Mission: To promote high-quality school readiness, voluntary pre-kindergarten and after school programs, thus increasing all children’s chances of achieving future educational success and becoming productive members of society. The Coalition seeks to further the physical, social, emotional and intellectual needs of Miami-Dade and Monroe County children with a priority toward the ages before birth through age 5.

AUDIT COMMITTEE MEETING
July 29, 2021 at 11:00 am
Zoom Meeting ID: 929 9177 5132
Passcode: audit0729

I. Welcome & Introductions
   Ileana Alvarez

II. Approval of Minutes
    Ileana Alvarez

III. Programmatic Audit
     Michelle Meilan

IV. Internal Controls
    Ileana Vallejo

V. Boys & Girls Club of the Keys
   Ana Rodriguez

VI. Public Comments
    Ileana Alvarez

VII. Meeting Adjourn
     Ileana Alvarez
I. Welcome and Introductions

- I. Alvarez called the meeting to order and welcomed everyone.
- A quorum was established with four (4) voting members.

II. Approval of Minutes

- Motion to approve minutes by A. Alfonso.
- Motion seconded by R. Tandoc
- Motion unanimously passed.

III. Audit Update

- A. Parrino reviewed the Thomas Howell Ferguson 2020-21 Financial Monitoring Report and reported that there were no findings.

IV. Reconciliation Update

- V. Caballero gave an update of the reconciliation project. The reconciliation snapshot shows that all providers have been reconciled, we still have a few providers that have not fully agreed with their reconciliation, but we are working with them. We reviewed all reconciliations before submitting to OEL to ensure that we were not collecting more than 20% of provider payments.
V. Public Comments

VI. Adjourn
Authority

- Federal and Florida laws, rules and regulations mandate that Office of Early Learning (currently Division of Early Learning) administer early learning programs in Florida, as well as monitor and evaluate each coalition’s performance in administering the early learning programs and implementing the coalition’s School Readiness plan (Title 45, Code of Federal Regulations (CFR); ss. 98.1(b)(6), 1002.82(2)(p) and 1002.75, Florida Statutes (F.S.)). The monitoring and performance evaluations must include, at a minimum, onsite monitoring of a coalition’s finances, management, operations and programs. Office of Early Learning may also identify business practice observations for a coalition’s consideration to improve the outcomes of the early learning programs. Observations can include items noted that increase the entity’s risk of potential non-compliance and, if left unresolved, could generate findings in future program years.
Scope and Methodology

Office of Early Learning developed performance criteria to provide a framework for measuring a coalition’s effectiveness in implementing early learning programs. The performance criteria include indicators about compliance with federal and state laws, rules and regulations to assist the coalition in maintaining high quality in Coalition Governance, Operations and Program Management, Child Care Resource & Referral, Educational Services Delivery, School Readiness, Voluntary Prekindergarten child, Voluntary Prekindergarten provider, School Readiness payment validation, Voluntary Prekindergarten payment validation and Data Accuracy.

Due to the COVID-19 pandemic, Office of Early Learning delayed and modified some reviews in the 2019-2020 review cycle and therefore did not review Coalition Governance, Operations and Program Management and Educational Services Delivery. Office of Early Learning based all reviews on a risk assessment conducted prior to the beginning of each monitoring cycle to establish projected monitoring sample sizes.
Provider type and children served – The following is a list of the number of providers and the number of children served. The number of children served includes eligible children birth through school age.

<table>
<thead>
<tr>
<th>Number of SR Providers</th>
<th>Number of VPK Providers</th>
<th>Number of School Readiness Children</th>
<th>Number of Voluntary Prekindergarten Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,276</td>
<td>867</td>
<td>20,919</td>
<td>20,991</td>
</tr>
</tbody>
</table>

Organization and staffing – The coalition has a staff of 295 full-time employees who implement the programmatic aspects of the coalition’s board of directors’ mission.
Accountability Report Outcome

- Total Elements Reviewed: 78
- Elements with No Findings: 71
- Elements with Findings: 7
INTERNAL CONTROLS
ELIGIBILITY
Supervisory Reviews

Supervisory reviews are conducted on 100% of all eligibility cases daily by Supervisor/Lead to identify any potential errors are caught by eligibility experts prior to approval of initial and redetermination cases.

An electronic checklist acknowledges reviewer has verified relevant information from assigned specialist cases:

- Purpose for Care is established
- Children meet citizenship and age requirements
- Parents fees
- Care level
- Income calculations
- Family size
- Schedule
- Demographics
Manager Review of Denied Cases

A second level review is conducted on denials in addition to a supervisory review. This prevents any incorrect case closures from taking place and involves management team to monitor reasons for these closures.

- Daily review of denied cases ensure guidelines are adhered to and cases are not terminated without exploring all options for the family
Discrepancy Reports from ELC Compliance Department

Compliance Reports are sent on a weekly basis to eligibility supervisors and managers for further assessment. These identified discrepancy cases are reviewed and corrected by Eligibility (Weekly).

- Report categories include schedule, care level, invalid match code, incorrect parent fees
- Staff is provided with one-on-one technical assistance by supervisor/leads
- Case examples are used in staff professional development trainings for assessment
ELC Quality Assurance Monitoring

Quality Assurance Team Monitoring is conducted to ensure compliance is met based on sample size selection (Quarterly) on specific eligibility program requirements.

A sample size review of cases for the following is part of the review:

- Supervisory Reviews are completed timely
- Purpose of care is met
- Cases submitted by parents are reviewed within 10 days of submission
- Accuracy of income assessment is met
1. Background

Florida Keys News (FLKeysNews.com) article dated July 20, 2021 regarding Boys and Girls Club former Executive Director in Florida Keys arrested on fraud charges.

