



State Board of Education

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Commissioner of Education

September 30, 2015

Melinda Miguel  
Chief Inspector General  
Office of the Chief Inspector General  
The Capitol  
Tallahassee, FL 32399-0001

Dear Melinda:

In accordance with Section 20.055(6)(h), Florida Statutes, attached is the six-month status of corrective actions taken in response to Auditor General Report #2015-166, *Compliance on Internal Controls Over Financial Reporting and Federal Awards*.

If you have any concerns regarding this status report, please contact Mike Blackburn by email at [Mike.Blackburn@fldoe.org](mailto:Mike.Blackburn@fldoe.org) or by phone at 245-9418.

Sincerely,

Pam Stewart  
Commissioner

Attachment

cc: Joint Legislative Auditing Committee  
Mike Blackburn, Inspector General  
Martha Asbury, Assistant Deputy Commissioner, Finance and Operations

Department of Education OIG  
 Status Report: Statewide Federal Awards Audit  
 AG Report # 2015-166 Issued: March 30, 2015  
 Status as of September 30, 2015

Finding	Recommendation(s)	Management Response as of March 30, 2015	Management Response as of September 30, 2015	Anticipated Completion Date & Contact
<p>The FDOE did not correctly allocate IDEA funding to local educational agencies (LEAs) in accordance with Federal regulations.</p>	<p>We recommend that the FDOE allocate IDEA funds to the LEAs in accordance with Federal regulations and USED guidance.</p>	<p>As previously noted, FDOE continues to work with USED Office of Special Education programs (OSEP) regarding the resolution of this issue. However, on June 11, 2014, OSEP issued a policy letter providing guidance on the use of the Community Eligibility Option (CEP) in school districts relative to calculation of the numbers of students living in poverty. The CEP is very similar to Provision 2, and in fact, essentially replaces Provision 2. In this policy letter, OSEP reiterates that "SEAs have the discretion to define poverty for the purpose of allocating IDEA Part B funds" (34 CFR 300.705(b)(3)(ii) and 34 CFR 300.816(c)(2)). The letter also states that "OSEP recommends, but does not require that SEAs that wish to use National School Lunch Program data for purposes of determining the number of children living in poverty...." Our discussions with OSEP indicate that the state's discretion applies also to use of Provision 2 data. They have also indicated that their emphasis is on consistency across districts and across fiscal years to ensure that LEAs do not experience drastic changes in their funding unrelated to significant changes in their populations.  <i>Anticipated completion: Upon formal response from USED OSEP.</i></p>	<p>DOE continues to wait for response from USED OSEP.</p>	<p>Unknown                      (dependent on USED), Martha Asbury 245-0420</p>

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<p>The FDOE could not provide documentation to support all budgeted amounts used in the State-level maintenance of effort (MOE) calculation for the 2013-14 fiscal year.</p>	<p>We recommend that the FDOE maintain documentation to support the calculation of the State-level MOE.</p>	<p>As previously noted, the FDOE is dependent on the other state agencies to provide a small portion of the data used in calculating the State-level MOE. The FDOE does not have access to the supporting documentation for these calculations, primarily because these are estimated projections rather than actual historical data. MOE is intended to be determined based on budgeted amounts and projected numbers of students. Each of the other agencies has a different methodology for budget projections and there is no requirement that they provide their data to us. USED has repeatedly acknowledged the various difficulties all states encounter in including the other agencies in the MOE calculation. FDOE will continue to work with USED to secure a formal resolution of this issue.  <i>Anticipated completion: Upon formal response from USED OSEP.</i></p>	<p>DOE continues to wait for formal response from USED OSEP.</p>	<p>Unknown (dependent on USED), Martha Asbury 245-0420</p>
<p>The FDOE did not follow established procedures to obtain periodic certifications for employees whose salaries and benefits were paid solely from CTE Program funds.</p>	<p>We recommend that the FDOE follow its procedures to obtain semiannual certifications for employees working solely on the CTE Program.</p>	<p>FDOE has implemented semiannual certifications department-wide for all employees working on a single cost objective; however, collection of the semi-annual certifications did not occur during this audit period due to some technical difficulties. These issues have been resolved and the collection of the semi-annual certifications is proceeding as planned.  <i>Anticipated completion: April 15, 2015</i></p>	<p>The semi-annual certifications for 2014-15 are in process.</p>	<p>Ongoing. Martha Asbury, 245-0420</p>

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<p>The FDOE did not meet the Federal maintenance of effort (MOE) requirement and incorrectly reported the non-Federal share of outlays amount on the Final Financial Status Report (FSR) submitted in December 2013 for the reporting period July 2011 through September 2013.</p>	<p>We recommend that the FDOE follow the USED-approved procedures for calculating the non-Federal share of outlays amount. We also recommend that the FDOE appropriately revise the Final FSR for the reporting period July 2011 through September 2013.</p>	<p>Despite numerous inquiries over the past 14 months, FDOE has not received a response to the request to make a minor modification to the calculation of MOE for the Career and Technical Education program. This modification is completely consistent with Florida's substitute system for calculating time and effort, and is a more accurate reflection of actual administrative expenditures; therefore, FDOE will continue to calculate MOE and administrative costs using both procedures and will resubmit the Final FSR for the reporting period of July 2011 through September 2013 should the final determination by USED require us to do so.  <i>Anticipated completion: Upon formal response from USED</i></p>	<p>DOE received a formal response via a Project Determination Letter (PDL), dated June 4, 2015, from the USED whereby DOE's modified methodology for calculating MOE was approved. A revised FSR for FY 2010 was submitted to the USED as requested in the PDL as a final corrective measure on this finding.</p>	<p>Completed.          Martha Asbury,          245-0420</p>
<p>The FDOE Division of Vocational Rehabilitation (DVR) did not follow established procedures to obtain periodic certifications for employees whose salaries and benefits were paid solely from VR Program funds.</p>	<p>We recommend that the FDOE obtain semiannual certifications for employees working solely on the VR Program.</p>	<p>FDOE has implemented semiannual certifications department-wide for all employees working on a single cost objective; however, collection of the semi-annual certifications did not occur during this audit period due to some technical difficulties. These issues have been resolved and the collection of the semi-annual certifications is proceeding as planned.  <i>Anticipated completion: April 15, 2015</i></p>	<p>The semi-annual certifications for 2014-15 are in process.</p>	<p>Ongoing. Martha Asbury, 245-0420</p>