

GEER – Prevention and Response Grant

Internal Audit Report

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EXECUTIVE SUMMARY

Why We Did This Audit

This audit is one of several planned performance audits of COVID-19-related grants included in our annual audit plan. This audit covers the GEER Prevention and Response (F121205) grant. Our objective was to evaluate management of the grant and determine whether the grant objectives were achieved.

Observations and Conclusion

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

Our overall conclusion is that the funds were managed and spent effectively. There is room for improvement in the area of training grant managers. The Grant Manager assigned didn't really have managing authority over most of the grant funds, though the Grants and Special Programs department supported the Grant Manager and answered her questions. The assigned Grant Manager was, in essence, the procurement manager for the non-public schools.

Results and Recommendations

During our audit, we noted:

- The Grant Manager had not attended Grant Management training.
- A significant journal entry calculation was prepared and recorded without review by someone other than the preparer.
- The transaction data needed to calculate the additional cost of custodial supplies was incomplete. Some data were missing, while other data were included in error.

Our recommendations:

- Ensure Grant Managers received proper Grant Manager training.
- Someone other than the preparer should review journal entry documentation for completeness and accuracy before they are posted.

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 rate 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

We source our observations to Management or Internal Audit.

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

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BACKGROUND:

The Governor’s Emergency Education Relief (GEER) funds were provided to Local Educational Agencies (LEAs) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to address the impact that the Novel Coronavirus Disease 2019 (“COVID-19”) has had, and continues to have, on elementary and secondary students in Florida. The objective of the grant was to provide funds for the cost of supplies for sanitation due to COVID-19, including, but not limited to, cleaning supplies, personal protection equipment (PPE), hand sanitizer, and face coverings. For OCPS, this grant paid for:

- Personal protection equipment (PPE) – masks, wipes, gloves, and sanitizers
- Various methods of encouraging social distancing - seat covers
- Thermometers

Grant Title: Coronavirus Prevention and Response GEER (CARES Act)

Grant Amount: \$1,933,704

Grant Period: July 1, 2020 – June 30, 2021 (original)

July 1, 2020 – March 13, 2021 (actual)

This grant was closed on March 13, 2021 (over three months early) by the Florida Dept of Education without advance notice to the district. Unreimbursed costs could not be allocated to the grant after that date.

A portion of the grant funding was allocated to Charter Schools and Non-Public schools. Funds were allocated and spent by those entities as shown in the table below.

Table: 1 – Summary of GEER Prevention and Response Grant

Entity	Approved Budget	Amount Spent	Unused Balance
OCPS	\$1,559,724	\$1,182,738	\$376,986
Charter	\$281,393	\$6,445	\$274,948
Non-Public	\$92,587	\$4,456	\$88,131
Totals	\$1,933,704	\$1,193,639	\$740,065

Source: SAP ZF404

This grant provided funds for supplies for sanitation due to COVID-19, including, but not limited to, cleaning supplies, personal protection equipment (PPE), hand sanitizer and face coverings.

The district received \$1,933,704 for this grant.

A portion of the grant funds was allocated to Charter Schools and Non-Public Schools.

OBJECTIVES, SCOPE AND METHODOLOGY:

Objectives

We evaluated management of the grant and determined whether the grant objectives were achieved.

Scope

The audit addressed grant transactions and administration during the period from July 1, 2020 through July 22, 2021.

Methodology

We reviewed the process for training grant managers and procurement processes. Our audit methodology included:

- Interviewing/ communicating with personnel of the following departments:
 - Federal Programs
 - Grants and Special Projects
 - Procurement
 - Chief Financial Officer
 - School Choice Services
 - Office of Safety and Emergency Management
 - Surplus Services
- interviewing select members of the Executive Planning Group, who oversaw the management and spending of all COVID-19 – related grants
- reviewing documents and data
- observing the inventory of Surplus Services
- observing an overview of the inventory process at Surplus Services
- performing walkthroughs of the different processes
- performing a cost analysis of a sample of purchases to determine whether the district was over-charged
- evaluating the vendors used
- reviewing emergency purchase procedures

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

We evaluated grant transactions during the period from July 1, 2020 through July 22, 2021.

