- Document submission extension requests made by coalitions (for key steps in the report drafting process) were not granted.
- An enhanced, proactive rapport was initiated with the coalitions (by review analysts, review leads, review writers, and the review supervisor) during the post-site phase that facilitated the early resolution of findings and submission of corrective action plans. The Accountability team began to aggressively take advantage of every opportunity (during the on-site, at the exit conference, post-site emails/phone calls, etc.) to communicate with the coalitions and provide the technical assistance needed to expedite the implementation and submission of required corrective actions. This was done without coercion. The intent was to empower the coalitions with a sense of co-ownership regarding the timely, but proper implementation of corrective actions which would ultimately lead to the coalition enhancing its performance.

The ten reports closed-out for the 2011-2012 monitoring cycle, have closed an average of 27 days ahead of schedule. Excluding the Big Bend and Brevard reports, close-outs are averaging 36.5 days ahead of schedule. The three reviews that are currently in the post-site courtesy review/CAP development all show the same trend of early close-outs (no less than 30 days ahead of schedule). There is no reason to believe the remaining three coalitions that are in the post-site review phase will not follow the same trend.

The following trainings for coalitions have been conducted or scheduled:

- Benefit Recovery and Suspected Fraud Prevention: January 30, 2012.
- Data Accuracy Edit and Exception Reports and data cleansing: May, 17, 2012.
- SR Guide Review: May 29, 2012.
- Data Security Training (part II): April 10, 2012.
- VPK Guide Review: June 21, 2012.



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The Accountability Review monitoring schedule and process for fiscal year 12-13 was finalized and placed on the FOEL Program Integrity Webpage on 5/29/2012.

**FINDING NO. 10:** Coalition School Readiness plans did not always include all the required elements and OEL's plan review and approval processes were not always efficient and effective. In addition, coalitions were not always operating in accordance with OEL-approved plans.

**Auditor Recommendation:** We recommend that OEL establish and implement rules and procedures for reviewing and approving coalition School Readiness plans to better ensure that coalition plans conform to statutorily required criteria and that reviews are conducted in accordance with the requirements of State law. Further, OEL should strengthen its monitoring activities to better ensure that coalitions are operating in accordance with OEL-approved plans.

**Florida's Office of Early Learning Response:** The coalition SR Plans section has been moved to be housed in the Program Integrity Unit to leverage additional staff as necessary to assist with thoroughly reviewing plan amendments. A new review tool for assessing the amendments has been created and OEL's new review process for SR Plans was created for consistency and efficiency of responses to elements. When plan amendments come in they are sent to the plans coordinator for review. If there is an influx of amendments the accountability supervisor will assign some of the workload to an accountability analyst to review and assist. Once the review is complete the supervisor reviews and then it is sent to the manager for approval. The Manager then will ensure timely responses. Tracking sheets and checklists are being developed to support this process. The SR Plan Coordinator confirms submission of SR Plan Amendments within 3 days of submission and will ensure that the coalition is aware of documentation to support the amendment that has not been received and will give the coalition a five day turn around to receive this information, if necessary. It will be reinforced to the coalitions that they are to use the appropriate element templates and current plan submission processes for all SR Plan amendments. Amendments will be responded to within 30 days of receiving all the required information from the coalition. The coalitions' SR Plans continue to be reviewed biennially as part of the Educational Service Delivery component of the Accountability reviews and the coalitions are required to submit corrective action plans as required. The coalitions have also been informed by OEL that they must submit a plan amendment for any changes that has been approved by their board within 60 calendar days of the board meeting in which the change to the plan was approved. Sixty days was chosen to be in alignment with the federal expectations for states to report changes to its Child Care and Development Fund Plan. This includes payment rates, board membership, outcomes, activities, curriculum, assessment processes, etc. OEL will cite coalitions for noncompliance on any board approved change not submitted to OEL for approval within 60 days or if the coalition implements the change without prior OEL approval or conditional approval.

Initiation of Rule promulgation for the School Readiness Plan will begin in January 2012.

**Six-Month Status:** A memo was sent to the early learning coalitions February 20, 2012 emphasizing to the coalitions that they are to use the appropriate element templates and current plan submission processes for all School Readiness Plan amendments.

A tracking process was implemented in January 2012 to track all amendments and approvals.

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Florida's Office of Early Learning held a rule workshop on draft Rule 6M-9.115 (School Readiness Plan Requirements), Florida Administrative Code, and draft forms February 24, 2012. Revisions have been made to the draft rule and forms and the OFARR documents are being prepared.

**FINDING NO. 11:** OEL procedures were not sufficient to promote the timely submission of coalition School Readiness Program annual reports.

**Auditor Recommendation:** We recommend that OEL strengthen its procedures to better promote the timely submission of coalition School Readiness Program annual reports.

**Florida's Office of Early Learning Response:** The submission date for each Coalitions Annual report is outlined in its Grant Agreement with OEL. However, Coalitions are sent a reminder a month before the annual reports are due to OEL. A log is kept and when an annual report is received by the plan analyst, the date of receipt is entered into the log. After the due date has passed another email is sent to those coalitions that have not submitted their annual report and they are given a deadline. We received 28 annual reports this year (2011) prior to the due date, one report was one day late, one was four days late and the remaining report was received within the time frame requested by the coalition and approved by Florida's Office of Early Learning. The coalitions will be reminded throughout the year of reports that are required to be submitted to OEL and the due dates therefore ensuring compliance.

**Six-Month Status:** A memo was sent February 20, 2012 reminding early learning coalitions of the annual report requirements. Additionally, Florida's Office of Early Learning set up a tracking system to ensure timely submission.

**FINDING NO. 12:** OEL could not demonstrate that the formula submitted for use in allocating School Readiness Program funds among the coalitions was based upon the statutory requirement of equity for each county.

**Auditor Recommendation:** We recommend that the State utilize and document a School Readiness Program funding formula that fully conforms to the requirements of State law.

**Florida's Office of Early Learning Response:** In accordance with the statutory requirements, OEL has established a School Readiness Allocation Formula based on equity among Florida's counties. OEL has updated this formula with the most recent demographic data for children and families by county. A review of the historical funding for Florida's School Readiness Program reveals decreases over the past ten years while the need, costs and demand for quality early learning and child care services continue to be significant. In Fiscal year 2010, the American Reinvestment and Recovery Act provided a temporary increase in School Readiness funds; however, a huge unmet need still exists. As an illustration of the existing unmet need, OEL currently estimates that \$907 million in additional funding would be required to provide School Readiness services to Florida's eligible children living at or below the poverty level. Therefore, immediate and total reallocation of existing School Readiness funding would remove critical resources from many coalitions which are already grappling with a significant unmet need and would require some coalitions to remove children who are enrolled and receiving services. Because of this, OEL is recommending that the

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allocation formula be phased-in over the next three years to minimize impact on the coalitions and mitigate the potential of having to remove children from services.

