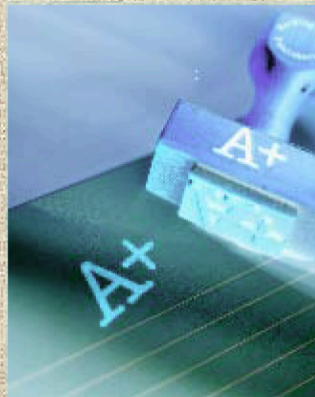


**ACHIEVE THROUGH EDUCATION, INC.
(f/k/a ADULT MANKIND ORGANIZATION -
EDUCATIONAL DIVISION, INC.)**



**BETTER OVERSIGHT OF AGENCY NEEDED BY
DISTRICT STAFF AND IMPROVED JUDGEMENT NEEDED
BY AGENCY IN DETERMINING ELIGIBLE
EXPENDITURES NECESSARY TO PROVIDE SERVICES
OR SUPPORT THE PROGRAM'S OBJECTIVES**

DECEMBER 2006

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Dr. Martin Karp, Vice Chair
Mr. Renier Diaz de la Portilla
Ms. Evelyn Langlieb Greer
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Superintendent of Schools

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Chief Auditor
Office of Management and Compliance Audits

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Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Rudolph F. Crew, Ed.D.

Chief Auditor
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Miami-Dade County School Board
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Dr. Solomon C. Stinson

November 29, 2006

Members of The School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

At the request of the Department of Curriculum, Instruction, and School Improvement we performed an audit of Achieve Through Education, Inc., as it relates to the internal controls over FTE funding, the propriety of their use and substantial compliance with the contractual agreement. Over the last two calendar years ended December 31, 2005 and up to June 30, 2006, Achieve Through Education, Inc., has received payments totaling approximately \$6.3 million from the School District.

The objectives of our audit were to determine whether Achieve Through Education, Inc., has substantially complied with the contractual agreement and whether adequate internal controls are in place over FTE funding MDCPS provided, and the propriety of their use.

Our audit concluded that after revising the 2005-06 contract with the District, Achieve Through Education, Inc., did not make any benefit payments to the former Executive Director. However, the organization's financial management needs improvement. Concerns exist on whether some expenses are necessary to provide service or support program objectives. The District overpaid Achieve Through Education, Inc., \$260,428 in FTE revenues. Additionally, various contract provisions were not complied with. Recently implemented corrective actions, including transferring the program oversight to School Operations should positively impact future results.

Our findings and recommendations were discussed with Achieve Through Education, Inc.'s management and School Board administration. Their responses along with explanations are included herein. As always, we would like to thank the management and staff of Achieve Through Education, Inc., for their cooperation and courtesies extended to our staff during the audit.

Sincerely,

Allen M. Vann, CPA, Chief Auditor
Office of Management and Compliance Audits

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EXECUTIVE SUMMARY

This report is the second of a series of reports on contractual compliance of Community Based Organizations providing alternative education to Miami-Dade County Public Schools' students. The first published report on one of these organizations communicated various matters of non-compliance, mismanagement, and internal control weaknesses. Although not to the same degree, similar findings are noted in this report on Achieve Through Education, Inc. Based on the audit procedures and tests performed and evidence obtained and examined, our audit concluded the following:

- Questioned monthly retirement benefits of \$6,667 paid to a former Executive Director of Achieve Through Education, Inc., were discontinued effective August 2005. The action was effected by revisions to the 2005-06 contract with the District and the organization's Board of Directors vote to terminate the benefits.
- Certain expenditures incurred to the benefit of the agency's employees appear to be questionable regarding whether they are necessary to provide services or support program objectives. These may in fact be perks to employees that are not properly reported as fringe benefits as required by the IRS.
- The District overpaid Achieve Through Education, Inc., \$260,428 in FTE revenues. This principally resulted from the organization basing its invoices on billing information provided by the Educational Alternative Outreach Program and on student enrollment rather than student attendance as stipulated in their contract with M-DCPS and FTE calculation guidelines.
- Various contract provisions, including Academic Improvement Plan (AIP) and Individualized Academic Plan (IAP) completion were not complied with.

It is noteworthy to mention that subsequent to the issuance of our first audit report on a similar organization, the Division of Alternative Outreach developed a number of remedial policies and procedures aimed at preventing a recurrence of the conditions reported on. Among these changes are the replacement of the principal at the Educational Alternative Outreach Program, the re-organization of the reporting line for the Division of Alternative Outreach, re-focusing of efforts on monitoring the contracted agencies, and increased day-to-day support to and monitoring of the agencies.

Based on our observations, we made 10 recommendations. We are awaiting a response from Achieve Through Education, Inc.'s management and a separate response, along with a plan of action from the Division of Alternative Outreach. Our detailed findings and recommendations start on page 7. We would like to thank the Achieve Through Education, Inc.'s staff and administration for their cooperation and courtesies extended to our staff during the audit.

INTERNAL CONTROLS

Our overall evaluation of internal controls for the Achieve Through Education, Inc., is summarized in the table below.

INTERNAL CONTROLS RATING			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls	X		
Policy & Procedures Compliance		X	
Effect		X	
Information Risk	X		
External Risk	X		

INTERNAL CONTROLS LEGEND			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls	Effective	Opportunities exist to improve effectiveness.	Do not exist or are not reliable.
Policy & Procedures Compliance	In compliance	Non-Compliance Issues exist.	Non-compliance issues are pervasive, significant, or have severe consequences.
Effect	Not likely to impact operations or program outcomes.	Impact on outcomes contained.	Negative impact on outcomes
Information Risk	Information systems are reliable.	Data systems are mostly accurate but can be improved.	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions.
External Risk	None or low	Potential for damage	Severe risk of damage

BACKGROUND

During the 2003-04, 2004-05 and 2005-06 school years, Miami-Dade County Public Schools (M-DCPS) contracted with Achieve Through Education, Inc., (f/k/a Adult Mankind Organization – Educational Division, Inc.), to provide an appropriate program of education and training for approximately 650 students. The contract periods included each aforementioned school year, plus the summer session prior to the start of that school year. Achieve Through Education, Inc., was awarded \$2,390,400, \$2,977,416 and \$2,985,021 for the 2003-04, 2004-05 and 2005-06 contracts, respectively. In the table below, we present M-DCPS payments to Achieve Through Education, Inc., from January 2004 through June 2006 as well as related revenues and expenses for the same period.¹

Achieve Through Education, Inc. Summary Schedule of Payments, Revenues and Expenditures			
	2004 Calendar Year	2005 Calendar Year	January 2006 to June 2006
Total Payments to Achieve Through Education, Inc.	\$2,598,551	\$2,708,626	\$1,015,533
Total Revenues Reported by Achieve Through Education, Inc.	\$2,598,551	\$2,708,626	\$1,015,533
Total Expenditures Reported by Achieve Through Education, Inc.	\$2,846,186	\$2,781,802	\$1,301,628

Achieve Through Education, Inc., like the other nine (9) alternative education programs, is designed to provide basic educational skills and a strong network of support services to those students within M-DCPS, who generally exhibit behavioral, truancy and academic problems.² These students generally have not been successful in the traditional educational setting. For many of them, alternative education programs such as Achieve Through Education, Inc., are their last alternative for receiving a high school education.

¹ Achieve Through Education, Inc., maintains its accounting books and records on a calendar year, whereas M-DCPS' maintains its records of payments, revenues and expenditures on a fiscal year from July 1st to June 30th.

² As of the beginning of the 2006-07 fiscal year, there were 10 alternative education programs providing this service under contract with M-DCPS for a maximum combined contract value of approximately \$15,239,000.

OBJECTIVES, SCOPE AND METHODOLOGY

At the request of the Department of Curriculum, Instruction, and School Improvement we performed an audit of Achieve Through Education, Inc., as it relates to the internal controls over FTE funding, the propriety of their use and substantial compliance with the contractual agreement.