Former Executive Director resigned from the learning facility in January 2019, but was recently arrested. Court hearing is on July 30, 2021.

July 20, 2021: A request by Mr. Torres to review the Contract, Finance\Payment and Compliance records for the provider Boys and Girls Club of the Keys, Inc.

1. Allegations

Former Executive Director faces 10 fraud charges that include one count of obtaining property valued at $50,000.00 or more along with two forgery charges.

Former Executive Director accused of forging a board member’s signatures including Mr. Bill Archer, former chairman of the nonprofit’s board of directors.

Former Executive Director wrote numerous checks to himself written in large amounts. Also included $41,117 in cash deposits which were made into the bank account shared by the Former Executive Director and Spouse.

2. Scope

The objectives of the Loss Prevention department are as follows:

- Determine the existence of possible misappropriation of School Readiness funds.
- Review process and information exchanged between the ELC Contracts department, Finance department and Compliance department.

3. Approach

Through cooperation with the Contracts Department, Finance\Payments Department and the Compliance Department, the Loss Prevention Department obtained and reviewed payment records and documents related to the provider.
4. Findings

Based on the information collected during the course of the fraud examination, the Loss Prevention department found the following:

(Finance\Payments)

Early Learning Coalition’s Authorization Agreement for Electronic Payment form and Tax Payers Identification Number form dated March 14, 2013 shows Boys and Girls Clubs of the Key, Inc as Vendor. Bank is First State Bank of Florida Keys with the same current account number ending in #6088.

Finance Provided the Actual Totals for each year (Chart 1) which also includes the deductions made for fiscal year 18-19 reconciliation (Chart 2).

(Chart 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>School Readiness 20-21</td>
<td>69,674.48</td>
</tr>
<tr>
<td>2020</td>
<td>School Readiness 19-20</td>
<td>64,282.05</td>
</tr>
<tr>
<td>2019</td>
<td>School Readiness 18-19</td>
<td>78,199.24</td>
</tr>
<tr>
<td>2018</td>
<td>School Readiness 17-18</td>
<td>69,559.19</td>
</tr>
<tr>
<td>2017</td>
<td>School Readiness 16-17</td>
<td>64,423.73</td>
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<tr>
<td>2016</td>
<td>School Readiness 15-16</td>
<td>77,720.81</td>
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<td>2015</td>
<td>School Readiness 14-15</td>
<td>91,699.16</td>
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</table>

(Chart 2)

<table>
<thead>
<tr>
<th>FY</th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2021</td>
<td>18-19 Recon</td>
<td>(9,266.01)</td>
</tr>
<tr>
<td>2021</td>
<td>School Readiness 20-21</td>
<td>59,470.49</td>
</tr>
<tr>
<td>2021</td>
<td>Covid Relief Funds</td>
<td>19,470.00</td>
</tr>
<tr>
<td></td>
<td>2021 Total</td>
<td>69,674.48</td>
</tr>
<tr>
<td>2020</td>
<td>School Readiness 19-20</td>
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</tr>
<tr>
<td>2020</td>
<td>Covid Relief Funds</td>
<td>1,000.00</td>
</tr>
<tr>
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<td>School Readiness 17-18</td>
<td>69,559.19</td>
</tr>
</tbody>
</table>
(Compliance)

Attendance files for the following fiscal year/months were randomly selected for review:

Fiscal Year 16-17: December 2016, March 2017 April 2017
Fiscal Year 17-18: June 2017, November 2017, February 2018

December 2016:

- 37 Children were listed on the attendance and 37 children were paid.
- Attendance appears to have been paid in accordance with OEL Policy and procedures.

March 2017:

- 36 children were listed on the attendance and 36 children were paid.
- Attendance appears to have been paid in accordance with OEL Policy and procedures.

April 2017:

- 33 children were listed on the attendance and 30 children paid. 3 children did not attend during the month and were not paid.
- Attendance appears to have been paid in accordance with OEL Policy and procedures.

June 2017:

- 52 children were listed on the attendance and 29 children were paid. 3 children did not attend during the month and were not paid.
- Provider appears to have been given a rate increase for the month of March, but it did not reflect on EFS MOD until June 2017.
- Attendance appears to have been paid in accordance with OEL Policy and procedures.

November 2017:

- 32 children were listed on the attendance and 29 children were paid. 3 children did not attend during the month and were not paid.
- Attendance appears to have been paid in accordance with OEL Policy and procedures.

February 2018:

- 27 Children were listed on the attendance and 25 children were paid. 2 School Age children were not paid and could be due to the school age child’s schedule in EFS Legacy (ID: 3267 &3490).
- Attendance appears to have been paid in accordance with OEL Policy and procedures.
5. Summary

Finance\Payments department provided a copy of the ‘Authorized Agreement for Electronic Payments’ which shows the same bank (First State Bank of Florida Keys) and same account number (6088) since March 2013.

The Authorized Agreement for Electronic Payment form confirms that payments were made to the Corporation.

Contract for the Provider was recently renewed on July 2021 and no bank or account changes have been made till this date.

June 21, 2021, Contracts department received an email from Boys and Girls Club of the Keys from Ms. Judy Leggett, Executive Director & CEO of the Boys and Girls Club of the Keys stating that Mr. Dombrowski resigned January 2019.

Finance\Payments provided the actual totals for each year paid to the provider.

The electronic attendance submitted through the Bluejean portal was reviewed and compared to the monthly payments that were made. It does appear that the Provider was paid in accordance to the Florida Office of Early Learning’s policy. It was also verified that the Provider submitted each of the attendances after the last day of the month, also in accordance with Florida Office of Early Learning’s policy.

Based on the phone conversations, written statement from the provider, and documentations provided by each department, Loss Prevention has determined that there has been no misappropriation of School Readiness funds.