



Office of Inspector General
Jackson County School Board Adults with Disabilities Program

Report #A-2021DOE-004

January 2021

Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2020-21 audit plan, the Office of Inspector General (OIG) conducted an audit of the 2019-20 grant between the Division of Vocational Rehabilitation (DVR) and the Jackson County School District (JCSD) for the Adults with Disabilities (AWD) Program. The purpose of this audit was to determine whether JCSD has sufficient internal controls to provide services to adults with disabilities in compliance with grant terms and whether DVR is effectively monitoring the grant.

During the course of this audit, we noted the program targets adults with disabilities who are not seeking competitive employment. The needs and goals of the participants are individualized through the Adult Individual Education Plans (AIEP). The participant and JCSD identify two benchmarks on the AEIP, and participants must attain a set percentage of the required tasks or goals in order to complete the selected benchmarks. The benchmarks vary based on participant needs and abilities, and the teacher monitors each participant’s progress towards their goals and documents the percentage of the benchmark completed.

During this audit, we noted that JCSD met DVR’s grant expectations and met the required annual deliverables. In addition, we noted the sampled AIEPs met the grant requirements, included detailed and measurable deliverables for achievement of the educational and functional goals, and were well documented. However, we did note instances where improvements could be made to strengthen internal controls for both DVR and JCSD. For example, we cited instances where DVR did not conduct effective monitoring of the grant; grant language was unclear and inconsistent; JCSD did not meet all quarterly grant deliverables; and a lack of communication and sense of urgency related to this grant led to delayed execution of the grant, inconsistent submission and review of quarterly reports, and insufficient opportunities for program improvement throughout the grant period. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of the engagement included an examination of the grant agreement and amendment between DVR and the Jackson County School District from July 1, 2019, through September 1, 2020. Our objectives for the audit included:

1. Determining whether DVR is effectively monitoring the performance of the provider for compliance with grant terms;
2. Determining whether payments and expenditures are made in accordance with grant terms and applicable laws, rules, and regulations; and
3. Determining if the Jackson County School District is providing services in accordance with grant terms.

To accomplish our objectives, we reviewed applicable laws, rules, and regulations; reviewed the AWD grant and related documents; interviewed appropriate staff; reviewed policies and procedures; reviewed monitoring plans and related documentation; reviewed quarterly reports and supporting documentation; reviewed a sample of AIEPs; and reviewed a sample of expenditures and related documents.

Background

The General Appropriations Act of Florida designated \$1,019,247.00 from the Adults with Disabilities Grant Funds for the Jackson County School District Adults with Disabilities Program, for the 2019-20 fiscal year. The purpose of the grant is to provide services to adults with disabilities in workforce conditions that are tailored to the individual's capacity; lifelong learning for senior citizens with disabilities; learning activities; and increased capability for self-help, adaptive skills, and social skills. The Division of Vocational Rehabilitation (DVR) oversees the Adults with Disabilities grants and has executed a grant with the Jackson County School District Adults with Disabilities Program for the budgeted time frame of July 1, 2019, through June 30, 2020. There is one no-cost extension amendment which extended the budget and program period to September 1, 2020.

Audit Results

Finding 1: DVR did not conduct effective monitoring of the grant.

Per the DVR Contract Monitoring Plan Template, "A complete risk assessment is performed on all VR contracts prior to contract execution. Risk will be reassessed at the end of each contract year. The assigned risk score drives the type and frequency of monitoring conducted."

DVR completed a Risk Assessment for the period of July 1, 2019, through June 30, 2020, and assigned JCSD a risk score of 42, which is considered high risk. The risk assessment scores are based on the following criteria: contracted dollars, department priority, the nature of services, provider history, and prior monitoring and/or audits. Per DVR staff, they did not complete a monitoring plan for JCSD for the 2019-20 grant year. This was due to the grant being assigned to multiple contract managers during the grant period as a result of turnover.

Due to the lack of a monitoring plan, we referred to a 2018-19 AWD monitoring plan for a provider this office audited in a prior year, which also received a risk assessment score of 42 and was identified as high risk. Based on the prior AWD 2018-19 monitoring plan, monitoring based on a high risk grant should include desktop monitoring on a quarterly basis. Per DVR staff, desktop monitoring did not occur for the JCSD AWD grant during the period of July 1, 2019, through June 30, 2020. The lack of a monitoring plan and subsequent lack of monitoring of the provider increases the risk that noncompliance with the terms of the monitoring plan will go undetected. In addition, not communicating the monitoring results or providing improvement recommendations limits JCSD's ability to improve its processes. Some, if not all, of the findings discussed later in this report could have been identified and corrected much sooner had the proper monitoring occurred.