Our audit objectives were to determine:

- whether Achieve Through Education, Inc., has substantially complied with the contractual agreement; and
- whether adequate internal controls are in place over FTE funding M-DCPS provided to that organization, and the propriety of their use.

Our audit covered the period of January 2004 through June 2006. Procedures performed to satisfy our audit objectives were as follow:

- Interviewed Achieve Through Education, Inc.'s staff, as well as, staff from M-DCPS' Educational Alternative Outreach Program (AEOP).
- Reviewed Achieve Through Education, Inc.'s organizational structure.
- Reviewed that organization's list of employees.
- Examined, on a sample basis, personnel and student files.
- Reviewed student enrollment and attendance records.
- Observed daily attendance records for students enrolled and conducted headcounts of students in attendance.
- Reviewed program policies and procedures and the results from the Contracted Agency Compliance Monitoring Report (f/k/a Center Assessment Team Assessment Report) of program conducted by M-DCPS.
- Reviewed support services available to students
- Inspected the general condition and calculated the classroom sizes of all sites used by Achieve Through Education, Inc.
- Reviewed insurance coverage, sanitation and health certificates, and fire inspection reports.
- Reviewed the organization's independently audited financial statements for the period under audit.
- Reviewed Achieve Through Education, Inc.'s general ledgers, trial balances and bank statements.
- Reviewed FTE calculation formulae used by agency to request payments from M-DCPS.
- Examined M-DCPS payments documents and expenditures incurred by Achieve Through Education, Inc.

- Performed other audit procedures deemed necessary.

Our audit was conducted in accordance with generally accepted government auditing standards applicable to performance audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America.

FINDINGS AND RECOMMENDATIONS

1. OVERPAYMENT PER CONTRACT TERMS

We examined invoices for January 2004 through June 2006 submitted by Achieve Through Education, Inc., to M-DCPS' Educational Alternative Outreach Program and reconciled them to the student rosters, the Daily Attendance Sheets prepared by the organization, and the Integrated Student Information System (ISIS) for the weeks where attendance is taken for FTE (Full-Time Equivalents) funding purposes.³ Based on the documents reviewed and the contract terms, M-DCPS overpaid Achieve Through Education, Inc., \$260,428⁴ in FTE fees for the aforementioned period under audit. The principal reason for the overpayment stemmed from not applying the correct contract terms. According to those terms, billings to M-DCPS should have been based on the peak student attendance during the specified FTE weeks. However, the amount invoiced M-DCPS were based on peak student enrollment, which is always higher than peak attendance. Enrolled students might not have actually attended the organizations' schools – West Dade Institute and West Hialeah Institute on any given day during the FTE period. The following table shows the differences in peak attendance and peak enrollment.⁵

Peak Attendance vs. Enrollment During FTE Week		
FTE Week	Peak Attendance	Peak Enrollment
November 2003	547	634
March 2004	639	643
July 2004	363	364
November 2004	530	559
March 2005	615	638
July 2005	427	449
November 2005	416	444
March 2006	531	554

³ Achieve Through Education, Inc., operates two alternative education centers – West Dade Institute and West Hialeah Institute.

⁴ See Appendix I.

⁵ During our field work, we attempted to observe the current actual attendance at West Hialeah Institute and West Dade Institute. However, due to end of school and year-end activities such as senior fieldtrips, recruiting and field days, it was difficult to determine attendance when students were not at their assigned classrooms.

Additionally, the Educational Alternative Outreach Program provided Achieve Through Education, Inc., billing information, which the agency used in preparing its invoices to M-DCPS. The condition existed undetected over a number of years.

Between July 2005 and April 2006, \$24,295 of the overpayment also resulted from using an incorrect District Cost Differential (DCD) factor of 1.0445,⁶ which Educational Alternative Outreach Program received from the Office of Budget Management and subsequently provided to the agency.

In a memorandum dated May 15, 2006, the School Board administrative staff acknowledged the overpayment of funds to six (6) contracted Community Based Organizations (CBOs)/Agencies and approved the action of waiving the recovery of the amount in question. The total overpayment noted was \$471,700.04 (\$408,367.80 resulting from improper application of contract terms and \$63,332.24 resulting from use of the incorrect DCD). Of this amount, \$127,353.91 was identified to Achieve Through Education, Inc.

The 2004, 2005 and 2006 fiscal year contracts between M-DCPS and Achieve Through Education, Inc., stipulate the following:

The School Board will make twelve (12) payments to the Contracting Agency [*Achieve Through Education, Inc.*]; provided, however, that funding will be calculated based upon actual peak attendance as determined in July [*date omitted*], November [*date omitted*] and March [*date omitted*]. The payments will be approximately the total calculated funding based on 95% of basic FTE for either the summer session or the regular school year, minus deduction for teacher cost... Adjustments in payments will be made, if necessary, in July, November and March to reflect actual student attendance.

It is evident that neither Achieve Through Education, Inc., nor the Educational Alternative Outreach Program recognized and adhered to the contract terms,

⁶ This is the DCD for the 2004-05 fiscal. The 2005-06 fiscal year DCD is 1.031. However, the FTE calculations used for invoicing purposes did not reflect this change, thus, up to April 2006, the organization invoiced M-DCPS at an incorrect rate of \$371.35 and \$413.31 per student per month for grades 4-8 and 9-12, respectively. The correct amounts should have been \$366.55 and 407.97, respectively. As of May 2006 the invoices were corrected to reflect the correct DCD.

resulting in the overpayment.⁷ It is also evident that proper review of the FTE payment data was not conducted by either party. The noted conditions were systemic. Therefore, it is highly probable that similar overpayments to the other agencies providing this service exist. In the interim, management has taken certain steps to prevent a recurrence of these conditions and will be looking for other means to improve oversight of this program.

Guidelines from the Florida Department of Education (FDOE) indicate that a student is eligible for full-time equivalent (FTE) membership if the student is in program membership and is present at least one (1) day during the survey period or one (1) of the six (6) scheduled meetings preceding the survey period in which students were in attendance in school. M-DCPS' Attendance Services Full-Time Equivalent (FTE) Procedures K-12 concur with the aforementioned FDOE guidelines and further explain that a student is considered as earning FTE for the full five days if the student withdraws during the survey week but is in membership at least one (1) day of survey week and does not enter another Miami Dade County Public School during the same FTE survey or if the student enrolls in school during survey week and is present at least one (1) day during survey week.

For purposes of determining student enrollment and payment processing, the Educational Alternative Outreach Program provided Achieve Through Education, Inc., a list of students enrolled at West Dade Institute and West Hialeah Institute during the FTE weeks and the FTE calculation.⁸ The center Directors and the CEO of Achieve Through Education, Inc., 1) certify that the students listed in the ITS generated student enrollment list are officially enrolled during the designated FTE weeks; and 2) acknowledge that the student enrollment was authenticated by reviewing documentation and that official school attendance was recorded in each teacher's grade book. Achieve Through Education, Inc., prepares the invoices based on the student lists and billing information (Monthly Report) received from the Educational Alternative Outreach Program, and submits it to the Educational Alternative Outreach Program. Educational Alternative Outreach Program approves the invoice and forwards it to the District's Accounts Payable Department for payment.

⁷ As a result of similar audit findings noted in our previously issued audit report – Audit of James E. Scott Community Association, Inc. (JESCA), the School Board Attorney's office has materially revised the standard contract the District uses to contract these services.

⁸ The calculation included the number of students, the amount per student, and the total amount to bill M-DCPS for. As a result of similar audit findings noted in our previously issued audit report – Audit of James E. Scott Community Association, Inc. (JESCA), the Educational Alternative Outreach Program reportedly discontinued its practice of providing the stated amounts for billing to the agencies.

RECOMMENDATION

- 1.1 Develop and implement a process to ensure that all program managers and contracted agencies are fully coherent on the contract terms. This process should include training staff in FTE determination and verification. Adherence to those terms must be required.

