



**AUDIT COMMITTEE MEETING**  
**January 28, 2021 at 11:00 am**  
**Zoom Meeting ID: 918 3363 5885**  
**Passcode: audit0128**

- |      |  |                   |
|------|--|-------------------|
| I.   | Welcome & Introductions                                    | Ileana Alvarez    |
| II.  | Approval of Minutes  | Ileana Alvarez    |
| III. | Thomas Howell Ferguson 2020-21 Financial Monitoring Report | Mercy Castiglione |
| IV.  | Reconciliation Update                                      | Victor Caballero  |
| V.   | Education Tool   |                   |
|      | A. Loss Prevention   | 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  
October 29, 2020, 11:00 a.m.  
Zoom Meeting ID: 951 8137 3473  
Passcode: audit

**Committee Attendees:** Adrian Alfonso; Ileana Alvarez; John Madariaga, Jose Thomas, Richie Tandoc

**Committee Absentees:**

**Staff Attendees:** Evelio Torres; Angelo Parrino; Mercy Castiglione; Alex Sanchez; Lisa Sanabria; Jackye Russell; Sandra Gonzalez; Ana Rodriguez; Pam Hollingsworth

**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 five (5) voting members.

**II. Approval of Minutes**

**Ileana Alvarez**

- Motion to approve minutes by I. Alvarez.
- Motion seconded by A. Alfonso.
- Motion unanimously passed.

**III. Audit Update**

**Mercy Castiglione**

- M. Castiglione stated that they are entering audit season. There will be two upcoming audits; OEL and Verdeja.

**IV. Reconciliation Update**

**Victor Caballero**

- V. Caballero gave an update of the reconciliation project. A deadline had been set and those providers that did not respond would automatically be placed on a payment plan beginning in January.

**V. Board Orientation**

**Evelio Torres**

- E. Torres presented the orientation packet.



**VI. Public Comments**

**Ileana Alvarez**

**VII. Adjourn**

**Ileana Alvarez**

**Independent Accountants' Report on  
Financial Compliance Advisory Services**

**Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
(ELC 31)**

**2020-21 Financial Monitoring Report**  
*Period Reviewed: November 1, 2019 - September 30, 2020*

DRAFT

**Independent Accountants’ Report on  
Financial Compliance Advisory Services  
Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
(ELC 31)  
2020-21 Financial Monitoring Report  
Period Reviewed: November 1, 2019 - September 30, 2020**

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December 11, 2020

State of Florida  
Office of Early Learning  
Tallahassee, Florida

We have performed specific financial compliance consulting services as described in the Florida Office of Early Learning's 2020-21 Onsite Financial Monitoring Tool for the Early Learning Coalition of Miami- Dade and Monroe Counties, Inc. (ELC 31 or the entity). These services were contracted by the Office of Early Learning (OEL) to comply with its oversight and monitoring responsibilities as outlined in applicable federal regulations and state statutes:

- 45 Code of Federal Regulations (CFR) § 75.342(a), USDHHS, *Monitoring and reporting program performance*;
- 2 CFR § 200.328(a), *Monitoring and reporting program performance*;
- 2 CFR § 200.331(d), *Requirements for pass-through entities*; and
- Chapter 1002.82(2)(r), Florida Statutes (F.S.), *OEL; powers and duties*.

These advisory services were conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. OEL is solely responsible for the sufficiency of the procedures performed. Consequently, we make no representation regarding the sufficiency of the procedures performed, either for the purpose for which this report has been requested or for any other purpose.

On December 7, 2020 through December 11, 2020, we visited the Early Learning Coalition of Miami Dade and Monroe Counties, Inc. (ELC 31) and performed financial compliance consulting services as summarized in OEL's 2020-21 Onsite Financial Monitoring Tool for the period November 1, 2019 through September 30, 2020. Detailed descriptions of the procedures performed and our related findings begin on page 6 of this report.

We have also used this report to identify items that require follow-up by OEL staff. These items are not findings or observations, but represent items which OEL should review to perform the necessary follow-up activities it deems appropriate. A list of any such items is included in *The Schedule of Observations - Items for OEL follow-up* section of this report.