**Six-Month Status:** Florida's Office of Early Learning implemented an allocation formula, a six-year phase in was agreed to and the allocations were awarded to the early learning coalitions for 2012-13.

**FINDING NO. 13:** Some coalitions did not always properly conduct or document School Readiness Program eligibility and parent copayment determinations.

**Auditor Recommendation:** We recommend that coalitions obtain and maintain appropriate documentation to demonstrate the proper conduct of eligibility determinations. To ensure the proper conduct of eligibility determinations and parent copayment calculations, we also recommend that applicable documentation, including the required Worksheets, be subject to sufficient review.

**Florida's Office of Early Learning Response:** Immunization: This finding cites three coalitions for not collecting immunization records for school-age children. Immunization records are a requirement for school-entry; this would be a duplication of effort. OEL will work with DOE on obtaining assurances that can be used by each coalition and will pursue a legislative change. Income Calculation: Similar findings occurred in Palm Beach and Big Bend where the ELC's determined that the six weeks of pay provided was not reflective of future earnings, therefore they calculated income using less than six weeks of pay and shortened the redetermination period to two months. OEL concurs that in some circumstances this action more accurately provides the future earnings on which to base a parent fee and will move to clarify Rule language.

**Early Learning Coalition of the Big Bend County Response:** The ELC has made adjustments as necessary. Two of the files were similar to the situation described for Palm Beach and commented on by OEL. The ELC determined that the six weeks cumulative pay was not reflective of future earnings and used less than six weeks for the income calculation and shortened the redetermination period to ensure an accurate reflection of future earnings. The ELC Big Bend is actively engaged in documenting specific procedures for eligibility determination. Once procedures are drafted, a comprehensive training program will be initiated to allow for accountability in this area. Procedures and training are anticipated to be complete by spring of 2012.

**Early Learning Coalition of Escambia County Response:** See OEL Response above related to immunizations. Income Calculation: Three of the clients referenced in Table 9 of the report were school age clients, the ELC requires that school-age children pay full-time rate during the summer, however during the school year parents pay their standard part-time fee for school holidays. Due to limitations in the existing data system, the coalition implemented a policy to institute co-payment changes July 1 to full-time and September 1 back to part-time for school-age children. This policy was implemented to minimize administrative costs. The coalition will continue to provide training for staff members on appropriate documentation.

**Early Learning Coalition of Palm Beach County Response:** Citizenship Documentation: The client referenced in the finding related to legal immigration status is eligible for care and appropriate documentation has been obtained, therefore no questioned costs exists. Income Calculation: One

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of the clients identified in Table 9 of the report had recently had a decrease in the hourly rate of pay, therefore the coalition based the calculation of income (future earnings) on this new rate of pay and shortened the redetermination period, versus using the cumulative pay (six weeks) which reflected a higher rate of pay. Adjustment was made during the audit for the remaining error and the ELC will provide additional training to staff to ensure income calculations and parent copayments are calculated accurately.

**Early Learning Coalition of Polk County Response:** See OEL Response above related to Immunization.

**Early Learning Coalition of Southwest Florida Response:** The ELC concurs with the finding and has made the appropriate adjustments. The coalition conducts regular trainings each year that includes areas of noncompliance identified in internal/external audits.

**Six-Month Status:** OEL provided training to coalition via web-ex wherein OEL reemphasized the income calculation requirements in rule. OEL issued a guidance memo to the coalitions on June 1, 2012 to provide guidance to the coalitions on ensuring program providers obtain, within 30 days of enrollment, information regarding immunizations. This guidance included monitoring requirements that ensured duplication would not occur when providers were under the regulation of Department of Children and Families The Immunization Guidance document also states that for school district providers, the coalition shall obtain a Memo of Understanding from the local school district that requires the school district to provide regular monitoring reports that includes a validation that the school district is collecting immunization forms within 30 days of enrollment or allows the coalition to monitor the school district provider according to the coalition's monitoring plan, which will allow the coalition to validate that school district providers are collecting immunization forms within 30 days of enrollment. Therefore the coalition will need to know what the requirements are from the school district. If the requirements from the school district state that the school district providers are licensed by DCF, then this requirement would be satisfied by DCF monitoring and the coalition would not need to do anything else because that would be a duplication of effort.

**Early Learning Coalition of the Big Bend Six-Month Status:** On May 4, 2012, sixteen staff persons received training on the new eligibility determination procedures (effective May 7, 2012) and three new standard practices.

The eligibility determination procedures include the following:

- US Citizenship
- SR/VPK Age
- Proof of ID
- Proof of Relationship
- Proof of residency
- Family Unit and Income Sources
- Purposes for Care

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The coalition created a Self Attestation of Family Unit and Income Source. These forms are comprehensive and list all the likely sources of family income, in order for copayment calculations to be accurate.

The coalition will conduct additional training for staff on July 13, 2012.

**Early Learning Coalition of Escambia County Six-Month Status:** None.

**Early Learning Coalition of Palm Beach County Six-Month Status:** The Coalition continues to monitor our Central agency to ensure that eligibility files are properly documented. In addition, additional training for eligibility staff has been provided in response to the issues noted in the Auditor General's Report.

**Early Learning Coalition of Polk County Six-Month Status:** The Coalition is provided with copies of the entrance requirements from Polk County Schools.

**Early Learning Coalition of Southwest Florida Six-Month Status:** The coalition has conducted staff training to ensure future errors are prevented. The training contained a review of referrals, income calculation, household size, recertification period, purpose for care, care type, and fee waivers.

**FINDING NO. 14:** Contrary to OEL rules, coalition waiting lists were not always prioritized according to participant eligibility category.

**Auditor Recommendation:** We recommend that coalitions prioritize the children on School Readiness Program waiting lists according to eligibility category in accordance with OEL Rules.

**Early Learning Coalition of Miami-Dade/Monroe Response:** As reflected on this report, the coalition's board of directors approved a policy in June 2011 that gives first priority to children birth to five (5) years of age. Based on the above explanation and the June 2011 policy change, we believe that no additional corrective action is required on this finding.

**Six-Month Status:**

**Early Learning Coalition of Miami-Dade/Monroe Six-Month Status:** Final adjustments to process made in June 2012. By July 1, 2012, children on the waiting list will be prioritized in accordance with the guidance received from OEL. ELCMDM quality assurance staff are tasked with periodically monitoring this requirement to ensure full compliance. A monitoring visit was just completed and the results are being tabulated.