In addition to the findings discussed later in the report, we also identified the following expenditure deficiencies that could have been identified through monitoring. We identified four Agency for Persons with Disabilities invoices on the submitted Department of Education (DOE) Detail of Monthly Transaction 301 forms for "Breakfast, Lunch & Supplements" for non-resident students. These expenditures were not identified as a line item on the original grant budget narrative form, but were ultimately paid by DVR. We additionally noted JCSD reported on the final DOE 399 that \$877,356.22 was disbursed during the grant term. However, the total amount reflected on the submitted quarterly DOE Detail of Salary Expenditures form 300 and DOE Detail of Monthly Transactions form 301 was \$845,639.71, a difference of \$31,716.51 from the submitted DOE 399. While JCSD provided revised DOE 300 and 301 forms to our office upon request, DVR did not note the difference between the DOE 399 and the previously submitted DOE 300 and 301 forms prior to final payment.

Recommendation

We recommend DVR complete monitoring plans in accordance with the risk assessment and reflect sufficient activities to monitor high risk providers. We additionally recommend DVR conduct monitoring in accordance with the risk assessment and monitoring plan. We recommend that DVR promptly provide any monitoring results and recommendations for improvement to JCSD and ensure corrective action plans have been created and initiated on noted program deficiencies. Furthermore, we recommend that DVR include a review of expenditures incurred and the supporting documentation as part of their monitoring efforts to ensure expenditures are supported, allowable, allocable, and necessary to the performance of the grant.

We recommend that the JCSD ensures that all expenditures align with the approved original budget narrative form. We additionally recommend JCSD ensure the DOE 300 forms and 301 forms submitted to DVR are accurate, supported, and align with the final 399 form.

DVR Management Response

Concur. The Jackson County School District has been assigned a quarterly monitoring by desk review. The monitoring sequence coincides with the grantees invoice and billing schedule.

JCSD Management Response

Concur. Using the approved budget narrative, including approved budget amendments, the JCSD will monitor all expenditures related to the AWD allocation at the site and district level to ensure compliance. Personnel from the district finance office will complete the DOE 300 and 301 each quarter and submit to AWD coordinator for submission.

Finding 2: Grant language was unclear and inconsistent, and JCSD did not meet all quarterly grant deliverables.

Per the AWD grant, “Each program is tasked with completing an Adult Individual Education Plan (AIEP) for each client served. The AIEP is required to develop two goals, one functional and one educational goal. Each goal is to have 2-5 short-term objectives to work towards to the completion of the goal.”

The Project Performance Accountability Form for this grant states for the AIEP educational goal, benchmark 1, “75% of short-term objectives must be satisfactorily completed for the student to have met their educational goal in their AEIP.”

The Performance-Based Chart & Cost Per Student section of the grant states, “Performance-Based funding represents 15% of the Project Recipient’s total funding. The Project Recipient must obtain 100% of its 2019-2020 benchmarks to receive the full 15% performance funding.

1st Benchmark: Participants must attain 75% of the required tasks/goals to be considered a completed benchmark by the end of the agreement period. Quarterly deliverable numbers should be cumulative to equal the projected annual deliverable.

2nd Benchmark: Participants must attain 50% of the required tasks/goals to be considered a completed benchmark by the end of the agreement period. Quarterly deliverable numbers should be cumulative to equal the projected annual deliverable.

Project Recipient must meet quarterly deliverable numbers per quarter. If quarterly deliverable numbers are not met per quarter, the Project Recipient must submit, to the Program Manager, a signed Corrective Action Plan on agency/organization letterhead stating the reason quarterly deliverables were not met and the plan to ensure quarterly deliverables are met for the next reporting quarter.”

