



**AUDIT COMMITTEE MEETING**  
**May 31<sup>st</sup>, 2017 at 11:00 am**  
**ELC Board Room**

- |                                |                   |
|--------------------------------|-------------------|
| I. Welcome & Introductions     | Adrian Alfonso    |
| II. Approval of Minutes        | Adrian Alfonso    |
| III. Marcum, LLP Presentation  | Mark Agulnik      |
| IV. Harvey, Covington & Thomas | Mercy Castiglione |
| V. Meeting Adjourn             | Adrian Alfonso    |

Mission: To promote high-quality school readiness, voluntary pre-kindergarten and after school programs, thus increasing all children's chances of achieving future educational success and becoming productive members of society. The Coalition seeks to further the physical, social, emotional and intellectual needs of Miami-Dade and Monroe County children with a priority toward the ages before birth through age 5.



Audit Committee Meeting  
March 1<sup>st</sup>, 2017; 11:00 AM  
ELC Board Room

**Committee Attendees:** Ana Olarte; Adrian Alfonso; Rudy Rodriguez; David Kadar; Ileana Alvarez

**General Attendees:** Octavio Verdeja; Manny Alvarez

**Staff Attendees:** Angelo Parrino, Evelio Torres, Jose Hernandez, Lisa Sanabria; Alex Sanchez; Victor Caballero; Mercy Castiglione

**I. Welcome and Introductions** **Adrian Alfonso**

- A. Alfonso called the meeting to order and welcomed everyone. Quorum was established.

**II. Approval of Minutes** **Adrian Alfonso**

- Motion to approve minutes by R. Rodriguez.
- Motion seconded by A. Olarte.
- Motion was unanimously passed.

**III. Annual Audit Report** **Octavio Verdeja**

- O. Verdeja discussed the recent audit that was completed by Verdeja, De Armas & Trujillo, LLP. No finding were found
  - Motion to approve audit results by A. Alfonso.
  - Motion seconded by A. Olarte.
  - Motion was unanimously passed.

**IV. Loss Prevention Report** **Victor Caballero**

- V. Caballero gave a brief report on the process and actions of Loss Prevention in order to recoup monies from parents and providers who have committed fraud.

**V. Adjourn** **Adrian Alfonso**

**Independent Accountants' Report on  
Financial Compliance Advisory Services**

**Early Learning Coalition of Miami-Dade and Monroe Counties, Inc.  
(ELC 31)**

**2016-17 Financial Monitoring Report**  
*Period Reviewed: January 1, 2016 – November 30, 2016*

**Independent Accountants’ Report on Financial Compliance Advisory Services**  
**Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)**  
**2016-17 Financial Monitoring Report**  
*Period Reviewed: January 1, 2016 – November 30, 2016*

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March 10, 2017

State of Florida  
Office of Early Learning  
Tallahassee, Florida

We have performed specific financial compliance consulting services as described in the Florida Office of Early Learning's 2016-17 Onsite Financial Monitoring Tool for the Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31 or the entity). These services were contracted by the Office of Early Learning (OEL) to comply with its oversight and monitoring responsibilities as outlined in applicable federal regulations and state statutes.

- 45 Code of Federal Regulations (CFR) § 75.342(a), USDHHS, *Monitoring and reporting program performance*;
- 2 CFR § 200.328(a), *Monitoring and reporting program performance*;
- 2 CFR § 200.331(d), *Requirements for pass-through entities*; and
- Chapter 1002.82(2)(p), Florida Statutes (F.S.), *OEL; powers and duties*.

These advisory services were conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. OEL is solely responsible for the sufficiency of the procedures performed. Consequently, we make no representation regarding the sufficiency of the procedures performed, either for the purpose for which this report has been requested or for any other purpose.

On March 6, 2017 through March 10, 2017, we visited Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31) and performed financial compliance consulting services as summarized in OEL's 2016-17 Onsite Financial Monitoring Tool for the period January 1, 2016 through November 30, 2016. The procedures performed and our related findings begin on page 6 of this report.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the entity's compliance with the previously described financial management standards as outlined in applicable Office of Management and Budget Uniform Grant Guidance, Code of Federal Regulations, or other state and federal requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to OEL.

