



**Office of Inspector General
Suncoast Center for Independent Living, Inc.**

Report #A-1819-027

October 2019

Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2019-20 audit plan, the Office of Inspector General (OIG) conducted an audit of Contract #19-114 between the Division of Vocational Rehabilitation (DVR) and the Suncoast Center for Independent Living, Inc. (SCIL). The purpose of this audit was to determine if the SCIL’s internal controls ensure effective delivery of program services to individuals with disabilities and determine if DVR effectively manages and monitors the contract for compliance.

During this audit, we noted that the SCIL had insufficient internal controls in place and DVR could strengthen oversight of the contract. We noted instances where the SCIL did not ensure consumer service records contained all required documentation; did not maintain proper fiscal oversight; did not record service hours accurately or by funding source; did not conduct all background screenings in accordance with contract terms; and did not always follow its own internal policies. In addition, DVR did not conduct monitoring in accordance with the monitoring plan. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of this audit included services provided through the SCIL’s contract during the period of July 1, 2018, through June 30, 2019. We established the following objectives for our audit:

1. Determining if DVR effectively manages and monitors the agreement for compliance;
2. Determining if the SCIL’s internal controls ensure effective delivery of program services to eligible consumers; and
3. Determining if the SCIL maintains fiscal accountability to ensure proper disbursement and accounting of funds received under the agreement.

To accomplish our objectives, we reviewed applicable laws, rules, and regulations; reviewed Contract #19-114, its amendments, and related documents; interviewed appropriate DVR and SCIL staff; reviewed a sample of consumer files; reviewed a sample of expenditures and supporting documents; reviewed service hours; conducted an on-site visit; and evaluated management controls.

Background

DVR is a federal-state program committed to helping people who have physical or mental disabilities find and maintain meaningful employment and enhance their independence. DVR accomplishes this by providing employment support and job placement assistance to eligible individuals with disabilities. DVR's mission is to help people with disabilities find and maintain employment and enhance their independence. DVR contracts with Centers for Independent Living to provide quality vocational rehabilitation services to persons with disabilities in Florida.

Centers for Independent Living are community-based agencies that provide independent living services to persons with all types of disabilities. They are dedicated to helping people of any age and disability to identify and reach their goals to achieve independence. Centers for Independent Living accomplish this by offering information and referral services, independent living skills training, peer counseling, and individual and systems advocacy. Suncoast Center for Independent Living, Inc. (SCIL) is a non-profit corporation serving individuals with disabilities in Manatee and Sarasota Counties. The SCIL formed in 1990 due to the needs of persons with disabilities in the community.

On June 25, 2018, DVR entered into a one-year contract with SCIL to provide funding for rehabilitation services or other services to enhance the ability of persons who have significant disabilities to live independently, function within their communities, and if appropriate, to secure and maintain employment. Per Contract #19-114, the appropriations for Title VII (SSA/Part B) were \$174,263.00 and General Revenue were \$45,886.00. Amendment 1 of Contract 19-114, provided an additional \$10,958.00 in Title VII, (SSA/Part B) funds on February 28, 2019, making the total contract funding \$231,107.00.

The SCIL recently experienced turnover in leadership positions. The SCIL Program Director was terminated in December 2018, and a new Program Director was hired in January 2019. As of May 2019, that Program Director is no longer employed by the SCIL. Additionally, in April 2019, the SCIL's previous Executive Director resigned and the current Executive Director was hired July 5, 2019.

Audit Results

Finding 1: Consumer service records had missing or incomplete documentation.

Title 34 of the Code of Federal Regulations (CFR) section 364.53 states, "For each applicant for IL services (other than information and referral) and for each individual receiving IL services (other than information and referral), the service provider shall maintain a consumer service record that includes—

- (a) Documentation concerning eligibility or ineligibility for services;
- (b) The services requested by the consumer;
- (c) Either the IL plan developed with the consumer or a waiver signed by the consumer stating that an IL plan is unnecessary;
- (d) The services actually provided to the consumer; and
- (e) The IL goals or objectives—

- (1) Established with the consumer, whether or not in the consumer's IL Plan; and
 - (2) Achieved by the consumer.
- (f) A consumer service record may be maintained either electronically or in written form, except that the IL plan and waiver must be in writing.”

