

# HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF) GRANTS

Internal Audit Report

June 3, 2022



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## EXECUTIVE SUMMARY

### Why We Did This Audit

To determine whether the district managed the HEERF grant in accordance with grant provisions and whether grant objectives were achieved.

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.

Audit Results at a Glance			
	Risk / Impact Rating		
Results and Observations	Significant	Moderate	Minor
IA-Internal Audit or M-Management	IA - 0 M - 0	IA - 5 M - 0	IA - 0 M - 0
D-Deficiency or O-Opportunity	D - 0 O - 0	D - 5 O - 0	D - 0 O - 0

### Results and Recommendations

#### Results:

Related to CTE:

- Five eligible students did not receive their emergency financial aid grant checks.
- A printer purchased with grant funds could not be located.
- The grant funds (institution portion) overspent their budgets.

Related to Grants and Special Projects:

- Assigned Grant Managers did not receive Grant Management training.
- Grant Manager Assignment Agreements were not completed and maintained.
- Budget deficits were not addressed as they accumulated during the fiscal year.

#### Recommendations:

Implement a review procedure for student check distribution.

Ensure Grant Managers receive Grant Manager training.

Ensure Grant Manager Assignment Agreements are completed and retained.

Enhance tracking/recording of equipment purchased with grant funds (non-fixed assets).

Document every step in the grant management process with clear definitions of each party's roles and responsibilities. Increase communication and collaboration among departments to eliminate deficit balances, and follow-up in a timely manner when action steps need to occur. Escalate to higher levels of management promptly when matters are not being addressed in a timely manner.

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); Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan (ARP) provided fast and direct economic aid to American people negatively impacted by COVID-19. These acts include funds provided to postsecondary educational organizations like the district’s CTE department.

**Grant Title:**

Higher Education Emergency Relief Fund (HEERF)

**Grant Objective:**

To provide emergency funding to higher education institutions (institution portion) and to provide direct emergency financial aid grants to students (student portion).

**Grant Period Awarded:**

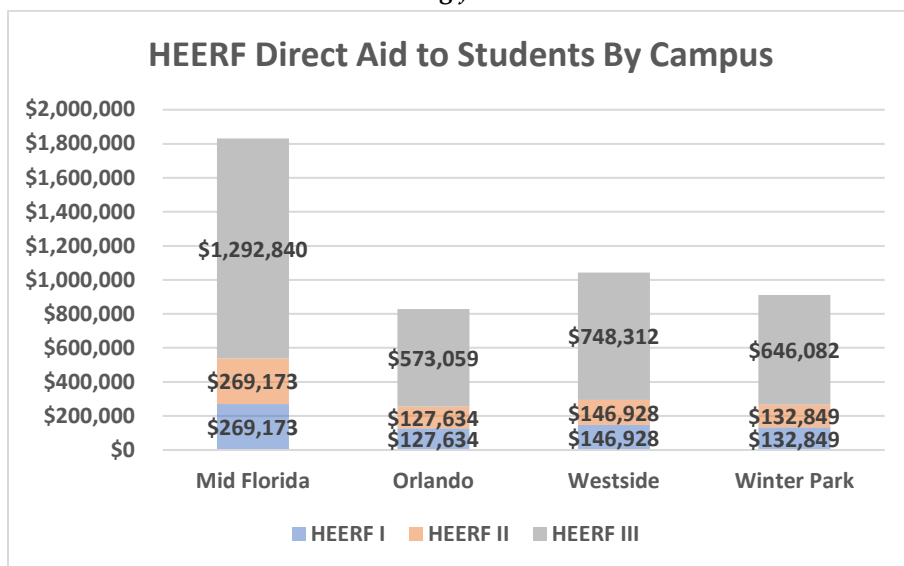
May 21, 2020 – June 30, 2023

**Grant Funding:**

\$12,192,491, with separate funding for institutional costs and direct aid to students as noted in the charts below.

