

# Education (E-Rate) Program

Internal Audit Report

March 21, 2019



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## EXECUTIVE SUMMARY

### Why We Did This Audit

The objective of this audit was to determine whether the Education Rate (E-Rate) program is operating effectively, efficiently and in accordance with applicable laws and regulations and with appropriate internal controls.

This audit was included in the 2018-2019 Annual Audit Plan.

### What We Found

Most of the district's E-Rate activities are in compliance with Federal Communications Committee (FCC) rules and regulations. However, our audit found a lack of management oversight of the program, delays in submission of reimbursement requests, reimbursement of expenses that had not been paid to the vendor, and lack of accounting for some E-Rate equipment.

### What We Recommended

- The department should establish responsibility for active oversight and management of the E-Rate program to maximize the potential benefits of E-Rate funding and ensure compliance.
- The procedures used in calculating the E-Rate National School Lunch Program (NSLP) percentage and the discount percentage should be formally established in writing.
- Document the sources and methods used to gather data and calculate the NSLP percentage and retain all source documents for reference.
- Upload invoices for reimbursement as they are paid each month.
- Confirm E-Rate product and service providers' payments in SAP-ZF032 *Vendor Payments* prior to requesting reimbursement.

- Request a refund of fees paid to Funds For Learning (FFL) in 2017 and 2018 for services that were not provided.
- Ensure in-person staff training and strategic planning sessions occur in 2019.
- Consider including backup staff members, staff from other involved departments and/or senior leadership to join these trainings and sessions.
- Consider establishing a minimum number of hours for E-Rate trainings for those involved in administering and managing the district's E-Rate program.
- All E-Rate devices should be tagged with the *E-Rate Year*.
- All E-Rate devices should be tracked properly and installed only at the requested school within the required 15 to 18 months of the receipt date of product.
- Removed E-Rate devices should be tracked and maintained until five years after installation date.
- Documentation of removed E-Rate devices should be maintained at school as well as at the Magic Way warehouse and tracked in the applicable inventory system.
- Consider reporting E-Rate program activities and updates to the Board periodically.
- Technology Support Representatives (TSRs) should be trained on and be familiar with the Meraki system for daily monitoring of E-Rate and non-E-Rate devices at their assigned schools.
- Add alternate contact information on E-Rate Forms, to the FFL, Department of Management Services (DMS), and Universal Service Administrative Company (USAC) along with the primary contact.

This report has been discussed with management and they have prepared their response which follows.

**BACKGROUND:**

The Federal Communications Commission's (FCC) Education Rate (E-Rate) program helps schools and libraries obtain affordable internet access and telecommunications services. FCC Title 47 Sections 54.500 to 54.523 establish requirements for E-Rate eligible beneficiaries and services providers.

The E-Rate program is administrated by the Universal Service Administrative Company (USAC) under the direction and oversight of the FCC. USAC is responsible for:

- processing the applications for support;
- verifying information and confirming eligibility;
- approving eligible services and products;
- reimbursing service providers or eligible schools and libraries for the discounted services; and,
- ensuring compliance with the E-rate program and FCC rules and regulations.

The E-Rate program provides discounts for telecommunications, telecommunications services, Internet Access, Wide Area Network (WAN), Managed Internal Broadband Services (MIBS), internal connections and basic maintenance of internal connections to eligible schools and libraries. Eligible expenses are grouped in two categories - Category 1- Data Transmission and/or Internet Access includes telecommunications services, internet access, and voice services. Category 1 funding requests are not limited by a budget. Category 2 – Network equipment includes internal connections, basic maintenance of internal connections, and MIBS.

Eligible schools and libraries may receive discounts ranging from 20 to 90 percent, with higher discounts for higher poverty and rural schools and libraries. The discount percentage is calculated based on the prior year's total number of enrolled students and the number of students who received free and reduced lunches per the National School Lunch Program (NSLP). In funding years 2017 and 2018, the district was entitled to an 80% discount for Category 1 and 2 expenditures, other than voice services which have a 20% discount.

*The E-Rate program helps schools and libraries obtain affordable internet access and telecommunications services.*

*Universal Service Administrative Company (USAC) administers the E-Rate program for the FCC.*

*Eligible expenses are grouped in two categories:  
Category 1 – data transmission and/or internet access  
Category 2 – network equipment*

