



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

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|----------------------------------|-----------------|
| 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 |

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
January 28, 2021, 11:00 a.m.
Zoom Meeting ID: 918 3363 5885;
Passcode: audit0128

- Committee Attendees:** Adrian Alfonso; Ileana Alvarez; John Madariaga, Richie Tandoc
- Committee Absentees:** Jose Thomas
- Staff Attendees:** Evelio Torres; Angelo Parrino; Alex Sanchez; Lisa Sanabria; Sandra Gonzalez; Fiorella A. Christie; Victor Caballero
- General Attendees:** Eileen Fluney

I. Welcome and Introductions **Ileana Alvarez**

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

II. Approval of Minutes **Ileana Alvarez**

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

III. Audit Update **Mercy Castiglione**

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

IV. Reconciliation Update **Victor Caballero**

- 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

Ileana Alvarez

VI. Adjourn

Ileana Alvarez

ACCOUNTABILITY MONITORING FOR THE EARLY LEARNING COALITION OF MIAMI-DADE/MONROE



July 29, 2021

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.

Coalition Background Information

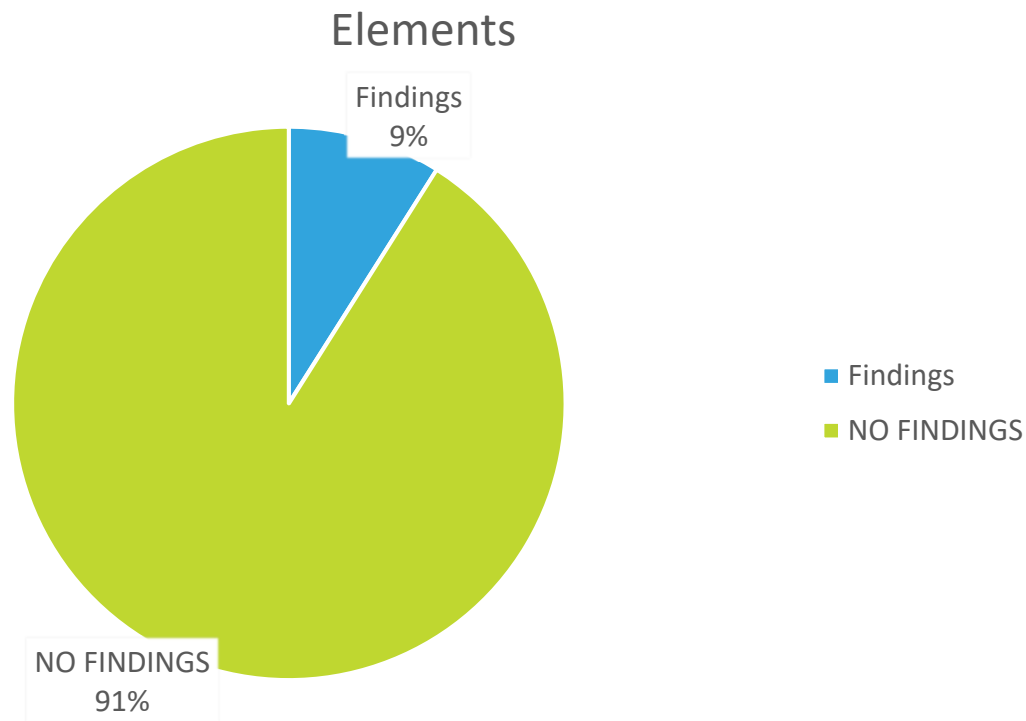
Provider type and children served – The following is a list of the number of providers and the number of children served. The number of children served includes eligible children birth through school age.

Number of SR Providers	Number of VPK Providers	Number of School Readiness Children	Number of Voluntary Prekindergarten Children
1,276	867	20,919	20,991

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



Fraud Examination Report

To: Evelio C. Torres, President & CEO
From: Ana Rodriguez, Director of Loss Prevention
Re: Boys and Girls Club of the Keys, Inc.
Date: July 23, 2021

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)

2021	School Readiness 20-21	69,674.48
2020	School Readiness 19-20	64,282.05
2019	School Readiness 18-19	78,199.24
2018	School Readiness 17-18	69,559.19
2017	School Readiness 16-17	64,423.73
2016	School Readiness 15-16	77,720.81
2015	School Readiness 14-15	91,699.16

(Chart 2)

FY		
2021	18-19 Recon	(9,266.01)
2021	School Readiness 20-21	59,470.49
2021	Covid Relief Funds	19,470.00
	2021 Total	69,674.48
2020	School Readiness 19-20	63,282.05
2020	Covid Relief Funds	1,000.00
	2020 Total	64,282.05
2019	School Readiness 18-19	78,199.24
2018	School Readiness 17-18	69,559.19



(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.