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

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: Our overall conclusion is that the GEER Prevention and Response grant funds were spent in accordance with the purpose of the grant in paying the increased cost of supplies for sanitation due to COVID-19. Costs of PPE, masks, sanitizers, seat covers, etc. were costs OCPs would not have incurred but for the pandemic.

The Grant Manager assigned didn't really have managing authority over most of the grant funds, though the Grants and Special Programs department supported the Grant Manager and answered her questions. The assigned Grant Manager was, in essence, the procurement manager for the Non-Public schools.

Our detailed findings and recommendations follow.

1) Grants and Special Projects Recommendation – Assigned Grant Managers need to receive Grant Manager training. Moderate Risk, Deficiency, Internal Audit

Best Practice:

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

Audit Result:

The district's established procedure is that assigned Grant Managers are to receive Grant Manager training. The assigned Grant Manager

No material deficiencies were noted in this audit.

The assigned Grant Manager essentially functioned at a procurement manager.

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in this case did not receive any such training, although Grants & Special Projects personnel were available for any questions. The Grant Manager assigned to this grant did not have controlling oversight of the grant. The Grant Manager directly oversaw the expenditure of only \$4,456 of the total grant. The remaining charges were spent by other departments that were not under the Grant Manager's supervision.

The Grant Manager, in this case essentially functioned as the procurement person for various non-public schools. This procurement amounted to only \$4,456 of the \$1,193,639 funds spent, or less than 0.5%. With only 0.5% under this Grant Manager's control, we question whether the assigned Grant Manager actually functioned in that capacity.

Recommendation:

Grant manager assignments should be made to persons directly involved in managing and overseeing the grant and the established procedure that Grant Managers receive Grant Manager training should be followed.

2) Someone other than the preparer should review calculations and check for accuracy. *Moderate Risk, Deficiency, Internal Audit*

Best Practice:

Journal Entries (AJEs) should be reviewed by someone other than the preparer for completeness, and accuracy before being posted. Calculations should use complete data.

Audit Result:

An analysis of the calculation used to allocate \$884,734 of costs to the grant showed that the data was incomplete because not all applicable transactions were included.

The calculation involved comparing costs of custodial supplies incurred before the pandemic to costs incurred during the pandemic. Average monthly custodial supply costs during the 12-month period before the pandemic began were compared to average monthly custodial supply costs during a 7-month period during the pandemic.

The assigned Grant Manager received no training for that function.

The assigned Grant Manager handled procurements amounting to less than ½% of the total grant funds.

The calculation used to allocate costs to the grant used incomplete data.

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The increase in average monthly costs was considered to be caused by the pandemic and eligible for GEER funding.

The district allocated the calculated increase in average monthly costs (from \$236,869 to \$362,974) to the grant for 7 pandemic months via a journal entry.

Table 2: District Calculation of Pandemic Costs

District Calculation	Pre-Pandemic	Pandemic
Total Custodial Services Cost	\$2,842,431	\$2,540,819
Divided by number of months	/12	/7
Monthly Average Cost	\$236,869	\$362,974

Source: Office of Chief Financial Officer

Our analysis showed that incomplete data was used for some vendors from whom these supplies were purchased. (Please see Appendix A for details.) Our calculations, including all pertinent vendors, are as follows:

Table 3: Internal Audit Calculation of Pandemic Costs

Internal Audit Calculation	Pre-Pandemic	Pandemic
Total Custodial Services Cost	\$3,031,959	\$2,540,819
Divided by number of months	/12	/7
Monthly Average	\$252,663	\$362,974

Source: Internal Audit calculations using vendor payment records from SAP

Table 4: Summary of Calculation Differences

Component of Calculation	District Calculation (Table 2)	Internal Audit Calculation (Table 3)	Difference
Average Monthly Costs During Pandemic	\$362,974	\$362,974	\$0
Minus Average Monthly Costs Pre-Pandemic	\$236,869	\$252,663	\$15,794
= Additional Costs due to Pandemic	\$126,105	\$110,311	\$15,794
× 7 months	\$882,735	\$772,177	\$110,558

Source: Internal Audit calculations using Table 2 & 3 data above

The district calculated that average monthly custodial services costs increased \$126,105 as a result of the pandemic.

Internal Audit calculated that average monthly custodial services costs increased \$110,311 during the pandemic.