This report is intended solely for the information and use of OEL and OEL's management, and is not intended to be and should not be used by anyone other than these specified parties.

*HCT Certified Public Accountants & Consultants, LLC.*

HCT Certified Public Accountants & Consultants, LLC.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

## 2016-17 Financial Monitoring Report Period Reviewed: January 1, 2016 – November 30, 2016

### *Executive Summary*

#### I. Executive Summary

##### 1.0 Findings

We performed financial monitoring procedures based on the testing procedures included in OEL's 2016-17 Onsite Financial Monitoring Tool, which is available on OEL's website.

*2016-17 Onsite Financial Monitoring Tool*

[http://www.floridaearlylearning.com/coalitions/hot\\_topics/monitoring\\_schedule.aspx](http://www.floridaearlylearning.com/coalitions/hot_topics/monitoring_schedule.aspx)

Our procedures were performed using firm and professional standards. A summary of the testing categories, or Objectives, used during this engagement and the related monitoring results are summarized here.

Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)		
2016-17 Monitoring Results		
Objectives <sup>(1)</sup>	Prior Period Findings	Current Period Findings
1.0 – Preventive /corrective action plan (PCAP) Implementation	-	-
2.0 – Financial management systems	1	-
3.0 – Internal control environment	-	-
4.0 – Cash management	2	-
5.0 – OEL's statewide information system <sup>1</sup>	N/A	N/A
6.0 – Prepaid program items	-	-
7.0 – Cost allocation and disbursement testing	-	-
8.0 – Travel	1	-
9.0 – Purchasing	1	-
10.0 – Contracting	1	-
11.0 – Subrecipient monitoring	1	-
<b>TOTAL</b>	<b>7</b>	-

(1) Objective 5.0 – For 2016-17, testing of this objective is not included in the scoped onsite financial monitoring tasks. This objective has been shown for disclosure purposes only.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

## 2016-17 Financial Monitoring Report Period Reviewed: January 1, 2016 – November 30, 2016

### *Executive Summary*

Included in the table below is a summary of the results from our review of prior period findings. New findings may occur in the current period if prior period findings which should have been corrected remain unresolved.

Early Learning Coalition of Miami Dade and Monroe Counties, Inc. (ELC 31)				
Status of Prior Period Findings				
Finding	Resolved	Partially Resolved	Unresolved	New Finding
<b>ELC 31-2015-16-001</b> Financial management systems – Untimely submission of items requested for the 2015–2016 fiscal monitoring	X			None
<b>ELC 31-2015-16-002</b> e	X			None
<b>ELC 31-2015-16-003</b> Cash management – Failure to follow Coalition policy for bank reconciliation review process	X			None
<b>ELC 31-2015-16-004</b> Travel – Reimbursement error noted for travel expenditure	X			None
<b>ELC 31-2015-16-005</b> Purchasing – Lack of written agreement with The Children’s Trust - radio announcements	X			None
<b>ELC 31-2015-16-006</b> Contracting – Missing federal contract provision	X			None
<b>ELC 31-2015-16-007</b> Subrecipient monitoring – Missing required federal data elements in contract	X			None

These financial monitoring procedures apply to both the School Readiness (SR) and Voluntary Prekindergarten (VPK) programs. Since Chapter 1002, F.S. does not provide specific financial monitoring steps for the federally-funded School Readiness program or the state-funded VPK program, the minimum federal standards have been applied to both programs.

The attached Schedule of Findings contains detailed information about current period and prior period findings. If the entity has current period findings it must submit a preventive/corrective action plan (PCAP) response to OEL within 30 days of receiving this report. Please contact OEL staff with any questions about the PCAP process.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

## 2016-17 Financial Monitoring Report *Period Reviewed: January 1, 2016 – November 30, 2016*

### *Executive Summary*

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#### 2.0 Observations

Other matters or circumstances may have been noted by us as we completed the indicated monitoring tasks. Detailed information about these observations is provided in *The Schedule of Observations* and is summarized here.