**FINDING NO. 15:** Some coalitions did not always reimburse School Readiness Program providers in accordance with OEL-approved payment schedules.

**Auditor Recommendation:** Coalitions should strictly adhere to OEL-approved School Readiness payment schedules when reimbursing providers. Additionally, coalitions should take care to ensure that payment schedules submitted for OEL approval contain all applicable rates.

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**Early Learning Coalition of the Big Bend Response:** The ELC agrees with this finding. Adjustments have been made. By the end of the current fiscal year, the ELC of Big Bend will have established a change management process that will ensure that all Coalition Board approved transactions are communicated to appropriate departments and will involve internal monitoring to validate that changes were implemented according to Coalition Board directives.

**Early Learning Coalition of Polk County Response:** As reflected in this report, the coalition and OEL agree that this was an administrative oversight issue and no questioned costs occurred as a result. This item was corrected, updated and approved by OEL on September 29, 2011.

**Six-Month Status:** Technical Assistance Paper on SR/VPK Attendance and Payment Validation released to the coalitions on 5/29/2012 and placed on FOEL's Program Integrity Webpage.

**Early Learning Coalition of the Big Bend Six-Month Status:** The coalition has corrected payment rates for providers in EFS to agree with most recent payment structure approved by OEL. In addition, Coalition is in process of documenting procedures for implementing future provider payment rate changes.

**Early Learning Coalition of Polk County Six-Month Status:** Previously corrected.

**FINDING NO. 16:** Some coalitions did not always ensure that VPK Program eligibility and enrollment files were maintained in accordance with applicable provisions of State law and OEL rules or that data contained in EFS accurately reflected the information documented in the child eligibility files.

**Auditor Recommendation:** To ensure that payment documentation requirements are satisfied and that all payments are made in accordance with applicable laws and other guidelines, we recommend that staff involved in the delivery of School Readiness Program services adhere to payment documentation requirements.

**Florida's Office of Early Learning Response:** The Accountability monitoring reviews include review of eligibility determination procedures and payment validation which include proper income determinations and assessment of co-payments and will continue to do so.

**Early Learning Coalition of the Big Bend Response:** The ELC has corrected three of the deficiencies noted in this finding and is working on collecting documentation for the remaining three. The ELC has implemented a comprehensive internal payment monitoring process that included 100% monitoring of September and October payments with a more selective monitoring in the following months. In addition, the ELC has partnered with several of its providers to draft a toolkit for ELC providers that give detail procedures on completing sign in/out sheets and attendance rosters. This toolkit is expected to be distributed to all providers during February 2012.

**Early Learning Coalition of Marion County Response:** The ELC agrees with this finding and has corrected this error. The coalition monitoring process includes identification of this type of

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error as well. The coalition will review current processes and determine if additional procedures should be put in place.

**Early Learning Coalition of Orange County Response:** The ELC of Orange County concurs with this finding. The provider in question was underpaid a total of \$158.00 over the period of January through May 2011 as a result of a \$1.00 per hour EFS data entry error. Our documentation indicates that a supervisor who serves as the second reviewer for EFS payment rate updates failed to catch the data entry error. The underpayment has been corrected and the provider has been fully reimbursed. We will, however, continue to closely monitor data entry updates to ensure proper payment rates are in place.

**Early Learning Coalition of Palm Beach County Response:** The ELC concurs and has made the appropriate corrections. Additional training was given to these providers to ensure sign-in/out sheets accurately reflect child's attendance.

**Early Learning Coalition of Pinellas County Response:** The ELC concurs with this finding and payment adjustments were made subsequent to audit inquiry. Prior to July 1, 2011, sign-in/out sheets supporting the attendance certification were not required to be submitted each month by the more than 700 child care providers in Pinellas. In June 2011, sign-in/out sheets were required to be submitted for all family child care homes, informal child care providers and a sample of centers. Additionally the ELC now requires all "high risk" providers to submit their sign-in/out sheets with the attendance rosters to the coalition by the 3<sup>rd</sup> of month for the previous month and these are then audited for accuracy to catch any errors, misrepresentation and fraud prior to payments being made.

**Early Learning Coalition of Polk County Response:** The ELC concurs with this finding. The two clients referenced in Table 10 were cited for inadequate documentation of sign-in/out records, this was based on records submitted by the Polk County School District based on a verbal agreement, the clients were in attendance and the ELC will ensure that the procedures agreed upon as required by Rule will be approved by the Coalition in writing.

**Early Learning Coalition of Southwest Florida Response:** The ELC concurs with this finding and has corrected the files as applicable. The coalition has also initiated a new policy requesting original sign-in/out sheets to be sent with the monthly request for payment.

**Six-Month Status:** Technical Assistance Paper on SR/VPK Attendance and Payment Validation released to the coalitions on 5/29/2012 and placed on FOEL's Program Integrity Webpage.

**Early Learning Coalition of the Big Bend Six-Month Status:** The coalition has implemented a case management approach to reimbursing providers. This format will allow increased accountability management and will provide opportunities for technical assistance to providers. Additionally, the coalition partnered with providers to develop the Provider Toolkit, a set of policies and procedures for provider reimbursement. The coalition makes effective use of Market Day to submit and receive documents and to provide technical assistance.

**Early Learning Coalition of Marion County Six-Month Status:** After review and discussion, modification of procedures has been implemented as recommended.

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**Early Learning Coalition of Orange County Six-Month Status:** No errors in payment have been found during subsequent monitoring.

**Early Learning Coalition of Palm Beach County Six-Month Status:** Management continues to emphasize the importance of training. Provider training is ongoing to ensure proper documentation of sign in/sign out sheets.

**Early Learning Coalition of Pinellas County Six-Month Status:** The coalition has maintained and continues to use this process of monitoring providers on a risk basis with high risk providers submitting their sign in/out sheets along with their attendance rosters by the 2<sup>nd</sup> of each month. Providers requested to submit sign in sheets will do so for a minimum of 3 months. An additional sample of providers is also monitored randomly. Providers are reminded of pertinent information and alerted to changes using the following: yearly contract renewal meetings, quarterly provider support meetings, via eNews newsletters, email blasts, phonevite phone messages and occasionally pay stub "bucksip" messages. Technical assistance is also provided as part of the attendance monitoring process.

**Early Learning Coalition of Polk County Six-Month Status:** For the school district, classroom attendance is documented on a classroom calendar which mimics the form used by DOE and monitoring of the attendance sheets by Post Attendance Monitors is part of the Coalition's regular practice.

**Early Learning Coalition of Southwest Florida Six-Month Status:** The coalition has conducted individualize staff training with reimbursement specialist on correct payment validation procedures for reviewing sign-in/out sheets. Additionally, the coalition has distributed a Frequently Asked Questions for Sign-in/out sheets document informing providers of attendance procedure.