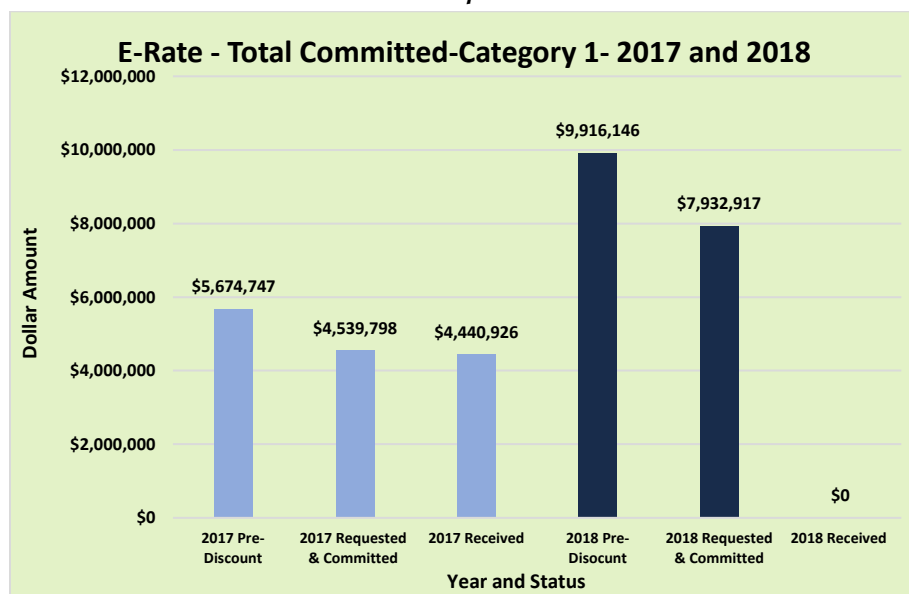
*Discounts are based on total enrolled students and the number of students receiving free and reduced lunches under the NSLP.*

Per FCC Title 47 54.502, each eligible school or library shall be eligible for support for internal connections services, except basic maintenance services, no more than twice every five funding years. Each school site has a five-year limit on the amount that school may receive in funding commitments for Category 2 purchases which is based on a budget limit. Per USAC calculation, the budget limit is set at \$150 per student and the total budget limit for a specific school is derived by multiplying \$150 by the total student enrollment in that school. The Category 2 budget limit is not fixed, and adjusts every year based on student enrollment in that school and inflation. Any unused funding limit at one school cannot be transferred to or used by another school.

The district’s E-Rate activities are managed by a third party consultant - Funds For Learning (FFL). FFL maintains an E-Rate Manager (ERM) System to request, process, and document its clients’ E-Rate activities. OCPS E-Rate staff has access to the FFL ERM System and USAC’s E-Rate Productivity Center (EPC) to request, process, and review discounted services.

The graphs below display summaries of the district’s E-Rate funding for Category 1 and Category 2 for the past two funding cycles as of March 21, 2019.

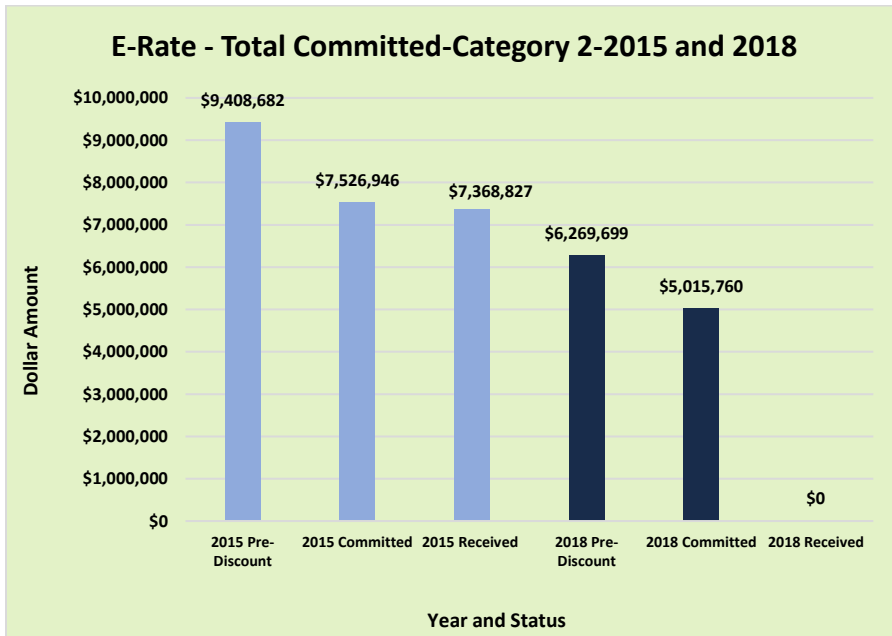
*Graph 1*



*OCPS has engaged the services of Funds for Learning (FFL) to process and document its E-Rate activities.*

*E-Rate funding committed for Category 1 expenses was \$4.5 million in 2017 and \$7.9 million in 2018.*

*Graph 2*



Source: FFL ERM System; Prepared by Internal Audit (IA)

**OBJECTIVE, SCOPE AND METHODOLOGY:**

**Objective**

The objective of this audit was to determine whether the Education Rate (E-Rate) program is operating effectively, efficiently and in accordance with applicable laws and regulations and with appropriate internal controls.

**Scope**

The scope of the audit included E-Rate activities and operations during the period from July 1, 2017 to January, 2019.