*The district received grant funds totaling \$12,192,491.*

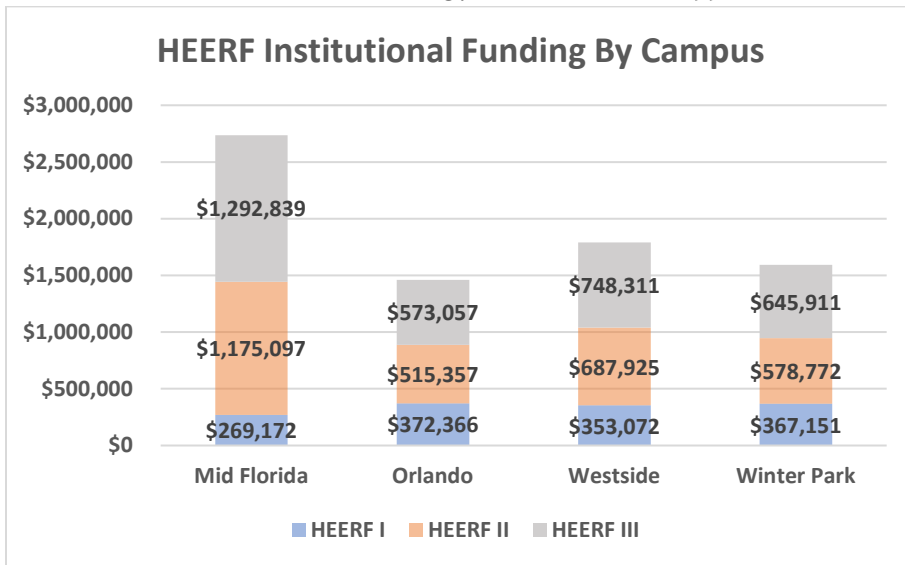
*Chart 1 – Grant Funding for Direct Aid to Students*



*The grant provided direct aid to students in the total amount of \$4,613,461.*

Source: USDOE Grant Award Notification

*Chart 2 – Grant Funding for Institutional Support*



Source: USDOE Grant Award Notification

Grant funding for institutional support was \$7,579,030.

**OBJECTIVES, SCOPE AND METHODOLOGY:**

**Objectives**

The objectives were to determine whether the district managed the HEERF grant in accordance with grant provisions and whether grant objectives were achieved.

**Scope**

The scope of the audit included transactions and activities from May 21, 2020 through May 11, 2022.

**Methodology**

Our methodology included:

- Reviewing USDOE and FDOE websites
- Reviewing grant proposal, award and amendment documents
- Analysis of SAP Budget Reports, iBuy workflow approvals, quote/invoice documentation
- Comparisons of Campus Vue, SAP and SFO systems data using IDEA data analysis software to confirm emergency financial aid grants to students
- Discussions with CTE, Federal Programs, Grants Compliance, Finance Grants Accounting and Procurement Department personnel

Our scope included all transactions and activities during the period from May 21, 2020 through May 11, 2022.

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 the funds were spent in accordance with the purpose of the grant. Institution funds were spent on payroll, technology, custodial/cleaning and additional grants to students. Student funds were disbursed directly to full and part-time students. In addition to \$4,613,461 disbursed directly to students, the following amounts were paid on behalf of students or directly to students from institution funds:

*Table 1 – Aid to/ for Students Paid from Institutional Support*

Grant/Campus	Tuition & Fees/Supplies	Direct Payment to Students
HEERF I:		
Mid Florida	\$31,710	\$107,327
Orlando	69,155	66,616
Westside	256,542	37,572
Winter Park	116,424	11,901
HEERF II:		
Mid Florida	\$200,565	\$74,327
Orlando	77,902	11,116
Westside	0	60,072
Winter Park	37,627	20,151

*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.*

*Institutional funds were spent on payroll, technology, custodial/cleaning as well as additional support for students.*

*Additional support for students covered tuition and fees in the total amount of \$1,882,599 and direct payments to students of \$1,536,789.*

HEERF III		
Mid Florida	\$450,995	\$654,160
Orlando	139,347	134,941
Westside	254,414	41,688
Winter Park	247,916	316,918
<b>Totals</b>	<b>\$1,882,599</b>	<b>\$1,536,789</b>

Source: SAP

Checks were disbursed to students for direct payments as noted below.