**FINDING NO. 17:** Some coalitions did not always ensure that VPK Program eligibility and enrollment files were maintained in accordance with applicable provisions of State law and OEL rules or that data contained in EFS accurately reflected the information documented in the child eligibility files.

**Auditor Recommendation:** We recommend that the coalitions ensure that all VPK Program eligibility and enrollment information is maintained in accordance with applicable provisions of State law and OEL rules and that data contained in EFS accurately reflect the information documented in the child eligibility files.

**Early Learning Coalition of Escambia County Response:** The ELC concurs with this one instance of data entry error and will review procedures to determine if additional steps should be included to prevent this in the future.

**Early Learning Coalition of Orange County Response:** The ELC of Orange County concurs with this finding. The electronic file in question did show a data entry error wherein the correct address of 13221 was incorrectly entered as 12331. The electronic record has been corrected. We will, however, continue to closely monitor data entry of addresses to ensure future accuracy.



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**Early Learning Coalition of Southwest Florida Response:** The ELC concurs with this finding. The coalition conducts regular trainings each year that includes areas of noncompliance identified in internal/external audits.

**Six-Month Status:**

**Early Learning Coalition of Escambia County Six-Month Status:** Upon further review the coalition determined that this instance was not in error.

**Early Learning Coalition of Orange County Six-Month Status:** No data entry errors have been found during subsequent monitoring.

**Early Learning Coalition of Southwest Florida Six-Month Status:** The coalition developed an Audit Checklist used for file monitoring.

**FINDING NO. 18:** Some coalitions did not always document that parents were informed of their rights and responsibilities or that VPK Program provider profiles were made available as required by State law.

**Auditor Recommendation:** To ensure that parents are provided all the information necessary to make an informed decision regarding their child's enrollment and participation in the VPK Program, and to promote compliance with the requirements of State law, we recommend that coalitions obtain and maintain documentation demonstrating that all parents are provided access to VPK provider profiles. Additionally, we recommend that coalitions ensure that parents are informed of their rights and responsibilities under the VPK Program and that the coalitions document the parents' receipt of the information. To minimize administrative costs, coalitions should consider OEL suggestions for the alternative delivery of VPK Program information contained in the VPK Parent Handbook.

**Early Learning Coalition of Escambia County Response:** The ELC agrees with this finding. The Coalition will update their Rights and Responsibilities to reflect the parent's right to access to the VPK Provider's Kindergarten Readiness Rate information.

**Early Learning Coalition of Miami-Dade/Monroe Response:** The Coalition has had processes in place to ensure parents are provided access to the VPK provider profile of every approved VPK provider in the county. This information is readily available on the coalition's website. However, as indicated in the Auditor General's report, supporting documentation to verify parent's receipt of this information was unavailable at the time of the audit. The Coalition has taken corrective action to update the parent's rights and responsibilities form to add information that informs parents on how to access provider profiles on the website. Additionally, while the coalition has always provided parents with the information contained in the Handbook, the parent's rights and responsibilities form has been modified to reflect parents' signed acknowledgement of receipt of the Handbook. Copies of the signed acknowledgement form will be maintained in the case file.

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**Early Learning Coalition of Escambia County Six-Month Status:** VPK parent rights and responsibilities statement has been modified to include a parent's right to access the VPK provider's Kindergarten Readiness Rate information

**Early Learning Coalition of Miami-Dade/Monroe Six-Month Status:** Early learning coalition quality assurance staff are tasked with periodically monitoring this requirement to ensure full compliance. A monitoring visit was just completed and the results are being tabulated.

**FINDING NO. 19:** Some coalitions did not always maintain documentation demonstrating that, prior to delivering VPK Program instruction or receiving payment, VPK Program providers submitted complete and signed Statewide Provider Registration Applications.

**Auditor Recommendation:** We recommend that coalitions ensure that, prior to delivering VPK instruction or receiving payment, all VPK providers have submitted complete and signed Statewide Provider Registration Applications with applicable supporting documents. Such Applications should be maintained in coalition files.

**Early Learning Coalition of Escambia County Response:** The coalition provided signed Statewide Provider Registration Applications subsequent to audit inquiry.

**Early Learning Coalition of Escambia County Six-Month Status:** Beginning with the 2011 VPK school year, in cases of programs with multiple locations, copies of all file documents are maintained in each file along with a statement of the location of the original application.

**FINDING NO. 20:** Some coalitions did not always maintain documentation to demonstrate that background screenings had been properly performed and reviewed for all VPK instructors.

**Auditor Recommendation:** We recommend that coalitions maintain documentation to demonstrate that background screenings have been properly performed and reviewed for all VPK instructors.

**Early Learning Coalition of the Big Bend Response:** The ELC has corrected two of the five instances noted and has also documented subsequent to audit inquiry that two of the providers were not in the classroom after the screening had expired. ELC has implemented control procedures through the Laser Fiche "paperless" system that include monitoring expiration dates on several provider documents on a monthly basis. This allows the ELC to send notifications/reminders to the providers and ensures that all requirements are met throughout the contract period. In addition, Coalition Board passed a Non Compliance Policy to give ELC management some flexibility in holding providers accountable.

**Early Learning Coalition of Escambia County Response:** The coalition agrees and will ensure that documentation to demonstrate the complete Level 2 background screenings will be maintained.

**Early Learning Coalition of Orange County Response:** The ELC of Orange County concurs with this finding. We have retrained our staff and implemented a new procedure that requires all

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screenings that include additional information will be flagged for secondary review. We have also strengthened our secondary review to include a physical signoff of each piece of documentation associated with VPK location, director and teacher qualifications.

**Early Learning Coalition of Polk County Response:** The ELC concurs with this finding and as stated in the report the missing documentation has been obtained. The coalition has implemented practices to reduce the likelihood of reoccurrence.

**Six-Month Status:**

**Early Learning Coalition of the Big Bend Six-Month Status:** The coalition has implemented procedures, including a case management approach, to ensure that VPK instructor credentials are verified and monitored. Instructors are notified by letter when their Background clearance for FBI/FDLE expires and due dates.

**Early Learning Coalition of Escambia County Six-Month Status:** The 2 teachers now have all background screening correctly maintained in the file of their program of employment.

**Early Learning Coalition of Orange County Six-Month Status:** Sign off procedures have been implemented.

**Early Learning Coalition of Polk County Six-Month Status:** Practices have been implemented requiring regular monitoring to include background checks on all instructors.

**FINDING NO. 21:** Some coalitions did not always maintain documentation to demonstrate that VPK instructor requirements, including education and training requirements, had been satisfied.

