

Department of Education
Office of the Inspector General – Internal Audit
Six Month Status Report on: Coalition for Independent Living Options, Inc. (CILO)
PROJECT #A-2021DOE-026 Issued: August 31, 2022
Status as of February 28, 2023

Finding	Recommendation(s)	Previous Management Responses	Management Response as of February 28, 2023	Anticipated Completion Date & Contact
<p>DVR did not provide effective monitoring of Contract #19-108.</p>	<p>We recommend DVR conduct monitoring in accordance with the monitoring plan and risk assessment. In addition, we recommend DVR promptly provide any monitoring results and recommendations for improvement to CILO and ensure corrective action has been completed on noted deficiencies.</p>	<p>Management Response as of August 31, 2022 Concur. Due to turnover of the IL position, the IL contract(s) experienced delays in completion of scheduled monitoring(s). The next scheduled monitoring for CILO is due for completion on October 30, 2022. The monitoring will focus on testing and verifying services by sample and review of the consumer service records. In addition, DVR will take an in-depth review of CILO’s expenditures charged to the IL program. DVR will communicate any concerns and findings to CILO, and assign a due date for any identified items that require corrective action.</p>	<p>As of October 2022, CILO was placed into a cost reimbursement contract.</p> <p>The last desktop monitoring completed by DVR was on November 3, 2022, no deficiencies were found as a result of the monitoring activities.</p> <p>DVR continues in all efforts to ensure accountability and improve oversight of services provided through regular coordination between DVR’s IL Program Manager and the fiscal contract manager to include a coordinated onsite monitoring visit which will be conducted on or before the Fall of 2023. The onsite monitoring dates are tentatively planned for May/June 2023 in coordination with DVR’s IL Program</p>	<p><i>In-Progress – Anticipated Completion 8/1/2023</i></p> <p><i>Glenda Josey Contract Manager (850)245-3323</i></p>

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			<p>Manager, the fiscal contract manager and the CILO.</p>	
<p>CILO did not maintain proper internal controls and sufficient financial management systems.</p>	<p>We recommend DVR include a review of expenditures incurred and the supporting documentation as part of their monitoring efforts to ensure expenditures are supported, allowable, allocable, reasonable, and necessary to the performance of the contract and align with the approved budget.</p>	<p>Management Response as of August 31, 2022 Concur. The CIL is being placed on a cost reimbursement contract and all expenditures will be reviewed monthly to ensure that they are allowable, reasonable, and necessary. The anticipated completion date is October 2022.</p>	<p>As of October 1, 2022, DVR executed a cost-reimbursement contract with CILO. Through this method, DVR has been able to conduct monthly reviews of expenditures to ensure they are allowable and to process payments in a timely manner.</p> <p>DVR will provide additional technical assistance guidance to CILO to include labeling of receipts, system requirements for fiscal tracking and timelines for submission to assist with success and performance under the cost reimbursement contract.</p>	<p><i>In-Progress – Anticipated Completion 8/1/2023</i></p> <p><i>Glenda Josey Contract Manager (850)245-3323</i></p>