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response:

- All existing contracts have been revised to assure that payments are based on actual student attendance as determined by the designated FTE week.
- A mandatory training meeting is held as needed with all contracted CBOs/Agencies to review and discuss contract language in relation to program expectations and compliance.
- The Division of Alternative Education will continue to work with the Office of Management and Compliance Audits to review and revise contract language relative to the process of payment and reimbursement.

URGENCY OF CORRECTIVE ACTION

- ☒ Critical
- ☐ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

Management Response – Achieve Through Education, Inc.: In response to the auditors' recommendation to develop and implement a process that will ensure adherence to contract terms and ensure proper procedures for FTE attendance, we would like to point out the following issues:

- a) The contracts for 2003-2004, 2004-2005, and 2005-2006 state that the agency would receive 12 payments. Only eleven (11) payments were received during the 2003-2004 and the 2004-2005 contracts, however, twelve (12) payments were received during the 2005-2006 contract. Therefore, based on the auditors' FTE calculations, the School Board has a shortage for fiscal year 2003 of \$222,861, for the month of August 2003. A similar

shortage would occur, according to contract terms for fiscal year 2004 of \$213,547 for the month of August 2004. The combined payment shortage for fiscal years 2003 and 2004 is \$436,408*.

- b) The contracts for 2003-2004, 2004-2005, 2005-2006 and 2006-2007 do not indicate that funding will be calculated on homeroom attendance. Students that arrive late to school and are not marked present during homeroom attendance, may not be properly accounted for when determining actual peak attendance. If there are any discrepancies between enrollment and the reported peak attendance during FTE survey weeks/periods, documents such as the corrections to daily attendance form, the student entry/withdrawal form, the student list, the statement of student enrollment and/or grade books, should be utilized for auditing purposes.

Currently, the 2006-2007 contract states that the contracting agency shall provide a monthly attendance report to the School Board which shall accompany the monthly voucher for billing and payment. If the contract would have additionally required the contracting agency to include the homeroom attendance along with any approved supporting documentation that could verify student attendance during the FTE survey weeks/periods, there would be minimal (if any) billing and payment discrepancies.

The monthly attendance report which is provided to the contracting agency by M-DCPS to include with its monthly invoice/voucher has also contributed to payment discrepancies. For example: from July 2005 through April 2006 the monthly FTE per student rate was indicated to be \$371.35 and \$413.31 instead of \$366.55 and \$407.97 for grades 4-8 and grades 9-12, respectfully.

Additionally, the contract states that funding will follow Florida Statute 1011.62, which has a provision for additional funding for Districts that experience a decline in full-time enrollment (FTE).

...(8) DECLINE IN FULL-TIME EQUIVALENT STUDENTS. In those districts where there is a decline between prior year and current year unweighted FTE students, 50 percent of the decline in the unweighted FTE students shall be multiplied by the prior year calculated FEFP per unweighted FTE student and shall be added to the allocation for that district. For this purpose, the calculated FEFP shall be computed by multiplying the weighted FTE students by the base student allocation and then by the district cost differential. If a district transfers a program to another institution not under the authority of the district's school board, including a charter technical career center, the decline is to be multiplied by a factor of 0.15.

Please note that although this provision has been in the Florida Statute for several years, it has never been applied to our funding. Please refer to Addendum 1, which illustrates how we calculated the shortage. We took the prior year FTE per auditor by month and compared to the current year FTE, those months that experienced a decline we applied a 50% rate of the prior year

FEFP funding. The combined shortage for the two fiscal periods for our agency amounted to approximately \$243,832.

* Shortage for fiscal year 2003 - 2004 is based on auditor F.T.E calculations for November 2003 and November 2004. MDCPS monthly reports for November 2003 and November 2004 instead indicate a combined shortage of \$484,203.02.

1.2 Develop and implement a process to ensure proper review, validation and approval of FTE attendance and payment information prior to payment of invoices.

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response:

- An Attendance Report has been requested from Information Technology Services (ITS) to reflect and verify actual student attendance during the designated FTE survey period as stated in the contractual agreement for the 2006-2007 school year. The report will be reconciled with billing statements to verify financial accuracy of actual payments made by M-DCPS to CBOs.
- Staff from EAOP will utilize existing Attendance Reports signed by CBOs and student attendance reflected in the Integrated Student Information System (ISIS) to identify and verify attendance during the designated FTE reporting weeks for the 2006-2007 school year. Students in attendance during the FTE period will be counted.
- The 2006-2007 payments to the Achieve Through Education, Inc. Program will be reconciled with the requested Attendance Report. Payments will be adjusted accordingly.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- ☒ Critical
- ☐ Important
- ☐ Desirable

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

Management Response – Achieve Through Education, Inc.: With regards to FTE survey weeks/periods, please note that some of those specified by M-DCPS for FTE calculations have been irregular, meaning that they have included holidays, teacher planning days and/or days when classes are on recess. Such shortening of the FTE period might be inconsistent with the FTE

General Instructions as reported by the Florida Department of Education. Examples are listed below:

FTE Week	Number of Instructional Days in the Week	Holiday or Teacher Planning Day Included
11/6/06 – 11/10/06	3 Instructional Days	11/7/06 - Teacher Planning Day 11/10/06 -Veteran's Day
3/14/05 - 3/18/05	4 Instructional Days	3/18/05 Teacher Planning Day

- 1.3 Consider the likelihood of recovering the \$260,428 overpayment of FTE fees to Achieve Through Education, Inc., and the resulting effect on program services delivered and act accordingly.**

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response: In collaboration with the Office of Management and Compliance Audits, Office of Accounts Payable, the EAOP, and Achieve Through Education, Inc., we will explore the feasibility of recovering overpayment of fees without compromising the program for at-risk students.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
☒ Important
☐ Desirable

IMPLEMENTATION SCHEDULE

- ☒ Immediately (Short Term)
☐ By _____
☐ Contingent upon Funding

2. IMPROVED JUDGMENT NEEDED IN DETERMINING EXPENDITURE ELIGIBILITY AND THEIR DOCUMENTATION

We examined, on a sample basis, 81 expenditures selected judgmentally and found 21 exceptions (26%) as presented on the table below.

Exceptions Noted in Expenditures Sampled		
Description of Exception	Total Exceptions	Exception Rate
Expenditure did not have adequate supporting documentation	10	12%
Expense did not appear necessary to provide service or support program objective	8	10%
Invoice was not paid timely	2	3%
Invoice was inaccurate	<u>1</u>	<u>1%</u>
Total	<u>21</u>	<u>26%</u>

The following describes a sample of conditions for the category of expenditures not having adequate supporting documentation mentioned above:

- Seven percent (7%) or 234 instances where employees did not sign in or out, for payroll timekeeping purposes, as required by the agency's own operating procedures. Additionally, five (5) time cards were not presented for audit. Furthermore, for one of the schools, three (3) of the six (6) payrolls tested had only photocopies of the time cards.
- Two (2) employees were reimbursed a total of \$300 for mileage allowance; however, mileage reports were not presented for audit.
- Five (5) employees received payments for mileage reimbursement; however, the mileage claimed was overstated. Additionally, the associated toll and parking receipts were not presented for audit. The total overpayment for the sampled expenditures was \$328.
- Invoices for two student field trips to Busch Gardens and Rapids Water Park totaling \$8,316 were not presented for audit.

As stated earlier, instances of expenses not necessary to provide service or support program objectives were noted. For example, in February 2004, \$662 was paid for excess wear on a vehicle leased under the name of, and driven by

the former Executive Director, who retired December 31, 2003. Also, the organization has a three-year lease agreement ending in May 2008 for a 2005 Dodge Caravan which is assigned to the West Hialeah Institute Director as a take-home vehicle. According to the school's administration, this minivan is used to 1) pick up any maintenance supplies the school needs from the agency's main offices or nearby hardware stores, 2) travel to and from the Educational Alternative Outreach Program and 3) transport students on fieldtrips. The school's director stated that her daily round trip commute from home to the school is less than two (2) miles.