These consulting procedures were not designed to express an opinion on the business, operational, and internal control risks associated with the Entity/ELC's compliance with the previously described financial management standards as outlined in applicable Office of Management and Budget Uniform Grant Guidance, Code of Federal Regulations, or other state and federal requirements. Accordingly, we do not express such an opinion. Additionally, because of inherent limitations of internal control systems, the procedures performed should not be relied upon to prevent or detect errors or fraud associated with grant related revenues or expenditures. Had we performed additional procedures, other matters might have come to our attention that would have been reported to OEL.

This report is intended solely for the information and use of OEL and OEL's management, and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.  
Tallahassee, Florida

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**Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
(ELC 31)**

**2020-21 Financial Monitoring Report**  
*Period Reviewed: November 1, 2019 - September 30, 2020*

***Executive Summary***

**I. Executive Summary**

**1.0 Findings**

We performed financial monitoring procedures based on the testing procedures included in OEL’s 2020-21 Onsite Financial Monitoring Tool, which is available on OEL’s SharePoint Coalition Zone. Contact your SharePoint manager for access to the tools via your local SharePoint website.

Our procedures were performed using firm and professional standards. A summary of the testing categories, or Objectives used during this engagement and the related monitoring results are summarized here.

<b>Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)</b>		
<b>2020-21 Monitoring Results</b>		
<b>Objectives <sup>(1)</sup></b>	<b>Prior Period Findings<sup>(2)</sup></b>	<b>Current Period Findings</b>
1.0 – Preventive /corrective action plan (PCAP) Implementation	-	-
2.0 – Financial management systems	-	-
3.0 – Internal control environment	-	-
4.0 – Cash management	-	-
5.0 – OEL’s statewide information system <sup>1</sup>	N/A	N/A
6.0 – Prepaid program items	-	-
7.0 – Cost allocation and disbursement testing	-	-
8.0 – Travel	-	-
9.0 – Purchasing	-	-
10.0 – Contracting	-	-
11.0 – Subrecipient monitoring	-	-
<b>TOTAL</b>	-	-

(1) Objective 5.0 – For 2020-21, testing of this objective is not included in the scoped onsite financial monitoring tasks. This objective shown for disclosure purposes only.

(2) Refer to the entity’s 2019-20 fiscal monitoring report for detailed disclosures of all noted prior period findings.

**Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
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**2020-21 Financial Monitoring Report**  
*Period Reviewed: November 1, 2019 - September 30, 2020*

***Executive Summary***

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Included in the table below is a summary of the results from our review of prior period findings. New findings may occur in the current period if prior period findings, which should have been corrected, remain unresolved.

<b>Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)</b>				
<b>Status of Prior Period Findings</b>				
<b>Finding</b>	<b>Resolved</b>	<b>Partially Resolved</b>	<b>Unresolved</b>	<b>New Finding</b>
No Prior Period Findings				

These financial monitoring procedures apply to both the School Readiness (SR) and Voluntary Prekindergarten (VPK) programs. Chapter 1002, F.S. does not provide specific financial monitoring steps for the federally-funded School Readiness program or the state-funded VPK program. The minimum federal standards have been applied to both programs.

The attached Schedule of Findings contains detailed information about current period and prior period findings. Your entity/ELC must submit a (PCAP) response to OEL within 30 days of receiving this report, if there are has current period findings. Contact OEL staff with any questions about the PCAP process.

Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
(ELC 31)

2020-21 Financial Monitoring Report  
Period Reviewed: November 1, 2019 - September 30, 2020

*Executive Summary*

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**2.0 Observations**

Other matters or circumstances may have been noted by us as we completed the indicated monitoring tasks. Detailed information about these observations is provided in *The Schedule of Observations* and is summarized here.

**Observations from 2020-21 onsite visit**

The monitoring team noted no observations in the current period.

**Items for OEL follow-up**

- Help resolve FY2019-20 Enhanced Field Modernization (EFS Mod) issues
- Provide technical assistance on federal/state grant program time-reporting rules

This monitoring report is intended solely for the information and use of OEL and OEL's management, and is not intended to be and must not be used by anyone other than these specified parties.

Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
(ELC Error! Reference source not found.)

2020-21 Financial Monitoring Report  
Period Reviewed: November 1, 2019 - September 30, 2020

## *Schedule of Findings*

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### II. Schedule of Findings

We performed financial monitoring procedures based on the Testing Procedures included in OEL's SharePoint Coalition Zone. Contact your SharePoint manager for access to the tools via your local SharePoint website.

The monitoring procedures performed included tests of details of transactions, file inspections and interviews with the entity's personnel (1) to determine the status of recommendations from the prior period monitoring visit(s) and (2) to adequately support the current period findings and recommendations. Detailed information for these items is disclosed in the following sections of this report.