The use of incomplete data caused an overallocation of costs to the grant in the amount of \$110,558.

Because the actual Custodial Services Costs during the 12-month pre-pandemic period were more than the amount used by the district in its calculation, the extra costs attributable to the pandemic are less than the amount calculated by the district. This affects the amount of costs allocated. We calculate that \$772,177 of costs should have been allocated, which is \$110,558 less than the district's allocation. The omission of \$244,537 of one vendor's transactions makes up most of the difference. (See Appendix "A" for a reconciliation of the district's "Total Custodial Services Cost" to Internal Audit's revised "Total Custodial Services Cost".)

Recommendation: Journal Entries should be reviewed by someone other than the preparer for completeness and accuracy before being posted.

We wish to thank the staff of Grants and Special Projects Services, Office of Safety and Emergency Services, and Surplus Services departments for their cooperation and assistance with this audit.

Journal entry calculations should be reviewed by someone other than the preparer before posting.

Appendix A

Here is the reconciliation from the original Pre-Pandemic total to the revised Pre-Pandemic total:

Original Amount Used in District Calculation		\$2,842,431
Corrections		
Add 1 Feb '19 transaction from Vendor #1	\$2,011	
Subtract 434 Feb '20 transactions from Vendor #2	(\$197,021)	
Add 91 Feb '19 transactions from Vendor #3	\$13,870	
Subtract 64 Feb '20 transactions from Vendor #3	(\$13,848)	
Add 4 Feb '19 transaction from Vendor #4	\$6,983	
Add 132 May '19 transactions from Vendor #5	\$132,996	
Add 294 Feb '19 transactions from Vendor #5	<u>\$244,537</u>	
Subtotal of corrections		<u>\$189,528</u>
Revised Amount		<u>\$3,031,959</u>



Department / School Name	Grants and Special Projects
Administrator / Department Head	Jaquay Rember
Cabinet Official / Area Superintendent	Jennifer Sasser

Audit Result / Recommendation	Management Response Acknowledgement/ Agreement of Condition	Responsible Person (Name & Title) And Target Completion Date	Management's Action Plan
<p>1) Grants and Special Projects Recommendation – Assigned Grant Managers need to receive Grant Manager training.</p> <p><u>Recommendation:</u> Due to the magnitude of grant funding the district receives each year, we recommend Grant Manager training be mandatory.</p>	<p>This issue is acknowledged. There was a change to the grant manager assigned and the newly designated grant manager was not trained.</p>	<p>Denard Turner Grants and Special Projects (GSP) – Sr. Administrator</p> <p>June 2023</p>	<p>GSP will offer grant manager training twice per school year and conduct monthly checks to make note of new grant managers and offer one-on-one training.</p> <p>Attendance will be monitored, and participation will be shared with grant managers' supervisors and corresponding cabinet members. Grant Manager training would need to be provided by multiple district departments depending on the type of grant in order to provide instructions related to their areas of responsibility, including: GSP, Grants-Accounting, Payroll, Human Resources (HR), Federal Programs and Procurement. GSP's responsibility in providing pertinent content for professional development will cover specific topics for grants they manage such as: the grant manager memo, SAP project setup, budget reports, staffing requests, amendments, and reporting requirements.</p> <p>The attendance logs of professional development sessions will be monitored. Communications will be</p>



			sent to the grant manager and the corresponding supervisor. A new grant manager memo will be developed to include notice of expected attendance at grant manager training sessions.
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Department / School Name	Finance
Administrator / Department Head	Catherine Nguyen Schuessler
Cabinet Official / Area Superintendent	Doreen Concolino

Audit Result / Recommendation	Management Response Acknowledgement/ Agreement of Condition	Responsible Person (Name & Title) And Target Completion Date	Management's Action Plan
<p>2) Someone other than the preparer should review calculations and check for accuracy.</p> <p><u>Recommendation:</u> Journal entries should be reviewed by someone other than the preparer for completeness and accuracy before being posted.</p>	<p>Management concurs with the recommendation.</p>	<p>Irma Gonzalez, Senior Administrator, Grants Accounting</p> <p>December 2022</p>	<p>Finance grants will ensure that all journal entries are reviewed by the grant fund manager prior to Finance grants' review and posting of journal entries.</p>