

**GOVERNOR'S
EMERGENCY
EDUCATION RELIEF
(GEER)
INFRASTRUCTURE
GRANT**

**Internal Audit Report
April 15, 2022**



**Orange County
Public Schools**

Internal Audit

Linda J. Lindsey, CPA, CGAP, School Board Internal Auditor
Vince Roberts, CIA, Senior Internal Auditor

Table of Contents

	Page Number
EXECUTIVE SUMMARY	1
DEFINITIONS	2
BACKGROUND	3
OBJECTIVES, SCOPE, AND METHODOLOGY	3
RESULTS AND RECOMMENDATIONS	4

EXECUTIVE SUMMARY

Why We Did This Audit

To determine whether the district managed the Infrastructure grant in accordance with grant provisions and whether grant objectives were achieved.

This is one of a series of audits of grants received by the district related to the COVID-19 pandemic.

This audit was included in the 2021-2022 Annual Audit Plan.

Observations and Conclusion

Our overall conclusion is that the grant funds were managed in accordance with grant provisions and grant objectives were achieved.

Audit Results at a Glance			
	Risk / Impact Rating		
Results and Observations	Significant	Moderate	Minor
IA-Internal Audit or M-Management	IA - 1	IA - 2	IA - 0
D-Deficiency or O-Opportunity	D - 1 O - 0	D - 2 O - 0	D - 0 O - 0

Results and Recommendations

Results:

Related to the CTE Department:

- Assurances one and two of the grant require timely and meaningful consultations to provide equitable services to non-public schools. The district did not do this.
- Non-fixed asset equipment acquired with grant funds was not recorded on the established inventory report and two computers and two monitors could not be located.

Related to the Grants and Special Projects Department:

- Assigned Grant Managers did not receive Grant Management training.

Recommendations:

Communicate with the Federal Programs Department to ensure compliance with all grant assurances.

Ensure Grant Managers receive Grant Manager training.

Improve tracking/recording of non-fixed assets equipment.

Review and verify data before outcomes reports are prepared.

This report has been discussed with management and they have prepared their response which follows.

DEFINITIONS:

Risk / Impact Ratings

Minor	Low risk with a financial impact of less than one percent and/or an isolated occurrence limited to local processes (low impact and low likelihood)
Moderate	Slight to moderate risk with a financial impact between one and five percent and/or a noticeable issue that may extend beyond local processes (low impact and high likelihood or high impact and low likelihood)
Significant	High risk with a financial impact greater than five percent and/or a significant issue that occurs in multiple processes and/ or noncompliance with Florida Statutes or School Board Policies (high impact and high likelihood)

We categorize risk/ impact as:

- *Minor*
- *Moderate*
- *Significant*

Observations Categories

Opportunity	A process that falls short of best practices or does not result in optimal productivity or efficient use of resources
Deficiency	A shortcoming in controls or processes that reduces the likelihood of achieving goals related to operations, reporting and compliance

We categorize our observations as opportunities or deficiencies.

Criteria for Observations Sourced to Management

- Internal audit was informed of the issue prior to starting detailed testing
- Management identified, evaluated, and communicated the issue to appropriate levels of the district
- Management has begun corrective action with clear, actionable plans and targeted completion dates

None of the observations in this report were sourced to management.

BACKGROUND:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is federal legislation which provided a variety of financial support to individuals and businesses affected by the COVID-19 pandemic. The Governor’s Emergency Education Relief (GEER) Fund under the CARES Act was provided to Local Educational Agencies (LEAs) to address the impact that COVID-19 has had, and continues to have, on students in Florida. This audit deals with one particular GEER grant awarded to the district’s CTE department.

Grant Title:

CARES Act GEER Fund – Building K-12 CTE Infrastructure

Grant Funding Awarded:

\$421,550

Unused Grant Funds:

\$752

Grant Period:

May 28, 2020 – September 30, 2022

Grant Objective:

To provide resources for school districts to build infrastructure and increase enrollment and capacity in high-demand career and technical education (CTE) programs.

OBJECTIVES, SCOPE AND METHODOLOGY:

Objectives

The objectives of this audit were to determine whether the district managed the Infrastructure grant in accordance with grant provisions and whether objectives were achieved.