#### 1.0 – Preventive/corrective action plan (PCAP) implementation

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**No findings noted in the prior period.**

**No findings noted in the current period.**

#### 2.0 – Financial management systems

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The current period monitoring procedures were performed to gain an understanding of the entity's/ELC's financial and operational environments through review of policies and procedures, observation of processes, document inspection and interviews of entity/ELC personnel.

**No findings noted in the current period.**

#### 3.0 – Internal control environment

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The current period monitoring procedures were performed to gain an understanding of the entity's/ELC's internal control environment through testing of key internal controls and observation of entity/ELC's operations to ensure compliance with Federal laws, regulations and grant program compliance requirements.

**No findings noted in the current period.**

Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
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2020-21 Financial Monitoring Report  
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## *Schedule of Findings*

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### **4.0 – Cash management**

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The current period monitoring procedures were performed to determine if sampled documentation demonstrated appropriate and sufficient cash management procedures are in place and being followed. The processes examined include cash management procedures related to sources of other non-grant revenues.

**No findings noted in the current period.**

### **5.0 – OEL’s statewide information system reporting and reconciliation – N/A for 2020-21**

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### **6.0 – Prepaid program items**

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The current period monitoring procedures were performed to identify any prepaid program activity for this entity. If such activity was found, monitoring procedures were applied to determine if all prepaid program items were appropriately safeguarded, managed, tracked and reported.

**Based on results obtained from inquiries made to and an inspection of data items provided by entity/ELC personnel, the monitors noted no current year prepaid program item activity.**

### **7.0 – Cost allocation and disbursement testing**

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The current period monitoring procedures were performed to determine if sampled disbursements were appropriately incurred and posted within the entity’s financial records. Sampled items were tested to ensure the activity: is allowable, has appropriate approval (including pre-approval from OEL if needed), and meets the period of availability requirements for the grant monies used to fund disbursements. Sampled items are also tested to verify appropriate allocation in accordance with applicable cost principles, grant program compliance requirements and guidance issued by OEL.

**No findings noted in the current period.**

Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
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## *Schedule of Findings*

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### **8.0 – Travel**

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The current period monitoring procedures were performed to determine if the entity's sampled travel-related expenditures are paid in accordance with applicable federal/state laws and rules, and entity-established policies.

**No findings noted in the current period.**

### **9.0 – Purchasing**

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The current period monitoring procedures were performed to determine if the sampled procurement transactions comply with the appropriate federal or state procurement laws, as well as the entity's procurement policies.

**No findings noted in the current period.**

### **10.0 – Contracting**

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The current period monitoring procedures were performed to determine if the sampled contract transactions demonstrate the entity's contracting processes comply with federal and state requirements, as well as the entity's own contracting policies.

**No findings noted in the current period.**

### **11.0 – Subrecipient monitoring**

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The current period monitoring procedures were performed to identify any subrecipient activity for this entity. If such activity was found, monitoring procedures were applied to determine if the entity's disclosure requirements and subrecipient monitoring activities comply with federal grant program requirements, state laws and the entity's own policies and procedures.

**Based on results obtained from inquiries made to and an inspection of data items provided by entity personnel, the monitors noted no current year subrecipient activity.**

**Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
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**2020-21 Financial Monitoring Report**  
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***Schedule of Observations***

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**III. Schedule of Observations**

**1.0 Observations from 2020-21 onsite visit**

The monitoring team noted no observations in the current period.

**2.0 Items for OEL follow-up**

**Item #1** – Help resolve FY2019-20 Enhanced Field Modernization (EFS Mod) issues

Single Statewide Information System (SSIS)

The Office of Early Learning (OEL) has experienced difficulties in the implementation and functionality of its client and data management system, specifically data migration and the Voluntary Prekindergarten (VPK) and School Readiness attendance modules. The impact on the Early Learning Coalitions (ELCs) and Redlands Christian Migrant Association (RCMA) is limited to the overpayments and/or underpayments of child care providers (providers) for 2018-19. The absence of full EFS Mod system functionality for all twelve months of FY2018-19 prevented the Early Learning Coalitions (ELCs) and Redlands Christian Migrant Association (RCMA) from complying with monthly reconciliation/invoice submission requirements as instructed in OEL's grant agreements.

