



State Board of Education

Tom Grady, *Chair*
Ben Gibson, *Vice Chair*
Members
Monesia Brown
Esther Byrd
Grazie Pozo Christie
Ryan Petty
Joe York

Manny Diaz, Jr.
Commissioner of Education

July 18, 2022

Melinda Miguel
Chief Inspector General
Office of the Chief Inspector General
400 South Monroe Street
Tallahassee, Florida 32399

Dear Ms. Miguel:

In accordance with Section 20.055(6)(h), Florida Statutes, attached is the six-month status of corrective actions taken in response to Auditor General Report #2022-092, Operational Audit – Early Learning Coalition of the Emerald Coast Selected Activities.

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

Sincerely,



Manny Diaz, Jr.

Attachment

cc: Mike Blackburn, Inspector General
Suzanne Pridgeon, Deputy Commissioner, Finance and Operations
Matthew Mears, Chancellor, Division of Early Learning
Legislative Auditing Committee

**Department of Education
Office of the Inspector General – Internal Audit
Six-Month Status Report on: Operational Audit Office of Early Learning ELC of the Emerald Coast
Report # 2022-092 Issued: January 18, 2022
Status as of July 18, 2022**

Program Title: Operational Audit of the Early Learning Coalition of the Emerald Coast

FDOE Response as of July 18, 2022:

Finding 1: Control environment deficiencies within the Coalition contributed to issues described in the other findings in this report and increase the risk that the Coalition will not efficiently and effectively achieve its mission, goals, and objectives.

OAG testing identified the following key areas of administrative functions were impacted.

1. Procurement policies that did not adequately promote the competitive solicitation of goods and services (Finding 2).
2. Noncompliance with established procurement policies (Finding 2).
3. Coalition records not evidencing that appropriate competitive procurement procedures were followed (Finding 2).
4. Employee separation agreements and severance payments that were offered and paid contrary to Federal regulations and State law (Finding 3).
5. Use of local Coalition funds for purposes that did not appear consistent with the Coalition's mission (Finding 4).
6. Depositing Coalition employee personal funds with Coalition funds (Finding 4).
7. Executive Director and Board Chair override of established controls over Executive Director travel (Finding 5).
8. Override of employee timekeeping controls by the Executive Director and others without documented justification (Finding 6).

Recommendation: We recommend that Office management work with the Coalition and Coalition Board to evaluate the internal control deficiencies described in this report, including the underlying causes, and ensure that appropriate and timely corrective action is taken to develop and foster an appropriate control environment at the Coalition.

Response as of January 18, 2022:

DEL examined the preliminary results obtained and we agree with the OAG recommendation(s) provided to us. DEL has established a good working relationship with the ELC's new management team and we're committed to working together to correct each of the deficiencies noted. DEL will initiate our routine oversight/corrective action processes, which include (1) identifying ELC-level activities currently underway, (2) developing a preliminary plan to assign DEL staff members to work with the ELC and (3) use of a DEL tracking tool that's been used before to help list problems/issues, corrections, timelines and the status of tasks planned to help address the findings noted.

Status of Corrective Actions as of July 18, 2022: (Insert Response Here)

DEL's oversight/corrective action processes began shortly after the release of the OAG's report in January 2022. Summaries of key tasks completed, pending and/or currently underway for the ELC's special corrective action plan (SCAP) are included here for review.

Department of Education
Office of the Inspector General – Internal Audit
Six-Month Status Report on: Operational Audit Office of Early Learning ELC of the Emerald Coast
Report # 2022-092 Issued: January 18, 2022
Status as of July 18, 2022

DEL Special Corrective Action Plan (SCAP) Processes/Tasks	Date	Status/Comments
Send written SCAP notice to ELC & ELC's governing board	2/07/2022	Emailed by DEL; <i>see related file(s)</i>
Determine items to include in ELC's SCAP	2/07/2022	SCAP notice sent includes a list
Provide SCAP template and initiate DEL TA tasks	2/09/2022	Emailed by DEL; <i>see related file(s)</i>
Assist ELC with target timelines and tasks	2/07/2022	Efforts ongoing; <i>see SCAP for details</i>
Evaluate ELC's progress	2/07/2022	Efforts ongoing; <i>see SCAP for details</i>
Issue supplemental directions or updates (if any)	6/16/2022	None needed; <i>see below for details</i>
Accept/reject ELC's SCAP responses	6/20/2022	See SCAP file for details
Identify remaining DEL/ELC To Do Items	by 7/01/2022	<i>See below for "*/listed items</i>
Submit status summary to OAG for review	by 7/18/2022	OAG's due date
Transition SCAP to routine DEL oversight processes	by 7/29/2022	<i>DEL's target timeline provided</i>
Send written SCAP closeout notice to ELC & ELC's board	by 8/15/2022	<i>DEL's target timeline provided</i>

List of Dates for various DEL/ELC Technical Assistance (TA) calls

Attendees for these TA calls typically included one or more of the following staff members.