**Methodology**

Out audit methodology included:

Reviewing requirements and documentation:

- FCC Title 47 Sections 500 to 520 rules and regulations, policies and procedures
- USAC and Florida Department of Management Services (DMS) websites
- Third party E-Rate consultant (FFL) ERM system

*E-Rate funding committed for Category 2 expenses was \$7.5 million in 2015 and \$5.0 million in 2018.*

*Audit objective was to determine effectiveness, efficiency and compliance as well as appropriate internal controls.*

## Education Rate (E-Rate) Internal Audit Report

- Third party consultant and service / product providers' Invitations to Bid (ITBs), Requests for Proposals (RFPs), evaluations and contracts
- E-Rate forms:
  - Form 470, Description of Services Requested and Certification
  - Form 471, Service Ordered and Certification
  - Form 472, Billed Entity Applicant Reimbursement (BEAR)
  - Form 486, Receipt of Service Confirmation and Children's Internet Protection Act (CIPA) Certification
- OCPS Internet Safety Policy
- Various other communications, supporting documents, certifications and authorization

### Verifying the:

- District's total student enrollment and total NSLP students used to determine eligibility for E-Rate
- Discount calculation methodology and eligibility services and recalculating the E-Rate discount percentage
- Reimbursement submission process
- Outgoing (payments to service / product providers) transactions and master incomings (reimbursements from USAC) transactions through SAP vendor account and general ledger posting
- Network equipment POs and invoices for the selected schools
- Internet Access/WAN invoices
- Reimbursement BEAR documents

### Asset management:

- Testing physical inventory of E-Rate network equipment for 2015 and 2018 for seven selected schools - Orange Center Elementary, Wheatley Elementary, Lancaster Elementary, Ventura Middle, Odyssey Middle, Lake Nona Middle, and, Lake Nona High
- Verifying effectiveness of Meraki inventory system
- Evaluating excess inventory in the warehouse
- Evaluating compliance with installation requirements

### E-Rate program management:

- Evaluating any reports to the School Board
- Evaluating the effectiveness of E-Rate program management
- Evaluating E-Rate records retention and documentation
- Evaluating district staff training for the E-Rate program

*Our methodology involved four types of procedures:*

- *Reviewing requirements & documentation*
- *Verifying data and transactions*
- *Testing asset management*
- *Evaluating program management*

*We tested the physical inventory of E-Rate equipment at seven selected schools.*

Our audit was conducted 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. We also offer suggestions to improve controls or operational efficiency and effectiveness.

**AUDIT RESULTS & RECOMMENDATIONS:**

Most of the district's E-Rate activities are in compliance with Federal Communications Committee (FFC) rules and regulations. However, our audit found a lack of management oversight of the program, delays in submission of reimbursement requests, reimbursement of expenses that had not been paid to the vendor, and lack of accounting for some E-Rate equipment.

**1) The district's E-Rate program needs active management, written procedures and retention of source documents for data. *High Risk***

**Best Practice:**

Significant programs, such as E-Rate, should be actively managed following established, written procedures and with source documentation retained for data significant to the program's operation. This is especially important in a program involving Federal funding and regulatory compliance.

**Audit Finding:**

Although a staff member has been assigned responsibility for the E-Rate program, the district is relying on a third party consultant, FFL, to manage the program. No one person at the district manages the overall program, or proactively acts to determine eligibility for services,

*This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.*

*The district relies on a third party consultant to manage the E-Rate program. There are no written district procedures that address what district staff should do to properly administer the program.*



discount percentage information, or maximization of benefits. There are no written procedures covering what district staff must do to properly administer the program. In addition, the contract with FFL is not actively managed. The following paragraphs provide examples of the consequences of this lack of active management.

**Voice Services:** During our verification of payments to vendors and revenue received from USAC in SAP, we noted that the district received \$124,887.59 on 3/11/2017 and \$76,039.68 on 3/1/2018 as SUNCOM revenue from USAC for discounted voice services. After inquiry about this SUNCOM revenue with the Sr. Director of IT Business Operations and FFL, we came to know that DMS filed Form 470 and Form 471 for discounted voice services on behalf of the district.

District staff were unaware of the request for the voice services submitted by DMS to USAC on behalf of the district, although they do have access to the SUNCOM System to review invoices and BEAR documents.

Additionally, FFL informed us that the district did not file for discounts on voice services in FY2017 because the district couldn't complete an RFP/ITB in time to make the filing window. Instead, the district focused on the WAN and Internet Access services which provide substantially higher E-rate funding levels than voice services.

**Non E-Rate network equipment:** We noted during our network equipment audit procedures that some network equipment was purchased outside of the E-Rate program even though Category 2 approved funding was available for the particular school. For example, two invoices for network equipment dated May 13, 2018 in the amount of \$78,360.70 (110 extra access points for several schools) and May 30, 2018 in the amount of \$15,986.05 (for Lake Nona HS) were non E-Rate.