OEL also experienced some system functionality issues for FY2019-20; however, the magnitude and occurrences of issues were significantly lower than the prior year. The nature of these issues can be described as system and process implementation errors, which resulted in intermittent impacts on monthly reconciliation/invoice submission requirements to OEL and minimal overpayments and/or underpayments to providers during FY2019-20.

EFS Mod-related issues did not impact the scope of OEL's 2019-20 and 2020-21 financial monitoring processes or the related fiscal operations for the ELCs or RCMA. OEL communicated these issues to the ELCs, RCMA and to firms providing professional accounting and auditing services for the 2018-19 and 2019-20 fiscal year audits. OEL also implemented procedures to reconcile provider payments, with an emphasis on provider underpayments during the 2018-19 fiscal year, and the development of procedures and tools to assist ELCs and RCMA with repayment plans for provider overpayments. In addition, OEL sought and was granted approval for a CCDF State Plan amendment from the U.S. Department of Health and Human Services to waive recovery requirements of provider overpayments

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***Schedule of Observations***

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under a specific dollar threshold. OEL continues to provide support and assistance to the ELCs and RCMA and work to minimize any disruptions to services or operations.

**Item #2** - Provide technical assistance on federal/state grant program time-reporting rules

During FY2019-20 and FY2020-21 monitoring tasks, we noted ELC policies and internal controls that may require further analysis. Issues related to time-reporting and accrued leave processes have been identified at multiple ELCs. We noted no instances of impaired ELC operations related to these issues at this ELC. However, we recommend OEL coordinate with the ELC to review federal/state grant program accrued leave processes and time reporting rules. Potential policy revisions and/or staff training assistance may also be provided as needed on related time reporting topics.

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## 2018 - 2019 Reconciliations Agreed Upon by Provider 01/19/21 Snapshot

### Overpaid Providers Recap

Overpaid Providers	
Paid Full Amount	154
Accepted Amount/Repayment Plan	355
Disputed Amount	92
Pending - Open Providers	0
Pending - Closed Providers	75
Awaiting Approval for Extension	82
<b>Total</b>	<b>758</b>

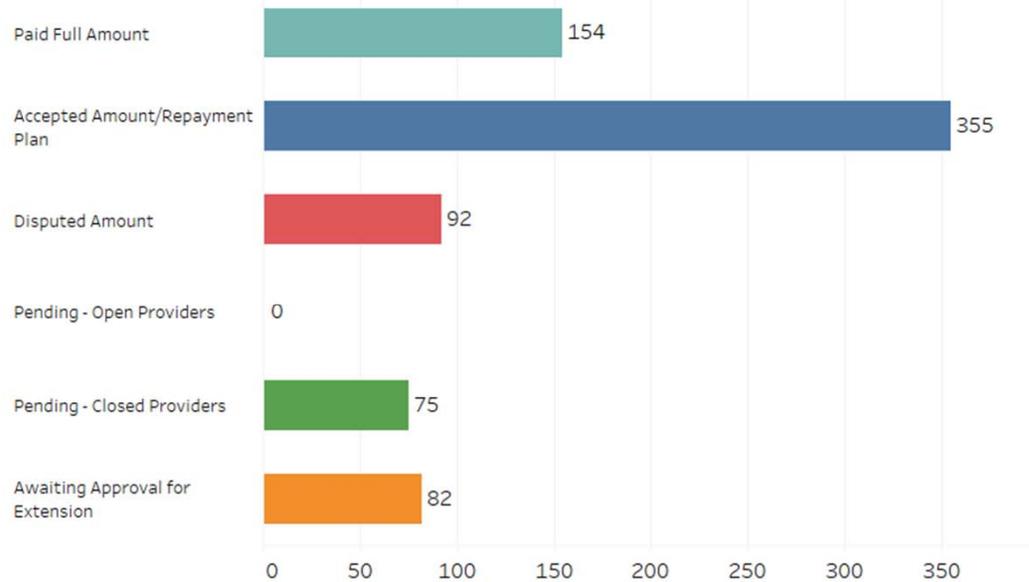
### Underpaid Providers Recap

Underpaid Providers	
Paid	154
Accepted Amount*	79
Disputed Amount	6
Pending	0
<b>Total</b>	<b>239</b>

Average Amount Owed to ELC: \$ 29,332    Median Amount Owed to ELC: \$ 18,053

*\* These providers are pending review for payment.*

#### Overpaid Providers



#### Underpaid Providers