**Auditor Recommendation:** We recommend that coalitions ensure that adequate documentation is maintained to demonstrate that all VPK instructor qualifications have been satisfied.

**Early Learning Coalition of Escambia County Response:** The ELC agrees with this finding and has provided documentation as noted in the report. Coalition staff has received additional training on documentation requirements.

**Six-Month Status:**

**Early Learning Coalition of Escambia County Six-Month Status:** The coalition developed a new contract file management system for the 2011/12 files. This new file checklist and validation system will prevent the errors that occurred in the 2010/11 VPK provider files.

**FINDING NO. 22:** Coalition payments to VPK Program providers were not always supported by appropriate documentation.

**Auditor Recommendation:** To ensure that payment documentation requirements are satisfied and that all payments are made in accordance with applicable laws and other guidelines, we recommend that staff involved in the delivery of VPK services receive adequate training.

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**Early Learning Coalition of the Big Bend Response:** The ELC agrees with this finding and has taken corrective action as applicable. The ELC has partnered with several of its providers to draft a toolkit for ELC providers that give detailed procedures on completing sign in/out sheets and attendance rosters. This toolkit is expected to be distributed to all providers during February 2012.

**Early Learning Coalition of Escambia County Response:** The ELC will ensure that their staff receive additional training on VPK documentation requirements.

**Early Learning Coalition of Hillsborough County Response:** The documentation in question is the monthly parent signature that indicates the parent intends to continue receiving VPK services with that provider. The State does not require providers to submit this information to Coalitions on a monthly basis. The Hillsborough Coalition conducts a minimum of two (2) site visits every year to 100% of our VPK providers. The Coalition agrees with the above finding and welcomes any suggestion for improving our strategy for insuring compliance.

**Early Learning Coalition of Marion County Response:** The coalition agrees with this finding, however the provider submitted sign-in/out sheets that supported the attendance of the child in the classroom and therefore no questioned costs exists. The coalition will emphasize to this VPK provider that they should ensure that the parent signs the VPK Short Form in addition to the maintaining sign-in/out sheets.

**Early Learning Coalition of Miami-Dade/Monroe Response:** In Miami-Dade there are 900 VPK providers delivering services to children. The one provider who did not have a signed agreement had complied with all program requirements and was deemed fully eligible to provide VPK services. To address the issue of unsigned agreement, the coalition has implemented an electronic process for VPK providers to submit their VPK applications, including the Statewide Provider Agreement. As part of the electronic submission process, a provider signature is required before the agreement can be submitted to the coalition. In addition, additional training will be provided to staff.

**Early Learning Coalition of Orange County Response:** The coalition agrees that the certification submitted does not agree with the sign-in/out sheets. The sign-in/out sheets are not required to be submitted on a monthly basis. The Coalition conducts random post-payment audits monthly and those procedures would have identified this discrepancy if the provider had been selected. We are currently reviewing our post audit procedures to determine how best to expand our monthly sample.

**Early Learning Coalition of Palm Beach County Response:** The ELC concurs and has made the appropriate corrections. Additional training was given to these providers to ensure sign-in/out sheets accurately reflect child's attendance.

**Early Learning Coalition of Pinellas County Response:** The ELC concurs with this finding and has made payment adjustments and collected missing documentation as applicable. The coalition will remind all providers to maintain adequate sign in/out documentation including appropriately signed short and long forms. The coalition also conducts mandatory VPK contract renewal

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meetings for all VPK providers wanting to renew each year in addition to new provider contract meetings. The rules and guidelines are reviewed during these required meetings.

**Early Learning Coalition of Polk County Response:** The coalition agrees with this finding, however the provider submitted sign-in/out sheets supported the attendance of the child in the classroom and therefore no questioned costs exists. The coalition also conducts post-attendance monitoring on an annual basis.

**Early Learning Coalition of Southwest Florida Response:** The ELC concurs with this finding, and has located the documentation missing from the file. All documentation on hand will be looked over to ensure that all information submitted is enclosed in any file to be reviewed.

**Six-Month Status:** Technical Assistance Paper on SR/VPK Attendance and Payment Validation released to the coalitions on 5/29/2012 and placed on FOEL's Program Integrity Webpage.

**Early Learning Coalition of the Big Bend Six-Month Status:** The coalition partnered with providers to develop the Provider Toolkit, a set of policies and procedures for provider reimbursement. The coalition makes effective use of Market Day to submit and receive documents and to provide technical assistance.

**Early Learning Coalition of Escambia County Six-Month Status:** Completed.

**Early Learning Coalition of Hillsborough County Six-Month Status:** The Coalition continues to review the appropriate attendance processes (including parent signatures) every year during contract signing meetings with providers and we also provide on-site TA to providers during the 2 on-site VPK monitoring we conduct for all VPK providers each year.

**Early Learning Coalition of Marion County Six-Month Status:** Monthly memos sent to all VPK providers Oct 12 –Dec 12 and then periodically after. Memos serve as a reminder that all parents must sign in and out appropriately every day. All days not meeting sign-in and -out requirement are considered non-reimbursable by the coalition.

**Early Learning Coalition of Miami-Dade/Monroe Six-Month Status:** Early learning coalition quality assurance staff are tasked with periodically monitoring this requirement to ensure full compliance. A monitoring visit was just completed and the results are being tabulated.

**Early Learning Coalition of Orange County Six-Month Status:** The Coalition has implemented a process that requires providers to submit sign in/sign out sheets monthly beginning with the January 2012 attendance. We are still working out the efficiency details of the process, so we are not yet able to determine if we will be able to increase the monthly sample.

**Early Learning Coalition of Palm Beach County Six-Month Status:** Management continues to emphasize the importance of training. Provider training is ongoing to ensure proper documentation of sign in/sign out sheets.

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**Early Learning Coalition of Pinellas County Six-Month Status:** The coalition continues to conduct mandatory VPK contract renewal meetings for all VPK providers wanting to renew each year in addition to new provider contract meetings. The rules and guidelines are reviewed during these required meetings.

**Early Learning Coalition of Polk County Six-Month Status:** The Coalition continues to conduct post-attendance monitoring audits to ensure this situation does not reoccur.

**Early Learning Coalition of Southwest Florida Six-Month Status:** The coalition has improved monitoring processes.

**FINDING NO. 23:** Some coalitions had not established and implemented effective procurement policies and procedures.

**Auditor Recommendation:** We recommend that effective coalition procurement policies and procedures be established and implemented to ensure that purchases are approved and supported by appropriate documentation, coalition staff procurement duties are adequately separated, and quotes be obtained when appropriate.