We reviewed six (6) fuel invoices totaling \$7,726. Of these, \$1,545 or 20% was for gas purchased during the weekends. According to the agency's management, fuel is purchased for the Executive Director's personal car, which is also used for business; for the aforementioned Dodge Caravan, a take-home vehicle used by the Director of West Dade Institute for similar purposes as the abovementioned Dodge Caravan; and for a diesel operated school bus used by West Dade Institute to transport students from the school to a nearby park for physical education classes. Diesel usage totaled \$278 for the invoices reviewed. According to the agency's management, the organization used a gasoline operated school bus prior to the 2005-06 school year.

Mileage logs documenting personal and business use of vehicles were not presented for audit. Additionally, there is no indication that these employees were assessed taxable fringe benefits associated with the agency's fueling of personal vehicle or the personal use of an agency-provided vehicle.⁹

During the period January 2004 through August 2005, Achieve Through Education, Inc., paid monthly retirement benefits of \$6,667 for a total of \$133,333 to a former Executive Director of the organization.¹⁰ To its credit, the agency, acted responsively and promptly upon notification that these costs are questionable and are not permitted. As such, in August 2005, the agency terminated payment of the said benefit and reversed \$13,333 in benefits previously accrued subsequent to their being informed of the questionable nature of the payments. According to the current Executive Director, in 2006, the Board of Directors voted to cease these payments.

⁹ The Internal Revenue Service Publication 463 indicates that if an employee uses an employer's vehicle, this is a fringe benefit and should be reported in the employee's income as pay. Internal Revenue Service Publication 15-B provides the three valuation rules that must be used to determine the value of a fringe benefit provided to an employee. These three rules include: 1) Automobile lease valuation rule, 2) Vehicle cents-per-miles-rule, 3) Commuting Valuation rule.

¹⁰ Amounts reported in the agency's 2004 and 2005 general ledgers.

RECOMMENDATIONS

- 2.1 Expenses must be evaluated for propriety to ensure that they are necessary to providing service or supporting the program objectives.

Responsible Department or Agency: Achieve Through Education, Inc.

Management Response: Expenses must be evaluated for propriety to ensure that they are necessary to providing service or supporting the program objectives.

All expenses will be reviewed and determined if they are necessary to the provision of services.

In response to the auditors' findings regarding reimbursement for mileage allowance without reports, it was the policy of the agency to provide for \$30 bi-weekly mileage allowance to these employees that used their vehicles on a daily basis for work. However, since the completion of the audit we are no longer paying mileage allowance to any employee. All employees must document their expenses, including tolls and parking receipts, in a mileage log.

In addition, the Payroll Clerk is now responsible for reviewing the accuracy of all payroll related expenditures (i.e. time sheets, mileage logs, employee reimbursement documentation), and the Executive Director is responsible for approving the payroll and all related expenditures.

Gas consumption is now being monitored closely. However, we would like to note that our administrators work many weekends to conduct facility repairs, to catch up on paper work and to perform other administrative duties. So the fact that gas is purchased on the weekend is not indicative that it is not being purchased for the delivery of services. Yet we will implement procedures to track personal usage of vehicles and include the taxable fringe benefits in the employees' W-2. Effective January 1, 2007 all personnel using company vehicles or authorized to use a gas card will prepare business mileage logs. Through these logs we will assess and calculate the fringes associated.

URGENCY OF CORRECTIVE ACTION

- ☒ Critical
- ☐ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☐ Immediately (Short Term)
- ☒ By January 1, 2007
- ☐ Contingent upon Funding

2.2 Prior to making disbursements, invoices and other supporting documents must be reviewed for completeness and accuracy.

Responsible Department or Agency: Achieve Through Education, Inc.

Management Response: Prior to making disbursements, invoices and other supporting documents must be reviewed for completeness and accuracy.

We have discussed with our fiscal and center administrative staff that no checks are to be issued without proper documentation. All disbursements must have an invoice and will be reviewed for accuracy by the Accountant and approved by the Executive Director.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

2.3 Develop a process to periodically monitor the agency's expenditures.

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response: All CBOs/Agencies will submit a quarterly financial report to the EAOP to assist with monitoring program expenditures.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

3. CONTRACT TERMS NEED TO BE REVIEWED TO ENSURE COMPLIANCE

We reviewed, on a sample basis, personnel files for employees working for the Achieve Through Education, Inc. Our review disclosed that all employees, except for two, a part-time cafeteria worker and a greeter, had been fingerprinted and background-checked through the District's Office of Fingerprinting as required by contract. (Subsequent to our testing, both employees with exception were fingerprinted.) However, for those employees that were already fingerprinted and background-checked, one employee was not cleared by M-DCPS. According to guidelines from the District's Office of Fingerprinting, if an employee is not cleared by the District, such employee cannot work for a school.¹¹ Achieve Through Education, Inc., Executive Director explained that the organization is not notified when an employee is not cleared by the District. He stated that it is up to the employee to notify them. He further commented that on previous occasions, he has contacted the District to obtain information about other employees' fingerprints and background screening and had been denied such information because of confidentiality issues.

Employees files reviewed also disclosed that staff at Achieve Through Education, Inc., were independently subjected to drug testing between March and June of 2006. Employees' tests were completed at one of the locations authorized by the District; however, this location did not send the employees to the Medical Review Office used for District's employees and contracted vendors. Contract terms stipulate that:

[T]he Contracting Agency agrees to conduct general drug screening on all applicants for instructional and non-instructional positions within the agency, including contracted personnel, in the manner set forth in School Board Rule 6Gx13-4-1.05 and the Miami-Dade County Public Schools Drug Free Workplace Technical Guide.

Sanitation and health certificates and fire inspection reports were requested for both properties leased by Achieve Through Education, Inc., in which classes are held. Although both properties had current satisfactory health inspections at the time of our examination, only one property had a current fire inspection that was conducted by a licensed inspector. The contract requires the agency to maintain current fire inspections for each appropriate building. Subsequent to our inquiry

¹¹ The Florida Legislature passed the Jessica Lunsford Act, which require that all persons having direct or indirect contract with the School District or a school undergo Level 2 screening.

and finding, the organization procured the services of a licensed inspector, who performed the contract-required inspection.

An analysis of the usable classroom space per pupil at both campuses disclosed that 25 of the 30 classrooms were undersized for the number of students then enrolled according to the homeroom class rosters. Some classes had more than twice the number of students allowed based on the contract's usable classroom space per pupil. The contract requires the agency to provide 25 square feet of usable classroom space per pupil.

As a result of similar audit findings noted in our previously issued audit report – Audit of James E. Scott Community Association, Inc. (JESCA), the Educational Alternative Outreach Program has developed certain monitoring procedures aimed at detecting and correcting these conditions in a timely manner.

RECOMMENDATION

3.1 Review the current contract and ensure adherence to contract terms regarding the following:

- a. fingerprinting and background check; contact the Educational Alternative Outreach Office and the Office of Fingerprinting for guidance;**
- b. general drug testing; contact the Office of Personnel Operations and Network Services for guidance;**
- c. maintaining current fire inspections; organization should contact the Fire Marshal.**

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response:

- A mandatory annual meeting was held with all contracted CBOs/Agencies to review and discuss contract language in relation to program expectations and compliance.
- A part-time retired administrator was hired to work with all CBOs and will monitor Achieve Through Education, Inc., to ensure compliance with all employment-screening requirements, including but not limited

to, fingerprinting and background checks, as well as, general drug testing.

- The assigned assistant principal to Achieve Through Education, Inc. will review and confirm fire and health compliance mandates.

URGENCY OF CORRECTIVE ACTION

**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
☒ Important
☐ Desirable

- ☒ Immediately (Short Term)
☐ By _____
☐ Contingent upon Funding

Management Response – Achieve Through Education, Inc.: The agency does and continues to do everything possible to comply with contract terms, but it is important to note that its services are also dependent on the services provided to the contracted centers by M-DCPS and the Educational Alternative Outreach Program. After we reviewed and noted the contract included drug screening requirements, we contacted M-DCPS for guidance. There were no established procedures at the time for outside vendors; therefore, we contracted a licensed vendor that uses the same laboratories as M-DCPS to provide our employees with drug screening. Guidance has since been provided during the current contract year and we are now following the established procedures for all new hires.