*Table 2 – Disbursements for Direct Aid to/ for Students*

Campus	Checks Issued	Checks Cleared *	Checks Outstanding
Mid Florida	2,030	1,805	51
Orlando	775	745	30
Westside	807	789	16
Winter Park	896	871	19
<b>Totals</b>	<b>4,508</b>	<b>4,210</b>	<b>116</b>

Source: School Funds Online

Of the more than 4,500 checks written to students, more than 200 were subsequently voided. Management informed us this was mostly because of inaccurate student addresses.

**1) CTE Campus Operations Recommendation – Five eligible students did not receive their emergency financial aid grant checks. *Moderate Risk, Deficiency***

Best Practice:

HEERF I, II and III student funds must go directly to eligible students in the form of emergency financial aid grants in July 2020, June 2021 and January 2022, respectively.

Audit Result:

We compared student data in the CTE Campus Vue system (for student eligibility), the SAP business system (for budgeting), and the SFO system (for disbursement of checks) and noted the following exceptions:

*More than 4,500 checks were disbursed in direct aid to students.*



Three HEERF II (MF) checks for \$1,500, \$750 and \$1,500 issued on June 1, 2021 were voided on June 9, 2021. We were informed the reason for the void was the students could not be located but these three students were reached at the same address for the HEERF III check distribution that occurred a few months later in January 2022.

The South Campus did not disburse HEERF III checks in the amount of \$1,000 to two eligible students. When we brought this to the attention of the campus business manager, they immediately prepared checks and the students were contacted to pick them up.

Recommendation:

Develop and implement a quality control review procedure to confirm all eligible students receive their emergency financial aid grant check.

**2) 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.

Best Practice:

According to the Grants and Special Projects web page, 249 grants totaling more than \$563 million were monitored in the 2020/2021 school year. We inquired about the training provided and were informed that during the 2020/2021 school year, training was offered virtually via 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.

*Checks to three students were voided because they could not be located, but six months later, those same students successfully received additional checks at those same addresses.*

*The South Campus did not disburse HEERF III checks to two eligible students.*

*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.*

Recommendation:

Due to the magnitude of grant funding the district receives each year, we recommend Grant Manager training be mandatory.

**3) Grants and Special Projects Recommendation – Grant Manager Assignment Agreement *Moderate Risk, Deficiency***

Best Practice:

Grants and Special Projects has an established procedure to require Grant Mangers to sign and date an agreement acknowledging they understand their roles and responsibilities in grant administration.

Audit Result:

We requested Grant Manager Assignment Agreements for the 24 HEERF grants via email on January 12, 2022. Completed agreements could not be located for six grants and the dates on 11 agreements indicated they were completed after our request. We were informed it is the Grants and Special Projects Administrative Specialist's responsibility to obtain and retain these signed agreements. This person is on extended leave and we were informed by management that these agreements are on his computer hard drive rather than the department's server.

Recommendation

Revise the current process for completing and maintaining Grant Manger Assignment Agreements to require these documents be stored on a shared folder where other department personnel can access them.

**4) 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.

*Six of 24 Grant Manager Assignment Agreements could not be located and another 11 were prepared only after our request.*

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 generated an SAP budget and expenditure report to isolate fixed asset and non-fixed asset purchases to compare with the inventory report. We noted non-fixed asset expenditures at Mid Florida, Orlando and Winter Park/Avalon campuses. No acquisitions were noted at the Westside campus.

We visited the campuses to confirm existence of the non-fixed assets in our sample and all were located except one printer with a cost of \$313 at the Orlando campus.

Recommendation:

Develop and implement procedures to monitor the acquisition of fixed assets and non-fixed assets to ensure all assets are identified, tagged and recorded in the system in a timely manner.

**5) CTE and Grants and Special Projects Departments  
Recommendation – Institution Portion Deficit Balances *Moderate Risk,  
Deficiency***

Best Practice:

Grant funds should not be overspent.