**Early Learning Coalition of the Big Bend Response:** The ELC agrees with this finding, however for the one instance noted related two split purchase orders the ELC was following their established best practices. To provide an effective purchasing trail and ensure accountability for individual department purchase requests the ELC develops separate purchase orders for separate purchase requests. The ELC will be reviewing current procurement policies and realigning policy with current best practices. This review is anticipated to be completed by the end of the 2011-2012 fiscal year. The ELC will be drafting procedures that include documenting competitive pricing on contracted purchases. These procedures are anticipated to be completed by the end of the 2011-2012 fiscal year.

**Early Learning Coalition of Marion County Response:** As reflected in the report the coalition has established procurements policies and procedures, and based on the coalition policy three of the purchases did not require purchase orders. The coalition will review current practices to determine if policies should be amended and will take additional measures to ensure that the policies are adhered to including additional training for staff.

**Early Learning Coalition of Polk County Response:** The coalition agrees with this finding and has implement practices to ensure separation of duties.

**Six-Month Status:** FOEL has analyzed 2011-12 monitoring results to identify potential updates to the Fiscal Monitoring Tool for 2012-13. Onsite monitoring visits were completed May 31, 2012.

**Early Learning Coalition of the Big Bend Six-Month Status:** At the March 20, 2012 Board Meeting, the coalition sought approval for new Check Signers, #2012-01 and their Finance Policies, #2012-03. A draft copy of the Finance Policy was submitted. The coalition anticipates completing Finance procurement procedures by October 2012.

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**Early Learning Coalition of Marion County Six-Month Status:** Policies reviewed and revised.

**Early Learning Coalition of Polk County Six-Month Status:** A General Purchasing Protocol has been drafted and approved on January 17, 2012 that requires appropriate documentation of purchases, separation of procurement duties, and obtaining necessary quotes when appropriate.

**FINDING NO. 24:** Some coalition contractual service contract documents needed improvement to ensure that all appropriate terms and conditions are specified.

**Auditor Recommendation:** We recommend that coalition management consider incorporating the contract document provisions required by State law in applicable contractual services contracts. We also recommend that coalitions ensure that all contracts are signed prior to the beginning of the contract term and that, when appropriate, contracts specify the maximum amount that may be paid.

**Early Learning Coalition of Hillsborough County Response:** The Coalition agrees with this finding. Although the language in question has not been a requirement we are happy to make accommodations in the future to add the language that has been recommended.

**Early Learning Coalition of Marion County Response:** The coalition currently includes all contract provisions required by governing law, the state law referenced is not a requirement for coalitions. As recommended coalition management with the Board of Directors guidance will consider adopting additional provisions as a best practice and provide additional training for staff.

**Early Learning Coalition of Palm Beach County Response:** The coalition concurs with this best practice. While the coalition has followed all applicable laws and rules regarding contracting, the coalition agrees that the inclusion of financial penalties for non-performance is a best practice. Coalition staff has already alerted the Board to this recommendation and will work with legal counsel and the Board to implement this best practice.

**Early Learning Coalition of Polk County Response:** The coalition currently includes all contract provisions required by governing law, the state law referenced is not a requirement for coalitions. As recommended coalition management will consider adopting additional provisions as a best practice and ensure contracts are signed prior to the effective date of the contract.

**Six-Month Status:**

**Early Learning Coalition of Hillsborough County Six-Month Status:** In process.

**Early Learning Coalition of Marion County Six-Month Status:** Procurement policies revised and will be ratified by Board of Directors at their meeting on June 28, 2012.

**Early Learning Coalition of Palm Beach County Six-Month Status:** The Coalition is in the process of negotiating new contracts for the new fiscal year. The Request for Proposal required the contractor to agree to the following language:

“In the event Contractor fails to perform in accordance with the terms of this Agreement, Coalition shall be entitled to financially penalize Contractor after Coalition conducts a thorough review of the circumstances, and provides the Contractor the ability to dispute any findings”.

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The contracts are currently in draft form undergoing legal review for execution.

**Early Learning Coalition of Polk County Six-Month Status:** At this time, additional provisions and improvements are included in our contracts that incorporate contract document provisions required by law, that all contracts specify a maximum amount, and as a best practice, ensure that contracts are signed prior to the effective date of the contract.

**FINDING NO. 25:** Coalition expenses were not always accurately paid or adequately supported and were made in amounts that did not always appear to be reasonable.

**Auditor Recommendation:** We recommend that coalition controls be enhanced to ensure that expenses are paid in the correct amounts, are properly authorized and supported by appropriate documentation, and are clearly necessary and reasonable for the conduct of coalition business.

**Early Learning Coalition of the Big Bend Response:** The ELC's purchase of equipment, furniture and supplies for their new location was within the Board approved budget. The coalition's intent was to create a space for families seeking services that inspired families, supported children's development and provided a model for communities of how the environment could have a positive impact on customer satisfaction and employee performance.

**Early Learning Coalition of Escambia County Response:** The ELC agrees with this finding and the \$6.00 in question has been repaid. Coalition staff have received additional training as well.

**Early Learning Coalition of Marion Response:** The coalition will evaluate all requests for reimbursement for travel to insure compliance with local and state policy.

**Early Learning Coalition of Miami-Dade/Monroe County Response:** The ELC agrees with this finding, the coalition's procedures have included individual review and approval by the CEO and shall include backup documentation to support the travel and the purpose for the travel. The coalition will strengthen the process of documenting the benefit of each out-of town travel to the organization and the children and families that we serve.

**Early Learning Coalition of Orange County Response:** The ELC of Orange County concurs with this finding. Authorization by the Director of Provider Services for December 2010 travel in the amount of \$96.42 was overlooked when the staff member in question submitted November 2010 and December 2010 reimbursement requests at the same time. The November reimbursement request was authorized by the Director. The December request was not. Having reviewed the December 2010 reimbursement request, the Director has subsequently authorized the payment as appropriate. We will continue to closely monitor payment documentation to ensure proper authorizations are in place.

**Early Learning Coalition of Palm Beach County Response:** The ELC concurs with this finding. The \$4.27 has been repaid by the employee. In addition, the newly-hired Chief Financial Officer is tasked with reviewing each travel expense form.



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**Early Learning Coalition of Pinellas County Response:** The Early Learning Coalition of Pinellas County Inc. travel related costs are reimbursed in accordance with Section 112.061, Florida Statutes and the Coalition Policy ELCPC 400.05 - Travel Procedures. The Coalition has strengthened controls in place to ensure that expenses are paid in the correct amounts, are properly authorized and supported by appropriate documentation, and is clearly necessary and reasonable for the conduct of coalition business. In addition, the following has been complete:

- Mileage claimed must be from point of origin to destination based on the map mileage.
- Vicinity mileage necessary to conduct Coalition business must be shown separately on the *Voucher for Reimbursement of Travel Expenses* form.
- Local vicinity mileage claim must include description with destination and purpose of trip

**Early Learning Coalition of Polk County Response:** The ELC agrees with this finding and has put a practice in place to reduce the likelihood of reoccurrence.