#### **Observations from 2016-17 onsite visit**

The monitoring team noted no observations in the current period.

#### **Items for OEL follow-up**

The monitoring team noted no items for OEL follow-up.

This monitoring report is intended solely for the information and use of OEL and OEL's management and is not intended to be and should not be used by anyone other than these specified parties.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

## 2016-17 Financial Monitoring Report Period Reviewed: January 1, 2016 – November 30, 2016

### *Schedule of Findings*

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#### II. Schedule of Findings

We performed financial monitoring procedures based on the Testing Procedures included in OEL's 2016-17 Onsite Financial Monitoring Tool, which is available on OEL's website.

*2016-17 Onsite Financial Monitoring Tool*

[http://www.floridaearlylearning.com/coalitions/hot\\_topics/monitoring\\_schedule.aspx](http://www.floridaearlylearning.com/coalitions/hot_topics/monitoring_schedule.aspx)

The monitoring procedures performed included tests of details of transactions, file inspections and interviews with the entity's personnel (1) to determine the status of recommendations from the prior period monitoring visit(s) and (2) to adequately support the current period findings and recommendations. Detailed information for these items is disclosed in the following sections of this report.

#### **1.0 – Preventive/corrective action plan (PCAP) implementation**

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The current period monitoring procedures were performed to determine if the entity implemented the required preventive and corrective actions as described in the accepted PCAP from the most recently closed grant program year.

##### **Prior Period Finding # ELC 31-2015-16-001**

Financial management systems – Untimely submission of items requested for the 2015–2016 fiscal monitoring

Finding/Condition: All of the data items requested from the Coalition to prepare for the onsite monitoring visit were not received in a timely manner.

Status: **Corrective action resolved.**

##### **Prior Year Finding # ELC 31-2015-16-002**

Cash management – Incomplete supporting documentation – program income

Finding/Condition: During our detailed testing, we noted one event generated program income with incomplete supporting documentation in the amount of \$6,000.00. An accounting and auditing seminar was conducted by Vardeja, De Armas and Trujillo on June 11, 2015 using the Coalition's facilities and staff. There is no receipts log provided to track all funds collected from optional attendee donations or to verify total amounts collected were recorded in full by the Coalition.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

**2016-17 Financial Monitoring Report**  
*Period Reviewed: January 1, 2016 – November 30, 2016*

## ***Schedule of Findings***

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Status: **Corrective action resolved.**

**Prior Year Finding # ELC 31-2015-16-003**

Cash management – Failure to follow Coalition policy for bank reconciliation review process

Finding/Condition: During our detailed testing of the bank reconciliation process, we noted instances of noncompliance with Coalition policy for documentation of staff review and approval of monthly bank reconciliations for five sampled months.

Status: **Corrective action resolved.**

**Prior Year Finding # ELC 31-2015-16-004**

Travel – Reimbursement error noted for travel expenditure

Finding/Condition: During our detailed testing, we noted one a disbursement error for one of three sampled travel expenditures (total of \$760.83 for FLAEYC Conference) not discovered and corrected by the Coalition's current procedures. The Coalition issued a reimbursement check in error to a provider employee that did not actually incur the related expenses.

Status: **Corrective action resolved.**

**Prior Year Finding # ELC 31-2015-16-005**

Purchasing – Lack of written agreement with The Children's Trust - radio announcements

Finding/Condition: During our detailed testing, we noted one of four sampled purchase transactions (\$12,083.50 item sampled, total contract of \$23,900.00 for weekly radio outreach ads) for which the Coalition was unable to provide a written agreement with the vendor for the services provided.