**Documentation of data:** Specific data must be submitted on FCC forms to determine the district's eligibility for funding, the amount of funding and the funding period. FFL, under its contract with the district, prepares the required forms using data provided by the district. The

*E-Rate funding for voice services is handled by the DMS. District staff were unaware of DMS requests for E-Rate funding on behalf of the district.*

*No funding for voice services was sought in 2017 because the RFP/ITB could not be completed in time to make the filing window.*

*E-Rate eligible equipment was purchased with non-E-Rate funds even though E-Rate funding was available.*

information in the forms is authorized and certified by the Sr. Director of IT Business Operations.

During our audit, we requested the supporting documents for data on the forms, but staff was not able to provide the source documents used. We attempted to re-compile the data using known and reliable sources and, although our compilations approximated what was on the forms, we were not able to confirm or verify the reported numbers on the submitted forms. Source documents should be retained as evidence of accuracy for filings and to validate submittals in the event of an inquiry or audit.

**Written procedures:** There have been changes in district staff responsible for the E-Rate program. Even though the district has contracted with FFL for certain aspects of the program, important procedures must be performed by district staff. Written procedures would identify the sources of all data, the means of accumulating the data, the responsibility and timing of submissions to FFL and other critical aspects of the program to enable proactive management of the program and its optimization.

**Recommendations:**

- a) The department should establish responsibility for active oversight and management of the E-Rate program to maximize the potential benefits of E-Rate funding and ensure compliance.
- b) The procedures used in calculating the E-Rate NSLP percentage and the discount percentage should be formally established in writing.
- c) Document the sources and methods used to gather data and calculate the NSLP percentage and retain all source documents for reference.

**2) Invoices are not submitted for reimbursement in a timely manner.**

*Moderate Risk*

**Best Practice:**

Timely submission of reimbursement requests frees up money and offers an opportunity for it to be used on other expenses or invested.

*Source documents for data filed on FCC forms was not retained and we were unable to re-compile it to agree with amounts submitted.*

*The various findings in this section could be addressed with active management of the program and written procedures.*

*Invoices for eligible vendor payments are submitted for reimbursement months after they are paid, delaying receipt of funds and tying up district money.*

Audit Finding:

The district requests reimbursement of eligible expenses under the E-Rate program by uploading paid invoices and completing a Billed Entity Applicant Reimbursement (BEAR) Form. Per USAC, the district may file BEAR Forms as often as it wishes (e.g. monthly, bimonthly, quarterly, annually), but in no case later than 120 days after the last date to receive service or 120 days after the date of the FCC Form 486 Notification Letter, whichever is later.

The district paid WAN and Internet Access invoices monthly but uploaded paid invoices in the FFL ERM system on a quarterly or less frequent basis, resulting in the district carrying these unreimbursed amounts for several months. As reimbursement submittals were delayed, the cumulative amount unreimbursed grew to approximately \$838,000 for WAN and \$688,000 for IA. Please see Graph 3 and Graph 4 on the next page for charts showing how the unreimbursed balance increased as each monthly payment was made to the service provider without uploading the documents for reimbursement.

Approximately \$2.2 million of WAN-2017 and \$1.5 million of IA-2017 invoices were delayed from 10 to 276 days to uploading for reimbursement. If invested at the district's average rate of return 1.5% during FY 2018, these funds could have earned approximately \$10,240.

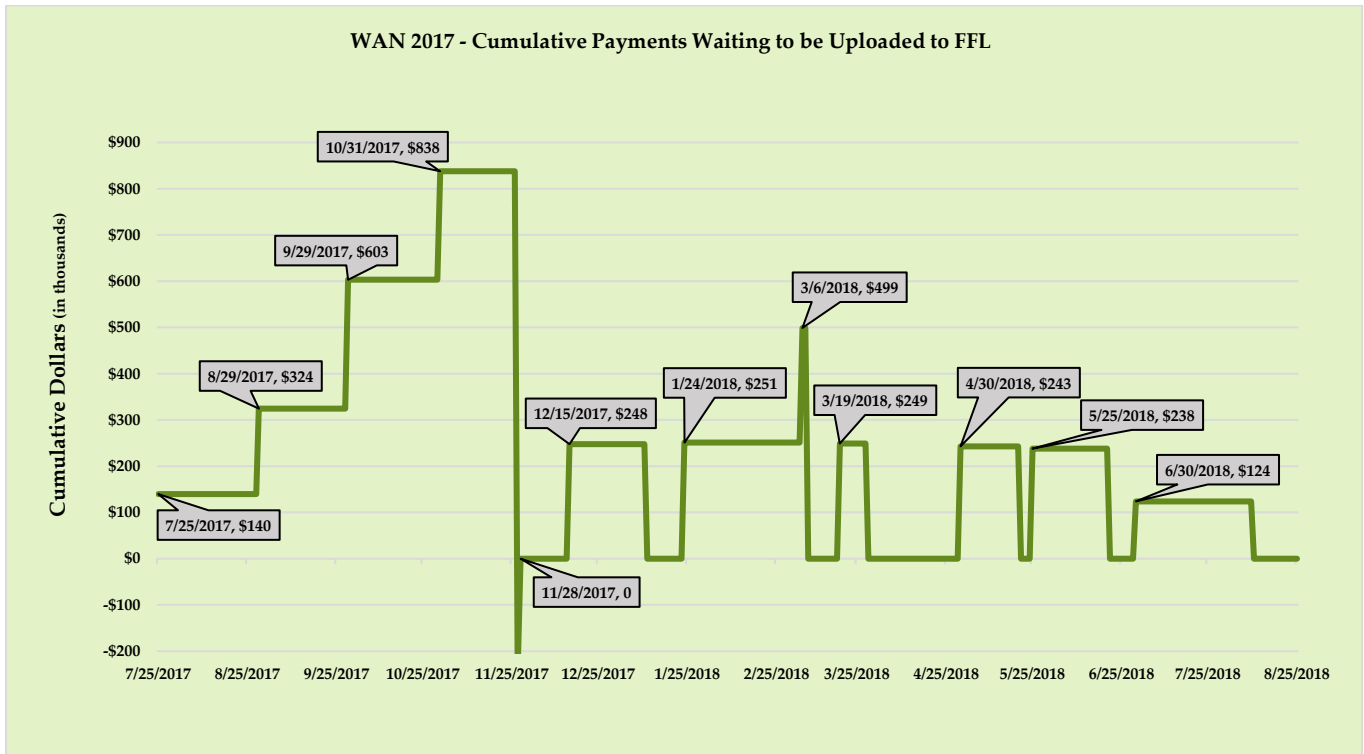
Recommendation:

Upload invoices for reimbursement as they are paid each month.

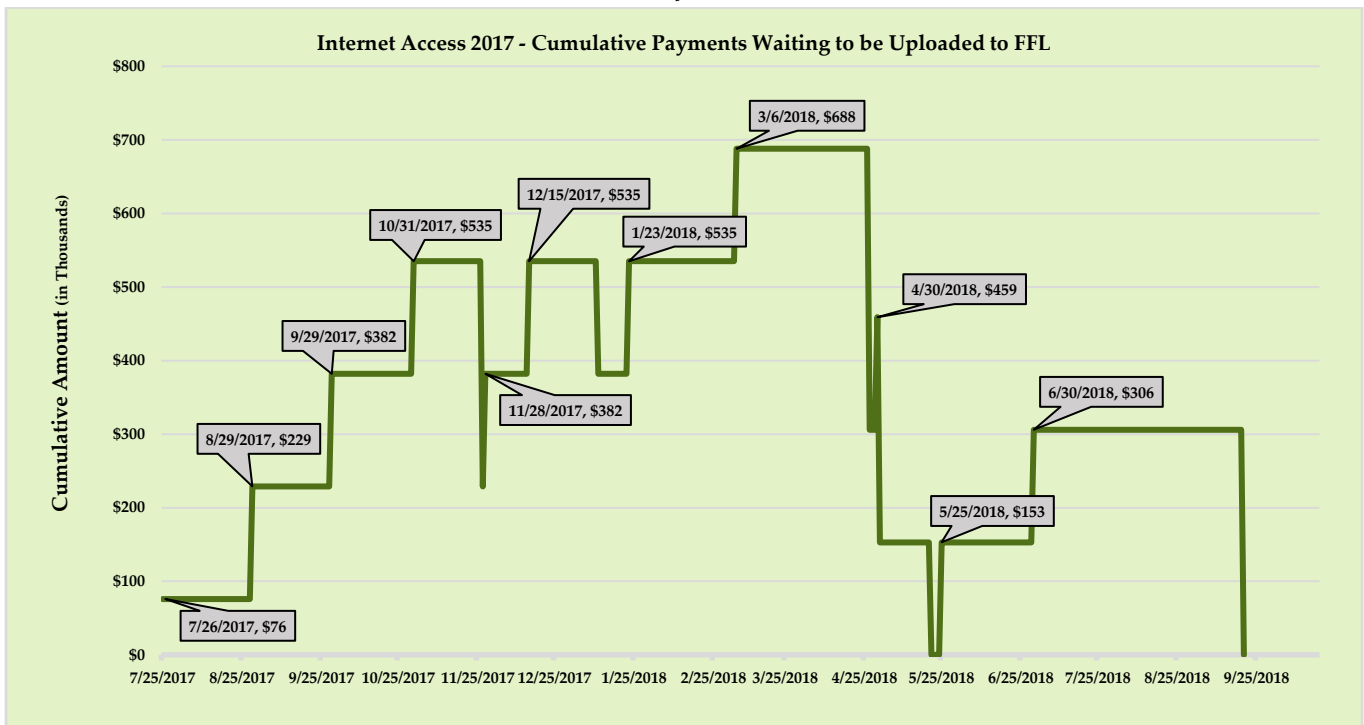
*Cumulative unreimbursed amounts were approximately \$838,000 and \$688,000 for WAN and IA services, respectively.*

*The delayed filings could have earned approximately \$10,240 if they had been available for temporary investment.*

Graph 3



Graph 4



Source: FFL ERM System; Prepared by Internal Audit (IA)

3) The district requested reimbursement of Internet Access service payments for the month of March, 2018 and received reimbursement from USAC; however, the March, 2018 payments had not been made.