Audit Result:

As of June 3, 2022, six of the 12 institution portion grant funds showed deficit balances in the total amount of \$2,002,087 as shown below.

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

*A printer with a cost of \$313 could not be located.*

*Table 3 – Deficit Balances in Grant Funds*

GRANT	CAMPUS	DEFICIT
HEERF II	Mid-Florida	\$286,537
“	Orlando	\$180,644
“	Westside	\$106,665
“	Winter Park	\$30,911
HEERF III	Mid Florida	\$838,941
“	Winter Park	\$558,389
<b>Total</b>		<b>\$2,002,087</b>

Source: SAP

The majority of this deficit is related to salaries and benefits for positions assigned to the grant, although significant amounts were also used for student fees and tuition. The process for managing positions assigned to grant funds is as follows:

- The Grant Manager determines which positions are to be funded from grants and for what period of time. This information is communicated to the Grants and Special Projects Department.
- Grants and Special Projects prepares a Staffing Report which details the increases or decreases in staff positions and fund changes.
- The Staffing Report is reviewed and approved by the Finance Department.
- The Budget Department enters the requested changes.

In accordance with grant provisions, CTE management decided in November 2021 to use grant funds instead of funds in the schools' budgets to cover salaries and benefits for low enrollment programs. CTE management planned to use its General Fund to cover any deficit and had sufficient funds on hand for this purpose. In addition, as previously noted, CTE management also paid fees and tuition for eligible students from grant funds. The amount of expenses allocated to the grants quickly consumed available funds and budget deficits appeared as early as January of 2022.

Over a period of several months, numerous emails, phone calls and meetings were held between and among the CTE Grant Manager,

*Beginning in November and continuing to June 3, HEERF funds over-expended their budget by more than \$2 million.*

*Successful grant management involves actions and follow-up by several departments.*

*CTE Management used grant funds to cover salaries and benefits for low enrollment programs.*

*Grant funds were also used to pay student fees and tuition.*

representatives of the Grants and Special Projects Department, Finance, and Budget regarding the budget deficits accumulating in the grant funds. Despite all this communication, the deficits remained until year end when they were cleared by the Finance Department with journal entries. We observed a number of emails back and forth among persons from the CTE, Grants and Special Projects, and Finance departments discussing this issue, but it persisted for months due to misunderstandings, miscommunications, and inadequate follow-through.

Recommendation:

Document every step in the grant process with clear definitions of each party's roles and responsibilities. Increase communication and collaboration among departments to eliminate deficit balances, and follow-up in a timely manner when action steps need to occur. Escalate to higher levels of management promptly when matters are not being addressed in a timely manner.

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.

*Despite extensive communication, budget deficits remained until year end when they were cleared by the Finance Department with journal entries.*



<b>Department / School Name</b>	<b>Career and Technical Education and Grants and Special Projects</b>
<b>Administrator / Department Head</b>	<b>Teriann Wright / Jaquay Rembert</b>
<b>Cabinet Official / Area Superintendent</b>	<b>Melanie Stefanowicz / Jennifer Sasser</b>

<b>Audit Result / Recommendation</b>	<b>Management Response Acknowledgement/ Agreement of Condition</b>	<b>Responsible Person (Name &amp; Title) And Target Completion Date</b>	<b>Management’s Action Plan</b>
<p><b>1) CTE Campus Operations Recommendation – Five eligible students did not receive their emergency financial aid grant checks.</b></p> <p><u>Recommendation:</u> Develop and implement a quality control review procedure to confirm all eligible students receive their emergency financial aid grant check.</p>	<p>This issue was satisfactorily resolved by reissuing the appropriate checks to students.</p>	<p>Teriann Wright July 1, 2022</p>	<p>CTE will develop and implement a quality control review procedure to confirm eligible students receive their emergency financial aid grant checks.</p>
<p><b>2) Grants and Special Projects Recommendation – Grant Manager Training should be mandatory for Assigned Grant Managers</b></p> <p><u>Recommendation:</u> Due to the magnitude of grant funding the district receives each year, we recommend Grant Manager training be mandatory.</p>	<p>This issue is acknowledged. The first-semester training during the 2021-22 school year did not take place due to vacancies (i.e., director and support staff). The spring training session during the 2021-22 school year did take</p>	<p>Denard Turner Grants and Special Projects (GSP) – Sr. Administrator  June 2023</p>	<p>GSP will offer grant manager training twice per school year and conduct monthly checks to make note of new grant managers and offer one-on-one training.</p> <p>Attendance will be monitored, and participation will be shared with grant managers’ supervisors and corresponding cabinet members. Grant Manager training would need to be provided by multiple district departments depending on the type of grant in order to provide instructions</p>



