

# **GOVERNOR'S EMERGENCY EDUCATION RELIEF (GEER) RAPID CREDENTIALING GRANT**

**Internal Audit Report  
April 13, 2022**



**Orange County  
Public Schools**

Internal Audit

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## EXECUTIVE SUMMARY

### Why We Did This Audit

To determine whether the district managed the Rapid Credentialing 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.

<b>Audit Results at a Glance</b>			
	<b>Risk / Impact Rating</b>		
Results and Observations	Significant	Moderate	Minor
IA-Internal Audit or M-Management	IA - 0	IA - 3	IA - 0
D-Deficiency or O-Opportunity	D - 0 O - 0	D - 3 O - 0	D - 0 O - 0

### Results and Recommendations

#### Results:

Related to CTE Department:

- Thirty-one Go Pro cameras could not be located.
- Data verification reviews were not conducted before final reports were submitted and as a result, they contained incorrect information.

Related to Grants and Special Projects Department:

- Assigned Grant Managers did not receive Grant Management training.

#### Recommendations:

Ensure Grant Managers receive Grant Manager training.

Improve tracking/recording of non-fixed assets.

Implement data verification reviews before final reports are submitted.

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 that 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 – Rapid Credentialing

**Grant Funding Awarded:**

\$999,512

**Unused Grant Funds:**

\$53,398

**Grant Period:**

May 28, 2020 – August 31, 2021

**Grant Objective:**

To assist district postsecondary technical centers in their ability to enroll and complete students in short term, in-demand workforce career and technical education (CTE) credentialing and certificate programs.

**OBJECTIVES, SCOPE AND METHODOLOGY:**

**Objectives**

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

**Scope**

The scope of the audit included transactions and activities from May 28, 2020 through August 31, 2021 (the grant period).

*The Rapid Credentialing grant totaled \$999,512.*

*The grant objective was to increase and accelerate student completion of in-demand workforce certificate programs.*

*Our scope included all transactions and activities during the grant period.*

**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 equipment (items costing less than \$1,000 capitalization value)

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 CARES Act GEER Fund Rapid Credentialing grant funds were spent in accordance with the purpose of the grant. The district expended \$595,757 for tuition, fees, and supplies for students. The district also purchased a 2021 Peterbilt truck with a cost of \$129,000 for the Commercial Vehicle Driving program. Report data through January 25, 2022 showed the following results:

*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.*

*The district expended \$595,757 to pay tuition, fees, and supplies for students. An additional \$129,000 was used to purchase a truck for the Commercial Vehicle Driving program.*

*Table 1: Results of Rapid Credentialing Grant*

<b>Program Name</b>	<b>Students Served</b>	<b>Students Completing at least one Career Certificate, Degree or Industry Certification (unduplicated)</b>	<b>Industry Certifications Earned (duplicated)</b>
Dental Assistant	29	8	34
Patient Care Assistant	50	11	43
Nursing Assistant	111	14	98
Commercial Vehicle Driving	40	15	51
Enterprise Desktop/Network Support Technology	52	10	27
Phlebotomy	130	64	162
Automotive Service Technology	10	30	38
Diesel Systems Technician	5	2	7
Electricity/Electronic Systems	6	0	6
HVAC/Refrigeration	5	0	4
Machining Technology	8	0	6
Welding Technology	34	0	22
Multiple Programs	50	0	0
<b>Totals</b>	<b>530</b>	<b>154</b>	<b>498</b>

Note: Students can earn multiple certifications in the same program.

Source: CTE Department

Our detailed results and recommendations follow.

*530 students enrolled in the targeted certificate programs with 154 students earning at least one program certificate, and the entire group earning a total of 498 certificates through January 25, 2022.*

**1) 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 Department internet 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 MS 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 of 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.

**2) 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.

*Only 10 Grant Managers attended the 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.*



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) acquisitions. This software is free if a certain amount of money is spent purchasing barcoded asset tags from the vendor. The department’s 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 an expenditure reclassification to this grant for 80 Go Pro cameras. The department tracked the receipt and distribution of the cameras with a Google document but the cameras were not included on the Asset Tiger inventory database. We inquired of CTE personnel and visited two campuses to confirm existence of the Go Pro cameras. All except the following were located:

*Table 2: Results of Physical Inspection of Assets*

<b>Campus</b>	<b>Verified By</b>	<b>Unlocated Cost Price</b>
Mid Florida	Auditor & Campus Tech Support Rep.	2 @ \$328
Winter Park	Auditor & CTE Tech Support Rep.	4 @ \$328
Orlando	CTE Team	13 @ \$328
Westside	CTE Team	12 @ \$328
<b>Total Missing</b>		<b>31@\$328=\$10,168</b>

Source: Internal Audit

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.

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

*The Asset Tiger Inventory database did not record 80 Go Pro cameras.*

*31 Go Pro cameras with a cost price of \$10,168 could not be located.*

**3) CTE Department Recommendation – Final Report Data Verification** *Moderate Risk, Deficiency*

Best Practice:

Final reports submitted to the Grantor should include accurate information.

Audit Result:

A final report initially prepared by the CTE department in January 2022 showed 375 students had earned at least one career certificate, degree or industry certification. After our review and inquiry, the report was revised to report that only 154 students had earned at least one career certificate, degree or industry certification.

Recommendation:

Review and verify data before reports are sent to the Grantor.

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.

*Reported certificate, degree or industry certifications totals were overstated by more than 100% in the final report.*



<b>Department / School Name</b>	<b>Career and Technical Education</b>
<b>Administrator / Department Head</b>	<b>Melanie Stefanowicz</b>
<b>Cabinet Official / Area Superintendent</b>	<b>Melanie Stefanowicz</b>

<b>Audit Result / Recommendation</b>	<b>Management Response Acknowledgment/ Agreement of Condition</b>	<b>Responsible Person (Name &amp; Title) And Target Completion Date</b>	<b>Management's Action Plan</b>
<p>Audit Result: Thirty-one Go Pro cameras purchased in the Fall of 2020 could not be located.</p> <p>Recommendation: Improve tracking/recording of non-fixed assets.</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>In September of 2021, the CTE IT team began the process of inventorying and tagging items in Asset Tiger, the inventory management system.</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>



<b>Audit Result / Recommendation</b>	<b>Management Response Acknowledgment/ Agreement of Condition</b>	<b>Responsible Person (Name &amp; Title) And Target Completion Date</b>	<b>Management's Action Plan</b>
<p>Audit Result: Data verification reviews were not conducted before final reports were submitted and as a result, they contained incorrect information.</p> <p>Recommendation: Implement data verification reviews before final reports are submitted.</p>	<p>Data were verified by teaching and learning personnel using a shadow spreadsheet system. Data needed to be verified against data entered into the postsecondary student information system.</p>	<p>Adrian Washington, Senior Instructional Process Specialist</p> <p>Completion Date: July 1, 2023</p>	<p>CTE is developing a data validation and verification process to verify data quality.</p>