Inconsistent Grant Deliverables

We noted that the cumulative numbers for the enrollment and performance benchmarks in the narrative portion of the grant did not align with the Performance-Based Chart in the grant. For example, the grant enrollment benchmark numbers in the narrative reflect the following: 120 students (Q1), 125 students (Q2), 128 students (Q3) and 130 students (Q4). However, the Performance-Based Chart lists the enrollment benchmark at 100 students per quarter. The 2019-20 enrollment deliverables were lower than the 2018-19 deliverables due to the aging population becoming too fragile to attend school. The Performance-Based Chart reflected the 100 student

enrollment goal. Per JCSD, when the grant was written, the narrative benchmark totals were not updated from the previous application. This was an editing oversight. We confirmed DVR identified the discrepancy in benchmark numbers and agreed to hold JCSD to the lower benchmark numbers as those numbers were included in error. For the purposes of our audit, we held JCSD to the numbers in the 2019-20 performance-based table identified below.

Table 1: 2019-2020 Performance-Based Chart

OUTCOME	1 st Quarter Deliverable	2 nd Quarter Deliverable	3 rd Quarter Deliverable	4 th Quarter Deliverable	2019-2020 Annual Deliverable
Row 1: ENROLLMENT	100	100	100	100	100
Row 2: 1 st BENCHMARK	20	50	15	15	100
Row 3: 2 nd BENCHMARK	0	20	40	40	100

Achievement of Quarterly and Annual Benchmarks

Quarter 1: For the 1st benchmark to be considered complete, 20 students must reach 75% or more of the required tasks/goals, also referred to as short term objectives (STOs). Based on the documentation provided by the JCSD, the participation in the STOs reflected that none of the students met 75% of their goal. Upon review of the requested AIEPs, we noted that several of the participant's STOs are scheduled to be completed by a specific date, rather than by percentage. Based on this current practice, it may be unattainable for the students to meet 75% of their goal in the first quarter.

Quarter 2: For the 1st benchmark to be considered complete, 50 students (70 cumulative) must reach 75% or more of the required tasks/goals. For the 2nd benchmark to be considered complete, 20 students should meet at least 50% of the required educational goal by the end of the second quarter. Based on the 126 submitted STOs, we determined that 60 students achieved benchmark 1 and only 18 students met benchmark 2. Therefore, the quarterly benchmark 2 deliverable was not achieved.

Quarter 3: The third and fourth quarters were affected by the COVID-19 pandemic. Per the quarterly documents, JCSD was unable to provide supporting documentation for the STOs due to COVID-19. On March 13, 2020, JCSD staff members were instructed to leave campus, with no further face-to-face interaction with students allowed. As a result, JCSD submitted STOs for only six participants. Therefore, we could not determine if JCSD met the deliverables for benchmark 1 and 2 during the third quarter.

Quarter 4 and Final Report: Per the JSCD final report, 79 students met benchmark 1 and 63 students met benchmark 2. We determined, based on the reported numbers to DVR, JCSD did not meet the annual deliverables of 100 participants for each benchmark. Upon further

discussion, JCSD provided missing STOs from the fourth quarter which reflected 99 students completed Benchmark 1 and 99 students completed Benchmark 2.

We noted for Quarters 1 through 3, JCSD did not submit, nor did DVR require, a corrective action plan addressing the reason why quarterly deliverables were not met and a plan to ensure quarterly deliverables are met for the next reporting quarter in accordance with the grant language.

Unclear Grant Language

We met with DVR to discuss the grant language and expectations for the program deliverables. Based on the discussion, we noted the current grant language does not match the expectations for the program. As a result, both DVR and JCSD misinterpreted student performance benchmark requirements.

The Performance-Based Chart & Cost Per Student section of the grant states, “Performance-Based funding represents 15% of the Project Recipient’s total funding. The Project Recipient must obtain 100% of its 2019-2020 performances to receive the full 15% performance funding.” Per our interpretation, this indicates JCSD must ensure 100 participants achieve 75% of their STOs for benchmark 1 and 100 participants achieve 50% of their STOs for benchmark 2.