	<p>place and CTE was part of the grant managers invited to participate.</p>		<p>related to their areas of responsibility, including: GSP, Grants-Accounting, Payroll, Human Resources (HR), Federal Programs and Procurement. GSP’s responsibility in providing pertinent content for professional development will cover specific topics for grants they manage such as: the grant manager memo, SAP project setup, budget reports, staffing requests, amendments, and reporting requirements.</p> <p>The attendance logs of professional development sessions will be monitored. Communications will be sent to the grant manager and the corresponding supervisor. A new grant manager memo will be developed to include notice of expected attendance at grant manager training sessions.</p>
<p><b>3) Grants and Special Projects Recommendation – Grant Manager Assignment Agreement</b></p> <p><u>Recommendation</u> Revise the current process for completing and maintaining Grant Manger Assignment Agreements to require these documents be stored on a shared folder where other department personnel can access them.</p>	<p>This issue is acknowledged.</p>	<p>Denard Turner GSP – Sr. Administrator</p> <p>June 2023</p>	<p>The task of issuing grant manager memos upon SAP setup was previously assigned to the department’s support professional. However, the team has been without someone in this position since September 2021. This task has now been added to the responsibilities of the GSP administrators.</p> <p>In addition, the GSP department has submitted a business case to purchase a Grants Management System. If approved, the department is specifically seeking a system that would convert many manual processes completed by staff to an automated process. This would include the potential of automatically generating and sending a memo to the assigned grant manager upon SAP setup along with storing the required documents for compliance.</p>



			Last, a grant manager memo for grants managed by the GSP department will be generated and completed yearly to mitigate the ongoing change of staff and increase compliance accuracy.
<p><b>4) CTE Department Recommendation – Non-Fixed Assets Inventory</b></p> <p><u>Recommendation:</u> Develop and implement procedures to monitor the acquisition of fixed assets and non-fixed assets to ensure all assets are identified, tagged and recorded in the system in a timely manner.</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>	CTE will continue to document inventory in Asset Tiger.
<p><b>5) CTE and Grants and Special Projects Departments Recommendation – Institution Portion Deficit Balances</b></p> <p><u>Recommendation:</u></p>	This issue is acknowledged.	<p>Jaquay Rembert GSP – Director</p> <p>June 2023</p>	The GSP Standard Operating Procedures document will be revised to include processes for compliance-related tasks completed by the GSP department. Clear definitions as to the roles and responsibilities of all district and school-based staff tied to the management of grant projects will be incorporated in this document as well, since there





<p>Document every step in the grant process with clear definitions of each party's roles and responsibilities. Increase communication and collaboration among departments to eliminate deficit balances, and follow-up in a timely manner when action steps need to occur. Escalate to higher levels of management promptly when matters are not being addressed in a timely manner.</p>			<p>are aspects of grants that are managed through multiple departments, such as GSP, Grants-Accounting, Payroll, Human Resources (HR), Federal Programs and Procurement.</p> <p>Additionally, GSP will provide access to online systems and training to the CTE Senior Administrator of Financial Services and Compliance for how to complete staffing requests to support the CTE grants. This will improve clarity on roles and responsibilities between CTE grant compliance staff and GSP compliance staff.</p> <p>Last, GSP will conduct a monthly check for deficits across grants supported by the department. Any deficit findings will be communicated to grant manager and cabinet members including expected actions to reach a resolution.</p>
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