Initially, we did not have access to fingerprinting and background drug screening results. Therefore, we were not made aware if an employee we hired would have been cleared. Procedures have now been established by M-DCPS, so the agency may employ only those employees that are cleared.

4. STUDENT PLANS NEED TO BE PREPARED AND FCAT EXAM ADMINISTERED

We examined 30 files each, for students enrolled at both West Dade Institute and West Hialeah Institute. Our examination disclosed that at West Dade Institute, a contract-required Academic Improvement Plan (AIP) was not prepared for eight (8) or 27% of the students tested. Furthermore, only the first page of an AIP was presented for the remaining 22.¹² These AIPs appeared to be exact photocopies of each other, containing the same inaccurate information for all 22 students. According to the agency's management, AIP training was provided by the Educational Alternative Outreach Program and a password was assigned to each teacher. However, when teachers at West Dade Institute attempted to complete the AIP the passwords had expired. In an attempt to comply with the requirement, a "model" AIP was created for each grade level and used for all students in that grade.

Furthermore, we were unable to find evidence to indicate that eight (8) students who were required to take the Florida Comprehensive Assessment Test (FCAT), and were enrolled at West Dade Institute while the test was administered, had taken the test. According to the Program Director, sometimes the students refused to take the test.

Our review at West Hialeah Institute also disclosed similar discrepancies. At this school, four (4) students' files did not have an AIP and five (5) additional files only had either the first page of the AIP or a 2004-05 school year AIP. In addition, evidence that the FCAT was taken by three (3) 10th grade students enrolled at the school was not presented for audit.

The contract between M-DCPS and Achieve Through Education, Inc., stipulates that the organization will provide an AIP or IAP of instruction for general education students or an Individualized Educational Plan (IEP) for students with disabilities. A memorandum dated December 1, 2005 from the Deputy Superintendent of Curriculum, Instruction and School Improvements stated that an AIP should be completed for students who scored level 1 on the FCAT for Reading or Mathematics and scored lower than a 3.5 on the FCAT writing, for students who are considered high risk based on the Oral Reading Fluency (ORF) assessment, and for students who are retained. The contract also stipulates that the organization implement the FCAT as part of the statewide assessment program and administer it annually to measure reading, writing, science, and

¹² A properly completed AIP typically has multiple pages of information.

mathematics. It also indicates that participation in the testing program is mandatory for all students.

Similarly, as a result of similar audit findings noted in our previously issued audit report – Audit of James E. Scott Community Association, Inc. (JESCA), the Educational Alternative Outreach Program has developed certain monitoring procedures aimed at detecting and correcting these conditions in a timely manner. According to the Educational Alternative Outreach Program, employees will also receive training in these monitoring procedures. Notwithstanding, we must note that during the period under audit, the Educational Alternative Outreach Program had in place a similarly extensive monitoring process and mechanism – the Center Assessment Team (CAT) assessment. The CAT reports prepared for these two schools during the period under audit did not highlight any of the abovementioned conditions, but instead reported that the agency was in compliance in these specific contract-required areas. This fact serves to emphasize that not only must the monitoring mechanism be in place, but diligence must be applied in executing the design plan.

RECOMMENDATION

- 4.1 Provide training to the Educational Alternative Outreach Program staff on understanding the applicable contract terms needed to monitor program requirements and to ensure adherence to contract terms regarding AIP/IAP preparation and completion of required documentation when students refuse to take the FCAT, among other things. Require and encourage staff to perform their assigned duties with due diligence and hold them accountable where due diligence is lacking.**

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response: On-going PMP (Progress Monitoring Plan) development training will be provided to all instructional personnel within contracted programs. Achieve Through Education, Inc. is scheduled for training during the 2006-2007 school year in the completion of PMPs.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

4.2 Develop a system quality control for the planned assessment process.

Responsible Department or Agency: Educational Alternative Outreach Program

Management Response: We have developed procedures that require test chairpersons from all contracted programs to attend district sponsored FCAT administration and monitoring training. Staff training will be conducted to ensure that program monitoring is aligned to contractual agreements.

<u>URGENCY OF CORRECTIVE ACTION</u>	<u>IMPLEMENTATION SCHEDULE</u>
<input type="checkbox"/> Critical	<input checked="" type="checkbox"/> Immediately (Short Term)
<input checked="" type="checkbox"/> Important	<input type="checkbox"/> By _____
<input type="checkbox"/> Desirable	<input type="checkbox"/> Contingent upon Funding

4.3 Review the current contract and ensure adherence to contract terms regarding the completeness of student files; ensuring that an AIP/IAP is properly completed and students’ refusal to take the FCAT is properly documented.

Responsible Department or Agency: Achieve Through Education, Inc.

Management Response: We are currently in the process of being trained on how to prepare the PMP, a new document that has been implemented to replace the Academic Improvement Plan (AIP). All teachers/staff members that are responsible for the preparation of the PMP will be required to have proper training and M-DCPS log-in credentials to perform such document. Teachers and staff members that are unable to prepare a PMP will be required to document any problems encountered in its preparation.

The center directors will be responsible to communicate any problems in the preparation of the PMP with the Educational Alternative Outreach Principal or designee. Currently, we have not received guidance as to the new reporting procedures.

Our centers will be responsible for documenting all students that participate in taking the FCAT. In the event that a student is not present to take the FCAT, or if a student refuses to take the FCAT, we will maintain records and documentation necessary to demonstrate that all appropriate guidelines have been followed.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