Per DVR, the grant was interpreted as 75% of the 100 participants must meet 75% of the STOs associated with benchmark 1 and 50% of the 100 participants must meet 50% of the STOs associated with benchmark 2, along with the achievement of the enrollment benchmark, to receive the full 15% performance funding. Based on this interpretation, DVR awarded JCSD the full 15% performance funding:

- **“Benchmark #1** required a performance completion rate of 75% for the required 100 enrolled participants to reach the benchmark achievement level. The contractor provided documentation reflecting that 79 of the total enrolled students completed the benchmark requirement, at 79% exceeding the 75% percentage completion requirement at year end evaluation.
- **Benchmark #2** required a performance completion rate of 50% for the required 100 enrolled participants to reach the benchmark achievement level. The contractor provided documentation reflecting that 63 of the total enrolled students completed the benchmark requirement, at 63% exceeding the 50% percentage completion requirement at year end evaluation.”

Per JCSD, “benchmark attainment was historically calculated by the cumulative numbers of STOs earned by the total number of STOs in the AIEP. For example, if there are 100 total STOs and in Q1 34 are earned, the calculation is 34%. This calculation has been done on total enrollment. Additionally, after Q4 data is reviewed, using the 100 participant threshold, there were more than 75 participants who mastered at least 75% of the STOs, hence, benchmark met. It was a misinterpretation of the intent of the grant.”

While JCSD ultimately achieved 99% of the cumulative performance benchmarks, DVR issued the final 15% performance payment based on a misinterpretation of the grant language. Had

DVR held JCSD to the current grant language requiring 100% of the participants to achieve 75% and 50% of the STOs for benchmark 1 and 2 respectively, the deliverables reported by JCSD on the final report would have resulted in a financial penalty of \$225,762.82. Missing STOs in the quarterly submissions resulted in JCSD under reporting the achievement of deliverables. Inaccurate submissions hinder DVR's ability to effectively monitor the grant deliverables. Unclear and misinterpreted grant language could also lead to JCSD receiving payment for unmet grant deliverables.

Recommendation

We recommend DVR review the grant language and ensure the deliverable requirements are consistent throughout the grant. We recommend DVR determine the intent of the grant and the desired deliverables and modify the grant language accordingly to clarify the requirements for quarterly and cumulative benchmark attainment. If the grant language remains unchanged, we recommend DVR ensure deliverables are met on a quarterly basis through review of AIEPs, STOs, and other documentation that support benchmark progress and achievement. If quarterly deliverables are not met, we recommend DVR require JCSD to complete a corrective action plan.

We recommend JCSD submit corrective action plans in the event quarterly deliverables are not met. We additionally recommend that JCSD include a summary of the number of participants who have achieved benchmarks 1 and 2 in the quarterly document submittal. These numbers should be supported by the accompanying STOs. Furthermore, we recommend JCSD ensure that documentation submitted to DVR is complete, accurate, and supports the achievement of quarterly deliverables.

DVR Management Response

Concur. DVR is in the process of language modification to the Adults with Disabilities Grants. DVR in collaboration with Office of Grants Management are working to complete the changes by the end of February. This will allow communications with the grantees and shoring up departmental steps to complete the modification process.

JCSD Management Response

Concur. Per notification from DVR regarding failure to meet quarterly deliverables, the JCSD will complete corrective action plan as directed. The JCSD has developed a spreadsheet to be submitted with quarterly report identifying the number of participants enrolled by quarter and the number of participants who met benchmark 1 and 2 deliverables, by quarter.

Finding 3: A lack of communication and sense of urgency related to this grant led to delayed execution of the grant, inconsistent submission and review of quarterly reports, and insufficient opportunities for program improvement throughout the grant period.

Per the JCSD AWD grant, the project program and budgeted period was from July 1, 2019, to September 1, 2020. JCSD signed the grant application on August 30, 2019, and DVR received the application September 26, 2019. Per email correspondence, DVR and JCSD entered into budgetary discussions in November 2019. The grant was officially executed on February 20, 2020, 147 calendar days after receipt of the application.

Per the JCSD AWD grant, evidence to demonstrate the achievement of the deliverables should be submitted quarterly on the following dates: October 11, 2019; January 10, 2020; April 10, 2020; and June 30, 2020. The No Cost Extension amendment extended the due date for Quarter 4 reports to September 1, 2020.