*High Risk*

Best Practice:

Review and confirm vendor payments prior to requesting reimbursement to assist in full compliance.

Audit Finding:

Per USAC, the BEAR Form can be filed after the applicant has filed an FCC Form 486 (Receipt of Service Confirmation and Children's Internet Protection Act Certification Form); the service provider has filed an FCC Form 473 (Service Provider Annual Certification (SPAC) Form) for that funding year; products were delivered or services have started; and the applicant has paid for those products or services in full. You can file the BEAR Form as often as you wish (e.g. monthly, bimonthly, quarterly, annually), however, you must have received and have paid in full for the eligible products or services before filing a BEAR Form.

The district is not in compliance with the reimbursement process for services in March of 2018. We verified transactions with E-Rate product and service providers' payments and 80% reimbursements from USAC through SAP-Master Incomings and vendor payment accounts. During our verification procedures, we noted that the March, 2018 ACH payment of \$222,434.69 to the vendor for Internet Access service was not made. The district submitted the March, 2018 invoice to USAC in the 3<sup>rd</sup> quarter reimbursement and received 80% reimbursement \$152,755.20 on 5/8/2018 after deduction of ineligible expenses of \$31,490.69. District E-Rate staff informed us that they did not know about the unpaid March, 2018 invoices.

Recommendation:

Confirm E-Rate product and service providers' payments in SAP-ZF032 Vendor Payments prior to requesting reimbursement.

*Regulations state that services must be received and paid in full before filing for reimbursement.*

*We noted that an invoice for March, 2018 services had not been paid. It was submitted for reimbursement and the district received \$152,755.20 of E-Rate funding.*

4) The district did not receive certain contracted services for which it had paid in 2017 and 2018. *Moderate Risk*

Best Practice:

Staff training on the E-Rate program and activities will increase efficiency in E-Rate the process, maintain compliance with E-Rate regulations, maximize the potential benefits of the E-Rate program, and maximize the benefits of third party consultant services.

Audit Finding:

According to an Amendment of the third party consultant FFL contract dated January 19, 2017, pricing was increased from \$82,500 to \$89,700 to cover additional services as stated: *conduct one annual, in-person staff training and strategic planning session for District staff, provide monthly management reporting and meetings to District staff, and provide written status memos for senior leadership, as needed.* No in-person staff training or strategic planning sessions were provided in 2017 or 2018.

The E-Rate program is complex, with many requirements and procedures and the district receives millions of dollars of funding through it each year. While there is no required minimum number of hours for E-Rate program management, a solid working knowledge of the program is important to ensure effective management and compliance. Several trainings are available free from FFL, USAC and DMS, and the Sr. Director of IT Business Operations took some trainings through the DMS and USAC. However, neither the contracted in-person training nor the strategic planning session was held during 2017 and 2018.

Recommendations:

- a) Request a refund of fees paid in 2017 and 2018 for services that were not provided.
- b) Ensure in-person staff training and strategic planning sessions occur in 2019.

*Services were added to the third party consultant's contract, but not provided even though contract fees were increased to cover these additional services.*

*Staff training is important due to the complexity of the E-Rate program, yet no training requirements have been set.*

c) Consider including backup staff members, staff from other involved departments and/or senior leadership to join these trainings and sessions.

d) Consider establishing a minimum number of hours for E-Rate trainings for those involved in administering and managing the district's E-Rate program.

**Findings 5, 6, and 7 relate to the FCC regulations noted here:**

*FCC Title 47 Section 54.516, Schools and libraries shall maintain asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment for a period of five years after purchase.*

*Schools, libraries, and service providers shall be subject to audits and other investigations to evaluate their compliance with the statutory and regulatory requirements for the schools and libraries universal service support mechanism, including those requirements pertaining to what services and products are purchased, what services and products are delivered, and how services and products are being used.*

**5) Not all E-Rate devices were tagged with the E-Rate Year. *High Risk***

**Best Practice:**

Tags on devices provide critical information. Tagged devices assist in tracking, categorizing, monitoring, organizing and complying with regulations.

**Audit Finding:**

The district uses the SolarWinds System to track 2015 Catalyst E-Rate devices and the Meraki System to track Meraki E-Rate devices since 2017. The organizing and monitoring of E-Rate devices on the Meraki System is easier and more efficient than in the SolarWinds System.

The price of one access point ranges from \$300 to \$600 and the price of one switch ranges from \$4,000 to \$7,000 based on the number of ports in each switch. Five year license subscription charge for these items range from \$185 to \$700 for each access point and each switch. There

*FCC Title 47 Section 54.516 governs inventory record requirements for equipment purchased with E-Rate funds.*

*Tagging assets is important for accountability.*

*Prices of access points range from \$300 to \$600 each. Switches cost from \$4,000 to \$7,000. License subscriptions cost \$185 to \$700.*

are also accessories charges which are included in E-Rate funding such as modules and cables.