**IMPLEMENTATION
SCHEDULE**

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

Appendix I – Schedule of Overpayment							
Paid to Achieve Through Education, Inc.				Calculation per Contract			Variance
Invoice Date	Peak Enrollment Per Invoice	Rate	Amount	Peak Attendance Per Auditor	Rate	Amount	(Shortage) Overpayment
1/14/2004	126	\$ 365.79	\$ 46,090	119	\$ 365.79	\$ 43,529	\$2,561
1/14/2004	508	\$ 419.00	\$ 212,852	428	\$ 419.00	\$ 179,332	\$33,520
2/11/2004	126	\$ 365.79	\$ 46,089	116	\$ 365.79	\$ 42,432	\$3,657
2/11/2004	508	\$ 419.00	\$ 212,852	523	\$ 419.00	\$ 219,137	(\$6,285)
3/10/2004	116*	\$ 365.79	\$ 38,774	116	\$ 365.79	\$ 42,432	(\$3,658)
3/10/2004	527¥	\$ 419.00	\$ 228,774	523	\$ 419.00	\$ 219,137	\$9,637
4/13/2004	114	\$ 365.79	\$ 41,700	116	\$ 365.79	\$ 42,432	(\$732)
4/13/2004	507#	\$ 419.00	\$ 206,359	523	\$ 419.00	\$ 219,137	(\$12,778)
5/18/2004	114	\$ 365.79	\$ 41,700	116	\$ 365.79	\$ 42,432	(\$732)
5/18/2004	507#	\$ 419.00	\$ 206,359	523	\$ 419.00	\$ 219,137	(\$12,778)
6/8/2004	114	\$ 365.79	\$ 41,700	116	\$ 365.79	\$ 42,432	(\$732)
6/8/2004	507#	\$ 419.00	\$ 206,359	523	\$ 419.00	\$ 219,137	(\$12,778)
8/30/2004	46	\$ 404.60	\$ 18,612	48	\$ 404.60	\$ 19,421	(\$809)
8/30/2004	318	\$ 458.00	\$ 145,644	315	\$ 458.00	\$ 144,270	\$1,374
9/15/2004	110	\$ 364.19	\$ 40,061	103	\$ 364.19	\$ 37,511	\$2,550
9/15/2004	500	\$ 412.26	\$ 206,130	427	\$ 412.26	\$ 176,035	\$30,095
10/14/2004	100	\$ 364.19	\$ 36,419	103	\$ 364.19	\$ 37,511	(\$1,092)
10/14/2004	500	\$ 412.26	\$ 206,130	427	\$ 412.26	\$ 176,035	\$30,095
11/22/2004	108 €	\$ 364.19	\$ 45,159	103	\$ 364.19	\$ 37,511	\$7,648
11/22/2004	451¤	\$ 412.26	\$ 145,527	427	\$ 412.26	\$ 176,035	(\$30,508)
12/2/2004	108	\$ 364.19	\$ 39,332	103	\$ 364.19	\$ 37,511	\$1,821
12/2/2004	451	\$ 412.26	\$ 185,929	427	\$ 412.26	\$ 176,035	\$9,894
Subtotal for 2004			\$ 2,598,551			\$ 2,548,581	\$49,970
1/7/2005	108	\$ 364.19	\$ 39,333	103	\$ 364.19	\$ 37,512	\$1,821
1/7/2005	451	\$ 412.26	\$ 185,929	427	\$ 412.26	\$ 176,035	\$9,894
2/4/2005	108	\$ 364.19	\$ 39,333	154	\$ 364.19	\$ 56,085	(\$16,752)
2/4/2005	451	\$ 412.26	\$ 185,929	461	\$ 412.26	\$ 190,052	(\$4,123)
3/21/2005	163§	\$ 364.19	\$ 79,393	154	\$ 364.19	\$ 56,085	\$23,308
3/21/2005	475¢	\$ 412.26	\$ 205,718	461	\$ 412.26	\$ 190,052	\$15,666
4/8/2005	163	\$ 364.19	\$ 59,363	154	\$ 364.19	\$ 56,085	\$3,278
4/8/2005	475	\$ 412.26	\$ 195,824	461	\$ 412.26	\$ 190,052	\$5,772
5/1/2005	163	\$ 364.19	\$ 59,363	154	\$ 364.19	\$ 56,085	\$3,278
5/1/2005	475	\$ 412.26	\$ 195,824	461	\$ 412.26	\$ 190,052	\$5,772
6/3/2005	163	\$ 364.19	\$ 59,363	154	\$ 364.19	\$ 56,085	\$3,278
6/3/2005	475	\$ 412.26	\$ 195,823	461	\$ 412.26	\$ 190,052	\$5,771
8/15/2005	122	\$ 412.60	\$ 50,337	129	\$ 407.20	\$ 52,529	(\$2,192)
8/15/2005	327	\$ 459.20	\$ 150,158	298	\$ 453.40	\$ 135,113	\$15,045
8/15/2005	140	\$ 371.35	\$ 51,989	109	\$ 366.55	\$ 39,954	\$12,035
8/15/2005	460	\$ 413.31	\$ 190,123	307	\$ 407.97	\$ 125,246	\$64,877
9/9/2005	120	\$ 371.35	\$ 44,562	109	\$ 366.55	\$ 39,954	\$4,608
9/9/2005	440	\$ 413.31	\$ 181,856	307	\$ 407.97	\$ 125,247	\$56,609

Appendix I – Schedule of Overpayment (Cont.)							
Paid to Achieve Through Education, Inc.				Calculation per Contract			Variance
Invoice Date	Peak Enrollment Per Invoice	Rate	Amount	Peak Attendance Per Auditor	Rate	Amount	(Shortage) Overpayment
10/12/2005	120	\$ 371.35	\$ 44,562	109	\$ 366.55	\$ 39,954	\$4,608
10/12/2005	440	\$ 413.31	\$ 181,856	307	\$ 407.97	\$ 125,247	\$56,609
11/21/2005	114	\$ 371.35	\$ 42,334	109	\$ 366.55	\$ 39,954	\$2,380
11/21/2005	330±	\$ 413.31	\$ 113,660	307	\$ 407.97	\$ 125,247	(\$11,587)
12/1/2005	114	\$ 371.35	\$ 42,334	109	\$ 366.55	\$ 39,954	\$2,380
12/1/2005	330μ	\$ 413.31	\$ 113,660	307	\$ 407.97	\$ 125,247	(\$11,587)
Subtotal for 2005			\$ 2,708,626			\$ 2,457,878	\$250,748
1/2/2006	114	\$ 371.35	\$ 42,334	132	\$ 366.55	\$ 48,385	(\$6,051)
1/2/2006	330	\$ 413.31	\$ 136,392	399	\$ 407.97	\$ 162,780	(\$26,388)
2/7/2006	114	\$ 371.35	\$ 42,334	132	\$ 366.55	\$ 48,385	(\$6,051)
2/7/2006	330	\$ 413.31	\$ 136,392	399	\$ 407.97	\$ 162,780	(\$26,388)
3/17/2006	134¶	\$ 371.35	\$ 57,188	132	\$ 366.55	\$ 48,385	\$8,803
3/17/2006	420&	\$ 413.31	\$ 210,788	399	\$ 407.97	\$ 162,780	\$48,008
4/3/2006	132	\$ 366.55	\$ 48,385	132	\$ 366.55	\$ 48,385	\$0
4/3/2006	409®	\$ 407.97	\$ 141,101	399	\$ 407.97	\$ 162,780	(\$21,679)
4/3/2006	134	\$ 371.35	\$ 49,761	132	\$ 366.55	\$ 48,383	\$1,378
4/3/2006	420©	\$ 413.31	\$ 150,858	399	\$ 407.97	\$ 162,780	(\$11,922)
Subtotal for 2006			\$ 1,015,533			\$ 1,055,823	(\$40,290)
Grand total			\$ 6,322,710			\$ 6,062,282	\$260,428

- * Invoiced 116 students and a credit for 10 less students.
- ¥ Invoiced 527 students and a credit for 19 more students.
- ≠ Invoiced 507 students less a credit for \$6,074
- € Invoiced 108 students and a credit for 16 more students.
- ⌘ Invoiced 451 students and a credit for 98 less students.
- § Invoiced 163 students and a credit for 55 more students.
- ¢ Invoiced 475 students and a credit for 24 more students.
- ± Invoiced 330 students less a credit for \$22,732
- ¶ Invoiced 134 students and a credit for 20 more students.
- & Invoiced 420 students and a credit for 90 more students.
- ® Invoiced 409 students less a credit for \$25,759.
- © Invoiced 420 students less a credit for \$22,732.



November 27, 2006


Mr. Allen Vann, Chief Auditor
Office of Management & Compliance Audits
1450 NE 2nd Avenue, Room 415
Miami, FL 33132

Re: Corrective Action Plan

Dear Mr. Vann:

Please find attached to this letter the responses to the monitoring report issued by your office. Should you have any questions regarding the responses, please do not hesitate to contact me at (305) 445-8655.

Respectfully,


Guillermo Someillan
Executive Director

ACHIEVE THROUGH EDUCATION, INC
Responses / Corrective Action Plan

Overpayment per Contract Terms

1.1 In response to the auditors' recommendation to develop and implement a process that will ensure adherence to contract terms and ensure proper procedures for FTE attendance, we would like to point out the following issues:

- a) The contracts for 2003-2004, 2004-2005, and 2005-2006 state that the agency would receive 12 payments. Only eleven (11) payments were received during the 2003-2004 and the 2004-2005 contracts, however, twelve (12) payments were received during the 2005-2006 contract. Therefore, based on the auditors' FTE calculations, the School Board has a shortage for fiscal year 2003 of \$222,861, for the month of August 2003. A similar shortage would occur, according to contract terms for fiscal year 2004 of \$213,547 for the month of August 2004. The combined payment shortage for fiscal years 2003 and 2004 is \$436,408*.
- b) The contracts for 2003-2004, 2004-2005, 2005-2006, and 2006-2007 do not indicate that funding will be calculated on homeroom attendance. Students that arrive late to school and are not marked present during homeroom attendance, may not be properly accounted for when determining actual peak attendance. If there are any discrepancies between enrollment and the reported peak attendance during FTE survey weeks/periods, documents such as the corrections to daily attendance form, the student entry/withdrawal form, the student list, the statement of student enrollment and/or grade books, should be utilized for auditing purposes.