Status: **Corrective action resolved.**

**Prior Year Finding # ELC 31-2015-16-006**

Contracting – Missing federal contract provision

Finding/Condition: During our detailed testing we noted one of four sampled Coalition contracts missing required federal contract provisions. The Coalition contracted for labor hours for minor remodeling/repair services (\$4,847.50 sampled, total invoice \$5,084.25 for glass wall and door repairs) and the contract should have included the Davis-Bacon Act provision.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

**2016-17 Financial Monitoring Report**  
*Period Reviewed: January 1, 2016 – November 30, 2016*

## ***Schedule of Findings***

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Status: **Corrective action resolved.**

**Prior Year Finding # ELC 31-2015-16-007**

Subrecipient monitoring – Missing required federal data elements in contract

Finding/Condition: During detailed testing of one sampled subrecipient contract (contract total of \$880,247 with Citrus Health Network, Inc. for developmental screening and intervention services) we noted missing data elements required for all subrecipient subawards.

Status: **Corrective action resolved.**

**No findings were noted in the current period.**

### **2.0 – Financial management systems**

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The current period monitoring procedures were performed to gain an understanding of the entity's financial and operational environments through review of policies and procedures, observation of processes, document inspection and interviews of entity personnel.

**No findings were noted in the current period.**

### **3.0 – Internal control environment**

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The current period monitoring procedures were performed to gain an understanding of the entity's internal control environment through testing of key internal controls and observation of entity operations to ensure compliance with Federal laws, regulations and grant program compliance requirements.

**No findings were noted in the current period.**

### **4.0 – Cash management**

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The current period monitoring procedures were performed to determine if sampled documentation demonstrated appropriate and sufficient cash management procedures are in place and being followed. The processes examined include cash management procedures related to sources of other non-grant revenues.

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

**2016-17 Financial Monitoring Report**  
*Period Reviewed: January 1, 2016 – November 30, 2016*

## ***Schedule of Findings***

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**No findings were noted in the current period.**

### **5.0 – OEL’s statewide information system reporting and reconciliation – N/A for 2016-17**

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### **6.0 – Prepaid program items**

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The current period monitoring procedures were performed to identify any prepaid program activity for this entity. If such activity was found, monitoring procedures were applied to determine if all prepaid program items were appropriately safeguarded, managed, tracked and reported.

**Based on results obtained from inquiries made to and an inspection of data items provided by entity personnel the monitors noted no current year prepaid program item activity.**

### **7.0 – Cost allocation and disbursement testing**

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The current period monitoring procedures were performed to determine if sampled disbursements were appropriately incurred and posted within the entity’s financial records. Sampled items were tested to ensure the activity: is allowable, has appropriate approval (including pre-approval from OEL if needed), and meets the period of availability requirements for the grant monies used to fund disbursements. Sampled items are also tested to verify appropriate allocation in accordance with applicable cost principles, grant program compliance requirements and guidance issued by OEL.

**No findings were noted in the current period.**

### **8.0 – Travel**

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The current period monitoring procedures were performed to determine if the entity’s sampled travel-related expenditures are paid in accordance with applicable federal/state laws and rules, and entity-established policies.

**No findings were noted in the current period.**

2016-17 Financial Monitoring Report  
Period Reviewed: January 1, 2016 – November 30, 2016

*Schedule of Findings*

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**9.0 – Purchasing**

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The current period monitoring procedures were performed to determine if the sampled procurement transactions comply with the appropriate federal or state procurement laws, as well as the entity's procurement policies.

**No findings were noted in the current period.**

**10.0 – Contracting**

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The current period monitoring procedures were performed to determine if the sampled contract transactions demonstrate the entity's contracting processes comply with federal and state requirements, as well as the entity's own contracting policies.

**No findings were noted in the current period.**

**11.0 – Subrecipient monitoring**

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The current period monitoring procedures were performed to identify any subrecipient activity for this entity. If such activity was found, monitoring procedures were applied to determine if the entity's disclosure requirements and subrecipient monitoring activities comply with federal grant program requirements, state laws and the entity's own policies and procedures.

**No findings were noted in the current period.**

# Early Learning Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

**2016-17 Financial Monitoring Report**  
*Period Reviewed: January 1, 2016 – November 30, 2016*

## ***Schedule of Observations***

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### **III. Schedule of Observations**

#### **1.0 Observations from 2016-17 onsite visit**

The monitoring team noted no observations in the current period.

#### **2.0 Items for OEL follow-up**

The monitoring team noted no items for OEL follow-up.