We conducted a physical inventories audit for E-Rate 2015 and 2018 switches and access points at seven selected schools and at the ITS Department's Magic Way warehouse from 2/15/2019 to 3/11/2019.

We noted newly installed E-Rate devices at all the selected schools and old E-Rate devices at the Magic Way warehouse that were not tagged with the *E-Rate-Year*. Having tags on E-Rate devices assists in tracking installed E-Rate devices at schools and in verifying the actual location of such equipment for a period of five years after purchase as required by FCC regulations.

Recommendation:

All E-Rate devices should be tagged with the *E-Rate Year*.

**6) Four E-Rate – 2018 access points were not tracked and among them, three access points were missing. One E-Rate access point was stored at a school but not installed within required time limits. *High Risk***

Best Practice:

Properly documenting and tracking and timely installing all E-Rate devices assists the district in complying with regulations.

Audit Finding:

Per FCC Title 47 Section 54.507, *Installation of category two non-recurring services may begin on April 1 prior to the July 1 start of the funding year. The deadline for implementation of all non-recurring services will be September 30 following the close of the funding year.*

An invoice dated 11/13/2018 indicated that 51 E-Rate MR42 access points were received on 12/5/2018 for Wheatley Elementary School but the Meraki System shows only 50 access points. The missing access point could not be located on the Meraki System, at the school or at the Magic Way warehouse.

*We audited E-Rate equipment inventories at seven schools and also observed procedures and equipment at the Magic Way warehouse.*

*Use of tags to identify E-Rate equipment was lacking and should be improved.*

*Four access points were not in the tracking system. Three could not be accounted for. The fourth was found stored, but not installed, at a school past the required time frame.*



An invoice dated 6/20/2017 indicated that 90 E-Rate MR42 and 6 MR74 access points (96 total) were received for Odyssey Middle School but the Meraki System shows only 93 E-Rate access points. Out of the three missing access points, two are unaccounted for, and one was found stored at Odyssey Middle School. This stored product was received in June, 2017, but as of March, 2019, it had been 21 months since the receipt date and the stored product was not yet installed.

We were unable to determine whether the other two missing access points were installed or stored somewhere and not tracked properly or whether they are missing. If they are stored, it has been 21 months since the receipt date of the product which is well past the installation deadline.

Recommendation:

All E-Rate devices should be tracked properly and installed only at the requested school within the required 15 to 18 months of the receipt date of product.

**7) E-Rate-2015 devices were removed from schools without documentation, and removed devices could not be located at the Magic Way warehouse. *High Risk***

Best Practice:

Properly documenting removed equipment and tracking all E-Rate devices help to ensure the district is in compliance.

Audit Finding:

*Per FCC Title 47 Section 54.513, Disposal of obsolete equipment components of eligible services. Eligible equipment components of eligible services purchased at a discount under this subpart shall be considered obsolete if the equipment components have has been installed for at least five years. Obsolete equipment components of eligible services may be resold or transferred in consideration of money or any other thing of value, disposed of, donated, or traded.*

*We noted an item of E-Rate funded equipment that was not installed within required time limits.*

*Tracking procedures should be improved.*

*E-Rate equipment removed from a school was not tracked as required by FCC regulations and could not be located.*

We noted during the physical inventory at Lake Nona Middle School, Odyssey Middle School, and the Magic Way warehouse that in June, 2018, E-Rate-2015 Catalyst devices were removed, and new Meraki products were installed. However, there was no documentation of when and how many E-Rate devices were removed and whether those E-Rate devices were transferred to the Magic Way warehouse or to surplus, or were stored at schools. We noted two old access points were stored at Lake Nona Middle School, and 23 old switches and 35 old access points were stored at Odyssey Middle School.

Per FCC, E-Rate devices may not be transferred within three years of their installation date, but may be transferred within the 4<sup>th</sup> and 5<sup>th</sup> years after the installation date. Removed E-Rate devices were not tracked on the SolarWinds System. In addition, it is not possible to identify old E-Rate devices at the Magic Way warehouse because the E-Rate devices did not have E-Rate tags (as mentioned in finding # 5).

Recommendations:

- a) Removed E-Rate devices should be tracked and maintained until five years after installation date as regulations require.
- b) Documentation of removed E-Rate devices should be maintained at school as well as at the Magic Way warehouse and tracked in the applicable inventory system.

**8) Periodic E-Rate updates to the Board are not provided. *Low Risk***

Best Practice:

Periodic updates regarding the E-Rate program and its compliance status assist management and the School Board in their oversight of the millions of dollars of funding received from the program and in evaluating whether the benefits of the program are being optimized.

Audit Finding:

There is no periodic reporting to the School Board for the E-Rate program. Reporting of E-Rate program activities could include the discount percentage, status of funding, FFL reports, key problems, major changes, missed deadlines, and extension approval of USAC, etc.