**Six-Month Status:**

**Early Learning Coalition of the Big Bend Six-Month Status:** The coalition finance department has modified their practice to include a newly developed Procurement Purchasing Checklist form that requires adequate documentation for purchasing (i.e. quotes, justifications, etc.). The finance department has drafted a new Finance Policy and Procedure which is anticipated to be final October 31, 2012, a draft was developed on July 9, 2012..

**Early Learning Coalition of Escambia County Six-Month Status:** Completed.

**Early Learning Coalition of Marion County Six-Month Status:** Per the recommendation controls have been enhanced through the three staff that review travel reimbursement requests: Office Manager, Executive Director and Finance Director.

**Early Learning Coalition of Miami-Dade/Monroe Six-Month Status:** The coalition has completed corrective action. Early learning coalition quality assurance staff are tasked with periodically monitoring this requirement to ensure full compliance. A monitoring visit was just completed and the results are being tabulated.

**Early Learning Coalition of Orange County Six-Month Status:** Coalition staff has been retrained on expense reimbursements. Additionally fiscal staff now reviews all expenditure requests for proper signatures prior to issuing reimbursement.

**Early Learning Coalition of Palm Beach County Six-Month Status:** Management has collected the over payment. The Finance department has issued a check to the FOEL and revised invoices for the applicable period

**Early Learning Coalition of Pinellas County Six-Month Status:** The coalition has strengthened controls to ensure that travel expenses that are paid are necessary and reasonable to conduct Coalition business. Often, and on a risk basis, vicinity mileage forms are tested and compared to the map mileage attached to make sure that the mileage claimed is correct.

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**Early Learning Coalition of Polk County Six-Month Status:** The Coalition has put a practice in place that ensures separation of duties and better control in regards to paying expenses. All expenses are approved by the Director of Finance prior to payment being made.

**FINDING NO. 26:** Some coalitions did not always timely and properly record tangible personal property acquisitions in coalition property records. In addition, some coalitions did not always timely reconcile the results of annual physical inventories to master property lists or ensure that physical inventories were performed by persons independent of the property record-keeping and custodial functions.

**Auditor Recommendation:** We recommend that the coalitions ensure that all applicable tangible personal property items are timely and properly recorded in coalition property records. Coalitions should also ensure that the results of annual physical inventories are timely reconciled to the master property lists and that physical inventories are performed by persons independent of the property record-keeping and custodial functions.

**Early Learning Coalition of Big Bend Response:** The ELC concurs with this finding. The items identified in this finding have been included in the Master Inventory List. Coalition procedures require reconciliation of acquisitions to the inventory list on a monthly basis. The coalition will review procedures with staff to ensure this will not occur in the future.

**Early Learning Coalition of Marion County Response:** The coalition will review property procedures to ensure acquisitions are timely recorded.

**Early Learning Coalition of Orange County Response:** The ELC of Orange County concurs with this finding. The desk in question was delivered in late May 2010 slightly more than 30 days prior to this audit. Upon delivery, the desk was properly tagged but not immediately placed on the inventory list. Our past practice has been to periodically update the inventory list generally after any applicable item is paid for; with a complete update concluded prior to submission of the annual inventory list due to OEL on October 1<sup>st</sup> of each year. The desk in question does appear on the 2011 inventory list. We will revise our procurement procedures to include immediate assignment of applicable inventory to the inventory list at the time the inventory is tagged or within 30 days of delivery whichever occurs first.

**Early Learning Coalition of Pinellas County Response:** The coalition's practice is to timely and properly record acquisitions in coalition property records; the coalition will ensure in the future that acquisition dates are documented. The coalition has confirmed that all acquisitions noted were recorded in the property records.

**Early Learning Coalition of Polk County Response:** The ELC agrees with this finding and has put a practice in place to reduce the likelihood of reoccurrence.

**Six-Month Status:**

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**Early Learning Coalition of Big Bend Response:** The coalition's finance department has established procedures to ensure that Master Control Inventory List is updated on timely basis. New procedures are in place for actual physical inventory process.

**Early Learning Coalition of Marion County Six-Month Status:** Policies revised.

**Early Learning Coalition of Orange County Six-Month Status:** Procedures have been revised to include immediate assignment of applicable inventory to the inventory list at the time the inventory is tagged or within 30 days of delivery whichever occurs first.

**Early Learning Coalition of Pinellas County Six-Month Status:** All property and the acquisition date are recorded timely in the property records. Inventory records are sent to OEL by the due date of October 1.

**Early Learning Coalition of Polk County Six-Month Status:** An Inventory Protocol has been drafted and approved on December 15, 2011 that ensures all applicable tangible personal property items are timely and properly recorded in coalition property records. It also ensures the separation of duties in this regard and that the results of the annual physical inventory are timely reconciled to the master property list.

**FINDING NO. 27:** Some coalition revenue collection policies and procedures needed enhancement.

**Auditor Recommendation:** We recommend that the coalitions enhance their policies and procedures to ensure that revenue and receipts controls are appropriately established.

**Early Learning Coalition of Escambia County Response:** The coalition has enhanced their policies and procedures effective August 2011.

**Early Learning Coalition of Pinellas County Response:** The coalition will enhance existing procedures related to cash receipts.

**Six-Month Status:**

**Early Learning Coalition of Escambia County Six-Month Status:** Completed.

**Early Learning Coalition of Pinellas County Six-Month Status:** The coalition now requires that all checks received be logged and immediately restrictively endorsed upon receipt at the point of collection

**FINDING NO. 28:** Some coalitions did not always ensure that employees who may come into contact with children or have access to confidential information timely received background screenings.

**Auditor Recommendation:** We recommend that coalitions ensure that, as a condition of employment and continued employment in a position of special trust, employees timely undergo Level 2 screenings.

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**Early Learning Coalition of Escambia County Response:** As of December 2, 2011 all coalition employees, temporary staff and volunteers have completed background screenings or have appointments scheduled. Additionally each September a local criminal records check with the Sheriff's office is completed for every employee.

**Early Learning Coalition of Hillsborough County Response:** The Coalition's policy has been to background screen all employees that have contact with children as part of their job. The coalition agrees with this finding and will rescreen the two employees.

**Early Learning Coalition of Palm Beach County Response:** As reflected in this report, this finding has been corrected. The coalition will ensure that each background screen is located in on-site personnel files.