ELC of Emerald Coast: Dana Crupi, Executive Director; Sondra Moffit, CFO; Amy Minkewicz, COO

DEL: Amy Sophia, DEL Finance and Budget Services (FABS); Cathie Odom, FABS; James Finch, FABS, Toshiba Griffin, ELC Grant Manager; Reggie Williams, Program Integrity Manager; Laura McKinley, FMSAS; Sheree White (FMSAS)

Dates for meetings/webinar calls: 2/07/2022, 03/14/2022, 03/28/2022, 04/04/2022, 04/11/2022, 5/09/2022, 5/13/2022 and 6/20/2022. **Please note: DEL anticipates these meetings will continue at least monthly for the rest of calendar year 2022.*

List of Key Topics discussed/TA during FY2021-22

Activities have been completed, are underway now or will be scheduled in early July 2022 on the following topics and related ELC-level forms, written policies, procedures, internal controls and staff instructions.

- Governance
- Staffing
- Procurement
- Internal controls and processes
- Cost allocation principles and methodology
- Related written policies, procedures and/or staff instructions
 - o Blank Purchase Order (PO) template*
 - o HR checklist for incoming staff*
 - o HR checklist for outgoing staff*
 - o Employee handbook*
 - o Procurement Policy (includes contracts, disbursements, travel, invoices, etc.) *
 - o Match-raising activities*

**Department of Education
Office of the Inspector General – Internal Audit
Six-Month Status Report on: Operational Audit Office of Early Learning ELC of the Emerald Coast
Report # 2022-092 Issued: January 18, 2022
Status as of July 18, 2022**

**Represents an item pending DEL's TA and/or courtesy review assistance.*

Need for supplemental instructions or updates?

The ELC's list of timelines, corrective tasks and revised forms, policies, and processes (as summarized and tracked by the ELC's SCAP file), was accepted by DEL on June 20, 2022. Based on responses received and progress made to date by current ELC management on the listed corrective actions in the SCAP file for OAG concerns and related FY2021-22 and FY2020-21 monitoring findings, DEL determined the ELC has -

- (1) Set reasonable timelines to complete each listed correction,
- (2) Provided acceptable responses for each listed item,
- (3) Provided sufficient corrections to address almost all of the issues noted, and
- (4) Demonstrated ongoing efforts to finish any partially-completed or pending tasks.

DEL recommends that no additional special instructions or special conditions are needed.

Anticipated Completion Date & Contact: (Insert Response Here)

DEL anticipates the enhanced oversight/corrective action process (aka, the ELC's SCAP plan) can be reviewed by the OAG in July 2022 and closed by DEL in August 2022.

- Any remaining open/partially complete corrective action tasks will be moved/transition to DEL's routine oversight, follow-up and TA processes for this ELC.
- DEL's pending policy TA and/or courtesy reviews will be completed early in FY2022-23.

We thank the ELC's current management for their work to tackle these issues and hope this data and any related files also submitted help answer questions for the OAG team. Please send word if you have more questions or any trouble accessing the submitted files.

DEL Contact(s)

Lisa Zenoz, DEL Deputy Director of Operations lisa.zenoz@oel.myflorida.com or 850-717-8683
Reginal Williams, DEL Program Integrity Manager reginal.williams@oel.myflorida.com or 850-717-8606
Laura McKinley, DEL Program Integrity Fiscal Monitoring Supervisor laura.mckinley@oel.myflorida.com or 850-717-8603

Attachments

Email – ELC Emerald Coast Notice of Special Conditions (SCAP)
DEL Notice Letter to ELC of Special Conditions (02.01.2022)
Email – DEL update - ELC Emerald Coast SCAP template file
SCAP file – completed by ELC and accepted by DEL
AI ELC 03-2020-21-006-01 Support file from ELC
AI ELC03-2021-22-002-02 Support file from ELC
Terminated Employees Report support file from ELC
Blank PO template
New Hire checklist
Outgoing Staff checklist – *pending*
ELC Procurement policy – draft revisions

**Department of Education
Office of the Inspector General – Internal Audit
Six-Month Status Report on: Operational Audit Office of Early Learning ELC of the Emerald Coast
Report # 2022-092 Issued: January 18, 2022
Status as of July 18, 2022**

ELC Employee handbook – draft revisions