Currently, the 2006-2007 contract states that the contracting agency shall provide a monthly attendance report to the School Board which shall accompany the monthly voucher for billing and payment. If the contract would have additionally required the contracting agency to include the homeroom attendance along with any approved supporting documentation that could verify student attendance during the FTE survey weeks/periods, there would be minimal (if any) billing and payment discrepancies.

The monthly attendance report which is provided to the contracting agency by M-DCPS to include with its monthly invoice/voucher has also contributed to payment discrepancies. For example: from July 2005 through April 2006 the monthly FTE per student rate was indicated to be \$371.35 and \$413.31 instead of \$366.55 and \$407.97 for grades 4-8 and grades 9-12, respectfully.

* Shortage for fiscal year 2003 - 2004 is based on auditor F.T.E calculations for November 2003 and November 2004. MDCPS monthly reports for November 2003 and November 2004 instead indicate a combined shortage of \$484,203.02.

ACHIEVE THROUGH EDUCATION, INC

Responses / Corrective Action Plan

Additionally, the contract states that funding will follow Florida Statute 1011.62, which has a provision for additional funding for Districts that experience a decline in full-time enrollment (FTE).

....(8) DECLINE IN FULL-TIME EQUIVALENT STUDENTS.--In those districts where there is a decline between prior year and current year unweighted FTE students, 50 percent of the decline in the unweighted FTE students shall be multiplied by the prior year calculated FEFP per unweighted FTE student and shall be added to the allocation for that district. For this purpose, the calculated FEFP shall be computed by multiplying the weighted FTE students by the base student allocation and then by the district cost differential. If a district transfers a program to another institution not under the authority of the district's school board, including a charter technical career center, the decline is to be multiplied by a factor of 0.15.

Please note that although this provision has been in the Florida Statute for several years, it has never been applied to our funding. Please refer to Addendum 1, which illustrates how we calculated the shortage. We took the prior year FTE per auditor by month and compared to the current year FTE, those months that experienced a decline we applied a 50% rate of the prior year FEFP funding. The combined shortage for the two fiscal periods for our agency amounted to approximately \$243,832.

1.2With regards to FTE survey weeks/periods, please note that some of those specified by M-DCPS for FTE calculations have been irregular, meaning that they have included holidays, teacher planning days and/or days when classes are on recess. Such shortening of the FTE period might be inconsistent with the FTE General Instructions as reported by the Florida Department of Education. Examples are listed below:

FTE Week	Number of Instructional Days in the Week	Holiday or Teacher Planning Day Included
11/6/06 – 11/10/06	3 Instructional Days	11/7/06 -Teacher Planning Day 11/10/06 - Veteran's Day
3/14/05 - 3/18/05	4 Instructional Days	3/18/05 Teacher Planning Day

ACHIEVE THROUGH EDUCATION, INC

Responses / Corrective Action Plan

Fiscal Responses

- 2.1 Expenses must be evaluated for propriety to ensure that they are necessary to providing service or supporting the program objectives.

All expenses will be reviewed and determined if they are necessary to the provision of services.

In response to the auditors' findings regarding reimbursement for mileage allowance without reports, it was the policy of the agency to provide for \$30 bi-weekly mileage allowance to these employees that used their vehicles on a daily basis for work. However, since the completion of the audit we are no longer paying mileage allowance to any employee. All employees must document their expenses, including tolls and parking receipts, in a mileage log.

In addition, the Payroll Clerk is now responsible for reviewing the accuracy of all payroll related expenditures (i.e. time sheets, mileage logs, employee reimbursement documentation), and the Executive Director is responsible for approving the payroll and all related expenditures.

Gas consumption is now being monitored closely. However, we would like to note that our administrators work many weekends to conduct facility repairs, to catch up on paper work and to perform other administrative duties. So the fact that gas is purchased on the weekend is not indicative that it is not being purchased for the delivery of services. Yet we will implement procedures to track personal usage of vehicles and include the taxable fringe benefits in the employees' W-2. Effective January 1, 2007 all personnel using company vehicles or authorized to use a gas card will prepare business mileage logs. Through these logs we will assess and calculate the fringes associated.

- 2.2 Prior to making disbursements, invoices and other supporting documents must be reviewed for completeness and accuracy.

We have discussed with our fiscal and center administrative staff that no checks are to be issued without proper documentation. All disbursements must have an invoice and will be reviewed for accuracy by the Accountant and approved by the Executive Director.

ACHIEVE THROUGH EDUCATION, INC

Responses / Corrective Action Plan

Contract Terms

3.1 Review the contract and ensure adherence to contract terms.

The agency does and continues to do everything possible to comply with contract terms, but it is important to note that its services are also dependent on the services provided to the contracted centers by M-DCPS and the Educational Alternative Outreach Program. After we reviewed and noted the contract included drug screening requirements, we contacted M-DCPS for guidance. There were no established procedures at the time for outside vendors; therefore, we contracted a licensed vendor that uses the same laboratories as M-DCPS to provide our employees with drug screening. Guidance has since been provided during the current contract year and we are now following the established procedures for all new hires.

Initially, we did not have access to fingerprinting and background drug screening results. Therefore, we were not made aware if an employee we hired would have been cleared. Procedures have now been established by M-DCPS, so the agency may employ only those employees that are cleared.

FCAT & Student Preparation

4.3 Review the current contract and ensure adherence to contract terms regarding the completeness of student files; ensuring that an AIP/IAP is properly completed and students' refusal to take the FCAT is properly documented.

We are currently in the process of being trained on how to prepare the PMP, a new document that has been implemented to replace the Academic Improvement Plan (AIP). All teachers/staff members that are responsible for the preparation of the PMP will be required to have proper training and M-DCPS log-in credentials to perform such document. Teachers and staff members that are unable to prepare a PMP will be required to document any problems encountered in its preparation.

The center directors will be responsible to communicate any problems in the preparation of the PMP with the Educational Alternative Outreach Principal or designee. Currently, we have not received guidance as to the new reporting procedures.

Our centers will be responsible for documenting all students that participate in taking the FCAT. In the event that a student is not present to take the FCAT, or if a student refuses to take the FCAT, we will maintain records and documentation necessary to demonstrate that all appropriate guidelines have been followed.

Achieve Through Education, Inc.
Corrective Action Plan
Addendum 1
Decline in FTE Funding Calculation