Scope

The scope of the audit included transactions and activities from May 28, 2020 through April 15, 2022.

The Building K-12 CTE Infrastructure grant totaled \$421,550.

This grant objective was to build infrastructure and capacity to increase enrollment in high-demand CTE programs.

Our scope included all transactions and activities during the period from May 28, 2020 through April 15, 2022.

Methodology

Our methodology included:

- Reviewing United States Department of Education (USDOE) and Florida department of Education (FLDOE) information
- Reviewing grant proposal, award and amendment documents
- Discussions with Federal Programs, Grants Compliance, Finance Grants Accounting, CTE and Procurement Department personnel
- Analyzing SAP Budget Reports, iBuy workflow approvals, quote/invoice documentation
- Evaluating vendors used
- Visiting sites to confirm receipt and existence of non-fixed assets

We conducted this audit in accordance with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors and included such procedures as deemed necessary to provide reasonable assurance regarding the audit objective. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

We are required to note any material deficiencies in accordance with Florida Statutes, School Board Policy and sound business practices. No material deficiencies were noted in this audit. We also offer suggestions to improve controls or operational efficiency and effectiveness.

RESULTS & RECOMMENDATIONS:

Overall Conclusion:

We have concluded that the grant funds were spent in accordance with the purpose of the grant. The district expended \$420,798 of the grant funds on technology (equipment and peripherals) and instructional supplies. CTE Department and Campus Vue data showed the following outcomes:

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing.

No material deficiencies were noted in this audit.

\$420,798 of grant funds were spent on technology and instructional supplies.

- Converted a non-CTE school television studio to a Digital Video Technology instructional lab at Apopka High School
- Purchased industry standard equipment at Timber Creek High School
- Increased industry certification opportunities for 1,495 students
- Purchased curriculum, licensing and practice tests for specific programs (Digital Information Technology, Business Center and Health Center)

Our detailed findings and recommendations follow.

1) CTE Department Recommendation - Assurance non-compliance relating to consultation with non-public schools *Significant Risk, Deficiency*

Best Practice:

As a condition for receiving the grant funding, the district agreed to comply with six grant assurances. Two of the assurances relate to providing equitable services to non-public schools. According to the FLDOE, the district should document that it offered equitable services to non-public schools as required under section 18005 of Division B of the CARES Act and section 1117 of the Elementary and Secondary Education Act (ESEA). This would be accomplished through timely and meaningful consultation with representatives of non-public schools.

Audit Result:

We requested documentation that would demonstrate the district's compliance with these two assurances, but the documentation provided related only to interaction with charter schools.

These same assurances were also required for other GEER grants received by the district that were managed by the Federal Programs Department. The Federal Programs Department developed procedures to demonstrate compliance with these assurances, but the two departments (CTE Department and Federal Programs) did not work together to understand and implement them.

Increased industry certification opportunities for 1,495 students.

Timely and meaningful consultation was not conducted with non-public schools as required by grant assurances.

After our inquiry, management had a person in the CTE department view the websites of various non-public schools in the area and reported that none were found that offered CTE programs.

Recommendation:

Communicate/ coordinate with the Federal Programs Department to ensure compliance with all grant assurances.

2) Grants and Special Projects Recommendation – Grant Manager Training should be mandatory for Assigned Grant Managers *Moderate Risk, Deficiency*

Best Practice:

Grant Managers should receive Grant Manger training so they are knowledgeable about how to properly manage grants. If grants are not managed properly, there is a chance that the funds will have to be repaid.

Audit Result:

According to the Grants and Special Projects web page, 249 grants totaling more than \$563 million were monitored in the 2020/2021 school year. We inquired about the training provided during the 2020/2021 school year and were informed that training was offered virtually via TEAMS in the fall of 2020 and online training was developed in the spring of 2021. We reviewed the spring 2021 training records and noted only 10 grant managers enrolled in the online training.

During the 2021/2022 school year, online fall training was deleted off the platform so no one could access it. Training in the spring was hosted virtually on April 29, 2022 with 56 managers in attendance.