We reviewed the quarterly reports and the corresponding documentation submitted by JCSD to DVR. We determined the submission of quarterly documents was inconsistent throughout the grant term. We identified instances of quarterly documents being sent electronically via email and also as a hard copy via the United States Postal Service (USPS). The quarterly details are as follows:

Quarter 1: On October 7, 2019, JCSD alerted DVR of a cyberattack on their server and DVR advised JCSD to wait on the submittal of documents until JCSD resolved the issue. On October 24, 2019, JCSD initiated email correspondence again and notified DVR staff that quarter 1 documents were ready for submittal. DVR staff advised JCSD on November 7, 2019, that the quarterly document submittal could be delayed until the grant was executed. Per the email correspondence to DVR, JCSD submitted the Quarter 1 documents via USPS on November 21, 2019, 30 business days after the due date; however, JCSD was unable to provide documentation to verify the submission. JCSD was only able to provide a copy of the envelope with the date mailed. JCSD subsequently emailed the quarter 1 documents to DVR on April 28, 2020, 143 business days after the due date, and again mailed the documents via USPS on May 29, 2020. DVR approved the quarter 1 invoice on June 3, 2020, 27 business days after the email submittal.

Quarter 2: According to email correspondence, JCSD submitted the quarter 2 documents by mail on or about January 10, 2020, on the due date; however, JCSD was unable to provide documentation to verify the submission. JCSD emailed the quarter 2 documents on April 28, 2020, 78 business days after the due date. DVR approved the quarter 2 invoice on June 3, 2020, 27 business days after the email submittal.

Quarter 3: JCSD emailed the quarter 3 documents on May 5, 2020, 18 business days after the due date. DVR approved the quarter 3 invoice on June 3, 2020, 22 business days after the email submittal. Per JCSD, the delay in the quarter 3 submittal was due to COVID-19 and determining which data to include in the submission.

We noted that JCSD also submitted quarters 1, 2, & 3 via USPS certified mail to DVR on May 29, 2020. On June 3, 2020, the DVR contract manager advised JCSD they had received the

packages containing the 1st, 2nd, and 3rd quarters and would begin the review and process payment.

The delays in submittals and review of the documents were in part due to the grant not being executed until February 20, 2020. Per DVR, “no payments could be disbursed prior to grant execution. With the grants, services may commence prior to execution, but not the payments.” In addition, the lack of consistency in the method of submittal of quarterly reports and corresponding documents, the lack of documentation for receipt of the documents, the lack of communication between DVR and JCSD, and the subsequent delayed review of the quarterly documents was in part due to high staff turnover in the DVR contract manager position. The inability to demonstrate the original date of submission of the quarterly documents was due to JCSD’s lack of records to track items sent via mail. DVR stated the contract manager did not receive the first invoice packet submitted by JCSD, and they suspect the documents were lost in the mail. Furthermore, the quarter 3 invoices were delayed due to COVID-19 and the inability to have full access to sites and documents. Ultimately, delays in document submittals hinders DVR’s ability to appropriately monitor the submission, determine deliverable achievement, and provide meaningful assistance to JCSD.

Recommendation

We recommend DVR execute the AWD grants in a timely manner. We additionally recommend that DVR establish a consistent method of submittal and document receipt of the required quarterly documents, either by requiring JCSD to uploading documents to a secure online portal or mail the documents as a hard copy. Should hardcopy be the preferred method of delivery, we recommend that a tracking system be used to verify when DVR receives the documents. Furthermore, we recommend that DVR establish a plan to address staff turnover during a grant term to ensure they continue to receive documents timely, review submittals in a timely manner, and verify achievement of deliverables.

We recommend that JCSD ensure quarterly documents are submitted in the timeframe required by the grant terms. In the event documents are mailed, we recommend JCSD retain documentation to demonstrate the date the items were mailed and ensure delivery of the documents to DVR.

DVR Management Response

Concur. A new electronic grant routing system has been implemented by Office of Grants Management. This electronic system will be a more efficient way to route grants through the assigned channels for review and approval. In addition, DVR is working with Information Technology to establish an electronic process that will allow the grantees to securely upload quarterly invoices and supporting documentation. DVR will work on improving the successor planning for staff turnover, to ensure continuity in the oversight and management of the grants.

JCSD Management Response

Concur. Using the quarterly report table, the JCSD will submit quarterly reports in the means as directed by DVR. Should the quarterly reports be sent via USPS, documentation from USPS will be filed for verification of timely submission.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Department of Vocational Rehabilitation Office and staff, as well as the Jackson County School District Adults with Disabilities Program and their staff, for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Shannon Egler and supervised by Tiffany Hurst, CIA, Deputy Inspector General.

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