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<p>CILO could not sufficiently demonstrate that they met all contract deliverables.</p>	<p>We recommend that DVR sample and review CSRs during its monitoring activities. Additionally, we recommend DVR periodically request and review supporting documentation from CILO’s financial management and CSR systems for the service hours and funding sources submitted by CILO through the invoices.</p>	<p>Management Response as of August 31, 2022 Concur. DVR will conduct at minimum a quarterly, random, review of CSR and request supporting documentation. The anticipated completion date is October 30, 2022.</p>	<p>DVRs IL Program Administrator in collaboration with the IL Contract Manager, conducted a programmatic sample review of 15 CSRs for accuracy and programmatic precision.</p> <p>Additional reviews are scheduled for Summer 2023.</p>	<p><i>In-Progress – Anticipated Completion 8/1/2023</i></p> <p><i>Glenda Josey Contract Manager (850)245-3323</i></p> <p><i>Horace Brown Program Administrator (850) 245-3360</i></p>
<p>Invoice submission and approval did not meet statutory and contractual requirements.</p>	<p>We recommend that DVR streamline its invoice gathering, inspection, and approval procedures to ensure timely approval of invoices.</p>	<p>Management Response as of August 31, 2022 Concur. Due to turnover of the IL position, the processing of invoices experienced delays. CILO is required to submit invoices 30 days after the billing month end. DVR will enforce the timeliness of invoice submissions by</p>	<p>DVR continues to review and approve invoices in accordance with the requirements of prompt pay law.</p> <p>CILO has submitted invoices within the required 30-day timeframe, as required.</p> <p>As of October, due to CILO now being on a cost</p>	<p><i>In-Progress – Anticipated Completion 8/1/2023</i></p> <p><i>Glenda Josey Contract Manager (850)245-3323</i></p>

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		<p>CILO. DVR will ensure that invoices are reviewed and approved in accordance with the requirements of prompt pay law. DVR will provide a timeline of receipt to final approval of invoices at the next interval of audit follow-up. The anticipated completion date is October 30, 2022.</p>	<p>reimbursement contract basis, the center requires ongoing technical assistance due to; budget inaccuracies (e.g. improper budget allocations, inaccurate reconciliations, and charged expenditures that have not been incurred as a realized expense during the invoice period. These areas have caused slight delay.</p> <p>DVR will continue to actively document when an invoice must be rejected, due to billing inaccuracies and quality assurance relevant to prompt pay compliance. DVR will make adjustments to the tracker to include critical information to assist in on-going technical assistance</p>	

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<p>CILO did not maintain proper internal controls and sufficient financial management systems.</p>	<p>We recommend that CILO notate the funding allocations on the individual invoices or expense categories to support expenditures incurred. We additionally recommend that CILO enhance its procedures to ensure expenses funded through DVR’s contract are allowable and appropriately reflected by funding source. We further recommend that CILO obtained prior approval from DVR before deviating from the approved budget.</p>	<p>Management Response as of August 31, 2022 Concur. CILO’s accounting firm notes and tracks all spending by funding source. CILO ensures all expenses are allowable. CILO is asking DVR’s permission before deviating from our budget. We have been managing the finances as recommended since last July 1.</p>	<p><i>As stated in prior management response, CILO’s accounting firms notes and tracks all spending by funding sources.</i></p>	<p>July 1, 2022 Dan Shorter, CEO</p>
<p>CILO could not sufficiently demonstrate that they met all contract deliverables.</p>	<p>We recommend that CILO enhance its financial systems and records to ensure deliverables provided are in accordance with contract terms. We recommend CILO enhance its procedures to ensure they maintain all required documents in the CSRs including ILPs, eligibility determinations, and termination of services. We additionally recommend CILO</p>	<p>Management Response as of August 31, 2022 Concur. CILO Executive staff have provided training and technical assistance to all management and staff on the file closure policies and procedures. All agency employees were provided with a copy along with letter templates they are to use</p>	<p><i>CILO’s Executive staff met with staff during a staff meeting to provide additional training on file procedures, service tracking according to funding source, and case closures.</i></p>	<p>August 12, 2022 Brandy Macaluso, CPO</p>

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	establish and maintain ILPs with consumers that are consistent with contract terms and federal regulations. Further, we recommend CILO enhance its procedures to record service hours in accordance with contract terms.	when closing files or terminating services. Addressed with staff in trainings on June 22 and June 27, 2022.		
Invoice submission and approval did not meet statutory and contractual requirements.	We recommend that CILO submit invoices in accordance with contract terms.	Management Response as of August 31, 2022 Concur. We are meeting our deadline every month. All invoices have been filed in a timely manner since July 1, 2021.	All invoices have been sent before the contract deadline.	<i>July 1, 2021</i> Dan Shorter