



AUDIT COMMITTEE MEETING
April 30, 2020 at 11:00 am
Via Conference Call
415-655-0003, Meeting 475 552 822#

- | | |
|---|-------------------|
| I. Welcome & Introductions | Adrian Alfonso |
| II. Approval of Minutes | Adrian Alfonso |
| III. OEL Fiscal Monitoring by Watson Rice | Mercy Castiglione |
| IV. Public Comments | Adrian Alfonso |
| V. Meeting Adjourn | Adrian Alfonso |

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
March 7, 2019, 10:00 a.m.
ELC Board Room

- Committee Attendees:** Adrian Alfonso (via conference call); Ileana Alvarez; David Kadar
- Committee Absentees:** Rudy Rodriguez; Ana Olarte
- Staff Attendees:** Evelio Torres; Angelo Parrino; Mercy Castiglione; Alex Sanchez; Milton Silvera; Lisa Sanabria
- General Attendees:** Octavio Vedeja; Manny Alvarez

I. Welcome and Introductions **Adrian Alfonso**

- A. Alfonso called the meeting to order and welcomed everyone.
- A quorum was established with five (3) voting members.

II. Approval of Minutes **Adrian Alfonso**

- Motion to approve minutes by I. Alvarez.
- Motion seconded by D. Kadar.
- Motion unanimously passed.

III. Approval of Committee Chair **Adrian Alfonso**

- A. Alfonso nominated I. Alvarez to serve as the committee chair
 - a. Motion to approval of nomination by A. Alfonso.
 - b. Motion seconded by D. Kadar.
 - c. Motion unanimously passed.

IV. Annual Audit **Octavio Verdeja**

- O. Verdeja discussed the recent audit that was completed by Verdeja, De Armas & Trujillo, LLP. No findings were found
 - Motion to approve audit results by I. Alvarez.
 - Motion seconded by D. Kadar.
 - Motion unanimously passed.



V. Loss Prevention and Compliance

Ana Rodriguez

- A. Rodriguez gave a brief overview of the Loss Preventions Department. The following was discussed:
 - Suspected fraud amounts identified in referrals to OEL: total \$3,800,408.00
 - Cases referred to the OEL by the ELC; fiscal year 15-16-183, FY16-17-94, FY17-18-92, FY18-19-51
 - Estimated dollars saved - \$1,129,811.00

VI. Public Comments

Adrian Alfonso

VII. Adjourn

Adrian Alfonso

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

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

2019-20 Financial Monitoring Report
Period Reviewed: December 1, 2018 – October 31, 2019

**Independent Accountants’ Report on
Financial Compliance Advisory Services
Early Learning Coalition of Miami - Dade and Monroe Counties, Inc.
(ELC 31)
2019-20 Financial Monitoring Report
*Period Reviewed: December 1, 2018 – October 31, 2019***

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January 17, 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 2019-20 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 January 13, 2020 through January 17, 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 2019-20 Onsite Financial Monitoring Tool for the period December 1, 2018 through October 31, 2019. 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 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.

Thomas Howell Ferguson P.A.
Tallahassee, Florida

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

2019-20 Financial Monitoring Report
Period Reviewed: December 1, 2018 – October 31, 2019

Executive Summary

I. Executive Summary

1.0 Findings

We performed financial monitoring procedures based on the testing procedures included in OEL’s 2019-20 Onsite Financial Monitoring Tool, which is available on OEL’s SharePoint Coalition Zone. Please 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.

Early Learning Coalition of Miami – Dade and Monroe Counties, Inc. (ELC 31)		
2019-20 Monitoring Results		
Objectives ⁽¹⁾	Prior Period Findings⁽²⁾	Current Period Findings
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 ¹	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	-	-
TOTAL	-	-

(1) Objective 5.0 – For 2019-20, testing of this objective is not included in the scoped onsite financial monitoring tasks. This objective shown for disclosure purposes only.

(2) Please refer to the entity’s 2017-18 fiscal monitoring report for detailed disclosures of any noted prior period findings.

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(ELC 31)**

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Executive Summary

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.

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

These financial monitoring procedures apply to both the School Readiness (SR) and Voluntary Prekindergarten (VPK) programs. Since 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. If the entity has current period findings it must submit a preventive/corrective action plan (PCAP) response to OEL within 30 days of receiving this report. Please contact OEL staff with any questions about the PCAP process.

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

2019-20 Financial Monitoring Report
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Executive Summary

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 2019-20 onsite visit

The monitoring team noted no observations in the current period.

Items for OEL follow-up

- Help resolve FY2018-19 Enhanced Filed Modernization (EFS Mod) issues
- Provide ELCs 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 should not be used by anyone other than these specified parties.

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

2019-20 Financial Monitoring Report
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Schedule of Findings

II. Schedule of Findings

We performed financial monitoring procedures based on the Testing Procedures included in OEL's SharePoint Coalition Zone. Please 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

The current period monitoring procedures were performed to determine if the entity implemented the required preventive and corrective actions as described in the accepted PCAP from the most recently closed grant program year.

No findings noted in the current period.

2.0 – Financial management systems

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

No findings noted in the current period.

3.0 – Internal control environment

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

No findings noted in the current period.

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Schedule of Findings

4.0 – Cash management

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 2019-20

6.0 – Prepaid program items

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 personnel, the monitors noted no current year prepaid program item activity.

7.0 – Cost allocation and disbursement testing

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

8.0 – Travel

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

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

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

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.

No findings noted in the current period.

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

2019-20 Financial Monitoring Report
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Schedule of Observations

III. Schedule of Observations

1.0 Observations from 2019-20 onsite visit

The monitoring team noted no observations in the current period.

2.0 Items for OEL follow-up

Item #1 – Help resolve FY2018-19 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 absence of 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 requirements as instructed in OEL's grant agreements.

The impact on the Early Learning Coalitions (ELCs) and Redlands Christian Migrant Association (RCMA) is limited to the overpayment and/or underpayments of child care providers (providers) and EFS Mod-related issues did not impact the scope of OEL's on-site 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 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 is seeking approval from the School Readiness program granting agency, the U.S. Department of Health and Human Services, for a waiver of provider overpayments under a proposed small dollar threshold. OEL will continue to provide support and assistance to the ELCs and RCMA for the 2018-19 fiscal year audit cycle and work to minimize any disruptions to the 2019-20 program services or operations.

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

During FY2019-20 onsite testing 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

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Schedule of Observations

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.