2004				2005				Difference in FTE	50% Additional Funding Required
Date	Peak Attendance Per Auditor	Rate	Amount	Date	Peak Attendance Per Auditor	Rate	Amount		
1/14/2004	119	\$365.79	\$ 43,529.01	1/7/2005	103	\$364.19	\$37,512	16	\$ 2,926.32
1/14/2004	428	\$419.00	\$ 179,332.00	1/7/2005	427	\$412.26	\$176,035	1	\$ 209.50
2/11/2004	116	\$365.79	\$ 42,431.64	2/4/2005	154	\$364.19	\$56,085	(38)	\$ -
2/11/2004	523	\$419.00	\$ 219,137.00	2/4/2005	461	\$412.26	\$190,052	62	\$ 12,989.00
3/10/2004	116	\$365.79	\$ 42,431.64	3/21/2005	154	\$364.19	\$56,085	(38)	\$ -
3/10/2004	523	\$419.00	\$ 219,137.00	3/21/2005	461	\$412.26	\$190,052	62	\$ 12,989.00
4/13/2004	116	\$365.79	\$ 42,431.64	4/8/2005	154	\$364.19	\$56,085	(38)	\$ -
4/13/2004	523	\$419.00	\$ 219,137.00	4/8/2005	461	\$412.26	\$190,052	62	\$ 12,989.00
5/18/2004	116	\$365.79	\$ 42,431.64	5/1/2005	154	\$364.19	\$56,085	(38)	\$ -
5/18/2004	523	\$419.00	\$ 219,137.00	5/1/2005	461	\$412.26	\$190,052	62	\$ 12,989.00
6/8/2004	116	\$365.79	\$ 42,431.64	6/3/2005	154	\$364.19	\$56,085	(38)	\$ -
6/8/2004	523	\$419.00	\$ 219,137.00	6/3/2005	461	\$412.26	\$190,052	62	\$ 12,989.00
8/30/2004	48	\$404.60	\$ 19,420.80	8/15/2005	129	\$407.20	\$52,529	(81)	\$ -
8/30/2004	315	\$458.00	\$ 144,270.00	8/15/2005	298	\$453.40	\$135,113	17	\$ 3,893.00
9/15/2004	103	\$364.19	\$ 37,511.57	9/9/2005	109	\$366.55	\$39,954	(6)	\$ -
9/15/2004	427	\$412.26	\$ 176,035.02	9/9/2005	307	\$407.97	\$125,247	120	\$ 24,735.60
10/14/2004	103	\$364.19	\$ 37,511.57	10/12/2005	109	\$366.55	\$39,954	(6)	\$ -
10/14/2004	427	\$412.26	\$ 176,035.02	10/12/2005	307	\$407.97	\$125,247	120	\$ 24,735.60
11/22/2004	103	\$364.19	\$ 37,511.57	11/21/2005	109	\$366.55	\$39,954	(6)	\$ -
11/22/2004	427	\$412.26	\$ 176,035.02	11/21/2005	307	\$407.97	\$125,247	120	\$ 24,735.60
12/2/2004	103	\$364.19	\$ 37,511.57	12/1/2005	109	\$366.55	\$39,954	(6)	\$ -
12/2/2004	427	\$412.26	\$ 176,035.02	12/1/2005	307	\$407.97	\$125,247	120	\$ 24,735.60
Subtotals			\$ 2,548,581.37				\$2,292,678		\$ 170,916.22

2005				2006				Difference in FTE	50% Additional Funding Required
Date	Peak Attendance Per Auditor	Rate	Amount	Date	Peak Attendance Per Auditor	Rate	Amount		
1/7/2005	103	\$364.19	\$37,512	1/2/2006	132	\$366.55	\$48,384.60	(29)	\$ -
1/7/2005	427	\$412.26	\$176,035	1/2/2006	399	\$407.97	\$162,780.03	28	\$5,771.64
2/4/2005	154	\$364.19	\$56,085	2/7/2006	132	\$366.55	\$48,384.60	22	\$4,006.09
2/4/2005	461	\$412.26	\$190,052	2/7/2006	399	\$407.97	\$162,780.03	62	\$12,780.06
3/21/2005	154	\$364.19	\$56,085	3/17/2006	132	\$366.55	\$48,384.60	22	\$4,006.09
3/21/2005	461	\$412.26	\$190,052	3/17/2006	399	\$407.97	\$162,780.03	62	\$12,780.06
4/8/2005	154	\$364.19	\$56,085	4/3/2006	132	\$366.55	\$48,384.60	22	\$4,006.09
4/8/2005	461	\$412.26	\$190,052	4/3/2006	399	\$407.97	\$162,780.03	62	\$12,780.06
5/1/2005	154	\$364.19	\$56,085	4/3/2006	132	\$366.55	\$48,384.60	22	\$4,006.09
5/1/2005	461	\$412.26	\$190,052	4/3/2006	399	\$407.97	\$162,780.03	62	\$12,780.06
Subtotals			\$1,198,095				\$1,055,823.15		\$72,916.24
Total									\$ 243,832.46

MEMORANDUM

November 28, 2006

TO: Mr. Allen M. Vann, Chief Auditor

FROM: Freddie Woodson, Associate Superintendent
School Operations

SUBJECT: **INTERNAL AUDIT REPORT FOR ACHIEVE THROUGH EDUCATION, INC. (f/k/a ADULT MANKIND ORGANIZATION – EDUCATIONAL DIVISION, INC.)**

In response to the Internal Audit of Achieve Through Education, Inc., which focused on internal controls over FTE funding, and the propriety of their use and substantial compliance with the contractual agreement, School Operations is providing the following response as requested:

RECOMMENDATIONS

- 1.1 Develop and implement a process to ensure that all program managers and contracted agencies are fully coherent on the contract terms. This process should include training staff in FTE determination and verification. Adherence to those terms must be required.**

Management Response:

- All existing contracts have been revised to assure that payments are based on actual student attendance as determined by the designated FTE week.
 - A mandatory training meeting is held as needed with all contracted CBOs/Agencies to review and discuss contract language in relation to program expectations and compliance.
 - The Division of Alternative Education will continue to work with the Office of Management and Compliance Audits to review and revise contract language relative to the process of payment and reimbursement.
- 1.2 Develop and implement a process to ensure proper review, validation and approval of FTE attendance and payment information prior to payment of invoices.**

Management Response:

- An Attendance Report has been requested from Information Technology Services (ITS) to reflect and verify actual student attendance during the designated FTE survey period as stated in the contractual agreement for the 2006-2007 school year. The report will be reconciled with billing statements to verify financial accuracy of actual payments made by M-DCPS to CBOs.
- Staff from EAOP will utilize existing Attendance Reports signed by CBOs and student attendance reflected in the Integrated Student Information System (ISIS) to identify and verify attendance during the designated FTE reporting weeks for the 2006-2007 school year. Students in attendance during the FTE period will be counted.
- The 2006-2007 payments to the Achieve Through Education, Inc. Program will be reconciled with the requested Attendance Report. Payments will be adjusted accordingly.

1.3 Consider the likelihood of recovering the \$260,428.00 overpayment of FTE fees to Achieve Through Education, Inc., and the resulting effect on program services delivered and act accordingly.

Management Response:

- In collaboration with the Office of Management and Compliance Audits, Office of Accounts Payable, the EAOP, and Achieve Through Education, Inc., we will explore the feasibility of recovering overpayment of fees without compromising the program for at-risk students.

2.3 Develop a process to periodically monitor the agency's expenditures.

Management Response:

- All CBOs/Agencies will submit a quarterly financial report to the EAOP to assist with monitoring program expenditures.

3.1 Review the current contract and ensure adherence to contract terms regarding the following:

- a. fingerprinting and background check; contact the Educational Alternative Outreach Office and the Office of Fingerprinting for guidance;

- b. general drug testing; contact the Office of Personnel Operations and Network Services for guidance;**
- c. maintain current fire inspections; organization should contact the Fire Marshal, as well as, the Department of Health to request inspections;**

Management Response:

- A mandatory annual meeting was held with all contracted CBOs/Agencies to review and discuss contract language in relation to program expectations and compliance.
- A part-time retired administrator was hired to work with all CBOs and will monitor Achieve Through Education, Inc., to ensure compliance with all employment-screening requirements, including but not limited to, fingerprinting and background checks, as well as, general drug testing.
- The assigned assistant principal to Achieve Through Education, Inc. will review and confirm fire and health compliance mandates.

- 4.1 Provide training to the Educational Alternative Outreach Program staff on understanding the applicable contract terms needed to monitor program requirements and to ensure adherence to contract terms regarding AIP/IAP preparation and completion of required documentation when students refuse to take the FCAT, among other things. Require and encourage staff to perform their assigned duties with due diligence and hold them accountable where due diligence is lacking.**

Management Response:

- On-going PMP (Progress Monitoring Plan) development training will be provided to all instructional personnel within contracted programs. Achieve Through Education, Inc. is scheduled for training during the 2006-2007 school year in the completion of PMPs.
- 4.2 Develop a system quality control for the planned assessment process.**

Management Response:

- We have developed procedures that require test chairpersons from all contracted programs to attend district sponsored FCAT administration and monitoring training. Staff training will be conducted to ensure that program monitoring is aligned to contractual agreements.

If you have any questions, please feel free to contact my office at 305-995-4242.

 FW

FW/SG/TM:jc
M#179

cc: Dr. Steve Gallon III
Mr. Antonio Martinez
Mr. Miguel Torres

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964, as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA), as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963, as amended - prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.



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