*Tracking and accounting for E-Rate equipment is complicated by the lack of tags and the use of two different tracking systems.*

*Given the size and significance of the E-Rate program, it would be a good practice to provide periodic updates about it to the School Board.*

Recommendation:

Consider reporting E-Rate program activities and updates to the Board periodically.

**9) Not all Technology Support Representatives (TSRs) were familiar with the Meraki System. *Low Risk***

Best Practice:

Persons responsible for monitoring and tracking devices at the schools should be knowledgeable of the Meraki System and its features.

Audit Finding:

The Meraki System is a tracking system for new network equipment (E-rate and non-E-Rate) which is located at different school locations. During our audit at selected schools, we noted that some TSRs had not yet set their passwords for the Meraki System and some were not familiar with its features such as sorting of E-Rate devices at a specific school and the meaning of the device statuses. TSRs were unaware of the difference between *dormant, offline, not to update, and alerting* statuses.

Recommendation:

TSRs should be trained on and be familiar with the Meraki system for daily monitoring of E-Rate and non-E-Rate devices at their assigned schools.

**10) There is no alternate contact information on E-Rate Forms. *Low Risk***

Best Practice:

Having alternate contact information with the external parties such as third party consultant and government agencies assists in contacting the alternate person immediately if the primary contact is not available for questions, decision matters, or notifications.

*TSRs were not familiar with use of the Meraki System used to track equipment.*

*TSRs should receive training on the Meraki system.*

Audit Finding:

There is no contact information on E-Rate Forms, FFL, USAC, and DMS other than the primary contact information of Sr. Director of IT Business Operations. There is an option available to add alternate contact information on E-Rate Forms.

Recommendation:

Add alternate contact information on E-Rate Forms, to the FFL, DMS, and USAC along with the primary contact.

We wish to thank the staffs of ITS Business Operations, ITS Infrastructure, and the third party consultant *Funds For Learning* for their cooperation and assistance with this audit.

*Only one staff member's contact information is on the E-Rate forms; an alternate should also be included.*



<b>Department / School Name</b>	<b>Information Technology Services, E-Rate</b>
<b>Administrator / Department Head</b>	<b>Robert Curran</b>
<b>Cabinet Official / Area Superintendent</b>	<b>Robert Curran</b>

<b>Exception Noted (Finding / recommendation)</b>	<b>Management Response (Corrective Action)</b>	<b>Responsible Person (Name &amp; Title)</b>	<b>Expected Outcome &amp; Completion Date What is the evidence of the corrective action?</b>
<b>What is? What should be?</b>	<b>What needs to be done?</b>	<b>Who needs to do it?</b>	<b>When will the action be completed? (MM/YYYY)</b>
<b>1) The district’s E-Rate program needs active management, written procedures and retention of source documents for data.</b>	Management will consider this finding and address with a solution in the near future. Currently advertising for a position to manage the e-rate program. Documentation is maintained as required by USAC.	Sr. Director, ITS Business	10/2019
<b>2) Invoices are not submitted for reimbursement in a timely manner.</b>	Procedures will be put in place to ensure that invoices are submitted in a timely manner.	Sr. Director, ITS Business	10/2019



<b>3) The district requested reimbursement of Internet Access service payments for the month of March, 2018 and received reimbursement from USAC; however, the March, 2018 payments have not been made.</b>	Error acknowledged and corrected. Future payments will be verified in SAP prior to requesting reimbursement from USAC.	Sr. Director, ITS Business	10/2019
<b>4) The district did not receive certain contracted services for which it had paid in 2017 and 2018.</b>	Partial services were provided by their on-line catalog of training. In future years we will fully engage with them.	Sr. Director, ITS Business	10/2019
<b>5) Not all E-Rate devices were tagged with the <i>E-Rate Year</i></b>	A new employee will be tasked with verifying this occurs on all new equipment.	Sr. Director, ITS Business	10/2019
<b>6) Four E-Rate – 2018 access points were not tracked and among them, three access points were missing. One E-Rate access point was stored at a school but not installed within required time limits</b>	A new employee will be tasked with verifying this occurs on all new equipment.	Sr. Director, ITS Business	10/2019
<b>7) E-Rate-2015 devices were removed from schools without documentation, and removed devices could not be located at the Magic Way warehouse</b>	A new employee will be tasked with verifying this occurs on all removed equipment.	Sr. Director, ITS Business	10/2019
<b>8) Periodic E-Rate updates to the Board are not provided</b>	We will prepare periodic updates and submit to the Superintendent.	Sr. Director, ITS Business	10/2019



<b>9) Not all Technology Support Representatives (TSRs) were familiar with the Meraki System</b>	Specific training will be provided to TSR's.	Sr. Director, ITS Business	10/2019
<b>10) There is no alternate contact information on E-Rate Forms</b>	This will be addressed.	Sr. Director, ITS Business	10/2019