**Early Learning Coalition of Polk County Response:** The coalition has implemented a practice to require that employees are screened on the first day of employment.

**Six-Month Status:** Information Technology and Data Security technical assistance and training document has been finalized, which addresses Positions of Special Trust and background screening. It was placed on FOEL's website on March 9, 2012 and released to the coalitions via email on March 12, 2012.

**Early Learning Coalition of Escambia County Six-Month Status:** Completed.

**Early Learning Coalition of Hillsborough County Six-Month Status:** The coalition is in the process of getting their LiveScan machine operational so that the two employees can be rescreened.

**Early Learning Coalition of Palm Beach County Six-Month Status:** Although this was corrected while the auditors were on-site, all Coalition employees have completed a new Level 2 screening.

**Early Learning Coalition of Polk County Six-Month Status:** The Coalition continues to perform background screenings on potential employees and follows its grant agreement in regards to background screenings on all current employees.

**FINDING NO. 29:** Coalition records did not always demonstrate that, prior to hire, an applicant's education had been verified and determined to meet the educational requirements applicable to the position.

**Auditor Recommendation:** We recommend that the coalitions ensure that, prior to hire, an applicant for employment meets all the educational requirements applicable to the position. Should previous experience be considered acceptable in lieu of educational requirements, the coalitions should document this consideration in the respective personnel file as the justification for waiving the educational requirements.

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**Early Learning Coalition of Pinellas County Response:** The coalition has completed documentation for the waivers for the two employees noted in the finding. The coalition will ensure that if previous experience is considered acceptable in lieu of educational requirements, the coalition will document this consideration in the personnel files in the future as well.

**Early Learning Coalition of Polk County Response:** The coalition will ensure that documentation for educational requirements will be obtained prior to hiring employees.

**Six-Month Status:**

**Early Learning Coalition of Pinellas County Six-Month Status:** Documentation is filed in the personnel files.

**Early Learning Coalition of Polk County Six-Month Status:** It is not the Coalition's practice to hire employee's that do not meet the minimum educational requirements. The Coalition has implemented a practice that verifies the applicants' education prior to offering employment.

**FINDING NO. 30:** Some coalitions did not always properly advertise, and maintain documentation of the advertisement of, board vacancies.

**Auditor Recommendation:** We recommend that the coalitions properly advertise board vacancies and, to allow a demonstration of compliance with applicable State law and OEL guidance, maintain documentation of those advertisements.

**Florida's Office of Early Learning Response:** OEL has developed a Technical Assistance Paper related to Board Membership, which also addresses board vacancies.

**Early Learning Coalition of Palm Beach County Response:** The ELC concurs with this finding. The coalition will implement procedures to document advertisement of board vacancies which includes screen shots of Board vacancies advertised on its website. As of December 15, 2011 all Board vacancies will be filled with the exception of gubernatorial appointments.

**Six-Month Status:**

**Early Learning Coalition of Palm Beach County Six-Month Status:** Management is proactive in advertising and recruiting Board members including website postings, periodical advertisement and other avenues (Faith Based Representative Election). The only current vacant position, not appointed by the Governor, is the Parent representative.

**FINDING NO. 31:** Some coalitions did not utilize comprehensive monitoring schedules to track the results of School Readiness and VPK Program provider monitoring efforts. In addition, coalition procedures for the monitoring process did not always address how providers were selected for monitoring.

**Auditor Recommendation:** We recommend that coalitions implement a comprehensive provider monitoring schedule that incorporates information such as the dates the monitoring was conducted,

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any noncompliance issues noted, dates corrective actions were taken, and follow-up monitoring activities. We also recommend that coalitions ensure that policies and procedures describe the methodology to be used to prioritize and select providers for monitoring.

**Early Learning Coalition of the Big Bend Response:** The ELC agrees with this finding. The ELC will develop and implement a comprehensive provider monitoring schedule that incorporates information such as the dates the monitoring was conducted, any noncompliance issues noted, dates corrective actions were taken and follow up monitoring activities. In addition, ELC of Big Bend will develop document related procedures for the FY 2011-2012 provider monitoring.

**Early Learning Coalition of Marion County Response:** Subsequent to audit inquiry the coalition has developed and adopted a methodology for prioritizing monitoring of VPK providers by risk level for the 2011-2012 fiscal year. Corrective action is complete.

**Early Learning Coalition of Orange County Response:** The ELC of Orange County concurs with this finding. We agree our current process for tracking provider compliance with contractual requirements should be expanded to include electronic tracking of such items as: license renewal dates, insurance renewal dates, director credential renewal dates, etc. We have completed the tracking database and are in the process of populating the fields. Once completed, we will evaluate whether additional efficiencies can be garnered through combining current tracking tools.

**Early Learning Coalition of Pinellas County Response:** The coalition currently tracks provider monitoring by function (attendance monitoring, fraud, program support, professional development requirements and developmental service requirements). The coalition is currently in the process of developing a report that will document all monitoring comprehensively as recommended by this report.

**Early Learning Coalition of Polk County Response:** The coalition currently maintains documentation on each provider monitored, the coalition will work to develop a comprehensive tracking sheet for each program which includes all applicable providers.

**Six-Month Status:**

**Early Learning Coalition of Big Bend Six-Month Status:** ELC has implemented a case management approach to serving our contracted providers. A comprehensive monitoring schedule is being developed with an anticipated completion date of October 31, 2012.

**Early Learning Coalition of Marion County Six-Month Status:** Currently all provider reviews are prioritized by risk level. This is an ongoing process that will be modified as necessary.

**Early Learning Coalition of Orange County Six-Month Status:** Completed.

**Early Learning Coalition of Pinellas County Six-Month Status:** For each child care provider, the coalition has created a "catalog" of all of the monitoring that is conducted for each functional area defined by the coalition. The functional areas evaluated by the coalition include attendance monitoring; fraud; program support; professional development; and developmental service

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requirements. The catalog captures the dates of each monitoring; noncompliance observations made; corrective actions implemented; and any follow-up or technical assistance given to the provider. All of these data points are captured for each functional area that is monitored.

**Early Learning Coalition of Polk County:** Completed.

**FINDING NO. 32:** One coalition did not ensure that proper information technology security controls were in place.

**Auditor Recommendation:** We recommend that all coalitions ensure that proper IT security controls are in place to ensure the confidentiality, integrity, and availability of data and IT resources.

**Florida's Office of Early Learning Response:** The coalition has developed a proper IT security policy.

**Six-Month Status:** Information Technology and Data Security technical assistance and training document has been finalized. It was placed on FOEL's website on March 9, 2012 and released to the coalitions via email on March 12, 2012.