Recommendation:

Due to the magnitude of grant funding the District receives each year, we recommend that Grant Manager training be mandatory.

Ensure all grant requirements are met.

Only 10 grant managers enrolled in online training in 2021.

Fall training courses were deleted from the training platform and spring training did not occur until one month before the school year ended.

3) CTE Department Recommendation – Non-Fixed Assets Inventory

Moderate Risk, Deficiency

Best Practice:

School Board Policy DID, Inventories and Property Records, requires each work location to establish and maintain an adequate and accurate record of all equipment and property. This provides accountability and stewardship over assets purchased with public funds. Additionally, grant regulations require that assets purchased with grant funds be tracked and accounted for from acquisition to disposal.

Audit Result:

The CTE Department uses a cloud-based asset management tool known as Asset Tiger to tag/track all fixed assets (\$1,000-unit value or more) and non-fixed assets (less than \$1,000-unit value). This software is free if a certain amount of money is spent purchasing barcoded asset tags from the vendor. The most recent asset tag purchase totaled \$590.

CTE has a team that visits the four technical college campuses as well as high schools and middle schools to verify the existence and location of fixed assets and non-fixed assets. We ran an SAP budget and expenditure report to isolate fixed asset and non-fixed asset purchases to compare with the Asset Tiger inventory report and noted the following items which were not included on the inventory report as of March 4, 2022.

Description	Location	Unit Cost
2 Panasonic Camcorders	Apopka HS	\$1,186
3 Teleprompters	Apopka HS	\$934
1 News Desk	Apopka HS	\$985
10 Handheld Transmitters	RBELC-6 th Floor	\$113
70 Computers	Timber Creek HS	\$845
100 Monitors	Timber Creek HS	\$189
1 Printer	Timber Creek HS	\$648

CTE uses a cloud-based system called Asset Tiger to track its equipment inventory.

The Asset Tiger inventory database did not include all acquisitions.

Items in the table were found during site visits but were not listed on the inventory report.

We visited these locations to confirm the existence of the assets and found that all were on hand except two computers and two monitors at Timber Creek High School with a combined cost totaling \$2,068.

Recommendation:

Develop and implement procedures to monitor the acquisition of fixed assets and non-fixed assets to ensure these assets are identified, tagged and recorded in the Asset Tiger system in a timely manner.

We wish to thank the staff of CTE, Grants and Special Projects Services, and Finance Grants Accounting departments for their cooperation and assistance with this audit.

Two computers and two monitors with a combined cost of \$2,068 could not be located.



Department / School Name	Career and Technical Education, GEER Infrastructure Grant
Administrator / Department Head	Rosa Grant
Cabinet Official / Area Superintendent	Melanie Stefanowicz

Audit Result / Recommendation	Management Response Acknowledgement/ Agreement of Condition	Responsible Person (Name & Title) And Target Completion Date	Management's Action Plan
<p>CTE Department Recommendation - Assurance non-compliance relating to consultation with non-public schools.</p> <p>Recommendation: Communicate/ coordinate with the Federal Programs Department to ensure compliance with all grant assurances.</p>	<p>CTE has worked with and through the Federal Programs Department to ensure compliance with all grant assurances.</p>	<p>Rosa Grant, Senior Director, CTE July 1, 2022</p>	<p>CTE will work with and through the Federal Programs Department to ensure compliance with all grant assurances.</p>
<p>CTE Department Recommendation – Non-Fixed Assets Inventory.</p> <p>Develop and implement procedures to monitor the acquisition of fixed assets and non-fixed assets to ensure these assets are identified, tagged and recorded in the Asset Tiger system in a timely manner.</p>	<p>CTE did not have an inventory management system or process in the fall of 2020 other than using spreadsheets. In February of 2021, CTE initiated the software approval process, the inventory management process with the finance/inventory department, and the procurement process.</p>	<p>Alan Sherbourne, IT Manager, Implemented Fall of 2021.</p> <p>Target Completion Date: Ongoing</p>	<p>CTE will continue to document inventory in Asset Tiger.</p>



	<p>In September of 2021, the CTE IT team began the process of inventorying and tagging items in Asset Tiger, the inventory management system.</p>		
--	---	--	--