We conducted a site visit to SCIL during the week of July 8-10, 2019. During our site visit, the SCIL staff provided a list of 152 active consumers. Of the 152 consumers, 39 were assigned to the Independent Living (IL) Specialist and 113 were assigned to the Mobility Coordinator. The SCIL maintained the consumer service records (CSR) in a centralized Comprehensive Organizational Management System (COMS). The Mobility Coordinator also maintained CSRs in written form. We noted the SCIL staff did not close any cases in the COMS system; therefore, there were no inactive consumers. We sampled 33 CSRs from the list of active consumers. Of the 33 sampled CSRs, 18 were assigned to the IL Specialist and 15 were assigned to the Mobility Coordinator.

Eligibility Determination

34 CFR 364.51 (a) requires the CIL to determine the applicant's eligibility, stating, “(1) Before or at the same time as an applicant for IL services may begin receiving IL services funded under this part, the service provider shall determine the applicant's eligibility and maintain documentation that the applicant has met the basic requirements specified in §364.40. (2) The documentation must be dated and signed by an appropriate staff member of the service provider.”

We reviewed the 33 sampled CSRs for determination and documentation of the consumer's eligibility. We determined only 14 of the 33 sampled CSRs (41%) contained signed and dated documentation of eligibility determinations. All 14 consumers with signed and dated documentation of eligibility were assigned to the Mobility Coordinator. Per the CIL staff, consumers assigned to the IL Specialist self-disclose their disabilities and the specialist enters the disability type into the COMS database. See Table 1.

IL Plans

34 CFR 364.52(a)(1) states, “Unless the individual who is to be provided IL services under this part signs a waiver in accordance with paragraph (a)(2) of this section, the service provider, in collaboration with the individual with a significant disability, shall develop and periodically review an IL plan for the individual in accordance with the requirements in § 364.43(c) and paragraphs (b) through (e) of this section.”

34 CFR 364.52(b) states, “(1) Development of an individual's IL plan must be initiated after documentation of eligibility under § 364.51(a) and must indicate the goals or objectives established, the services to be provided, and the anticipated duration of the service program and each component service. (2) The IL plan must be developed jointly and signed by the appropriate staff member of the service provider and the individual with a significant disability or, if consistent with State law and the individual chooses, the individual's guardian, parent, or other legally authorized advocate or representative.”

We reviewed the IL plans for the 18 sampled customers assigned to the IL Specialist. We determined only 6 of the 18 (33%) IL plans were signed and dated by both the consumer and staff member. All six signed IL plans were dated after January 2019. Per the IL Specialist, the Executive Director instructed staff to obtain signatures for IL plans beginning in 2019.

We additionally determined the date between the consumers entering the program and the date the goals were established on the IL plans ranged from 0 days to 4,446 days. We noted that none of the CSRs contained closure dates or documented goal achievement, and the SCIL was unable to provide documentation of previous goals or goal achievement.

We reviewed the IL plans for the 15 sampled customers assigned to the Mobility Coordinator. All 15 sampled IL plans were signed by both the consumer and staff member. We noted none of the files contained closure dates. See Table 1.

Table 1

	<u>IL Specialist</u>	<u>Mobility Coordinator</u>	<u>Total</u>
Total Active CSR Files	39	113	152
Files Sampled	18	15	33
Sampled Files without Eligibility Documentation	18	1	19
Sampled Files without Disability Documentation	18	1	19
Sampled Files without IL Plans	0	0	0
Sampled Files With IL Plans Not Signed or Dated by Consumer nor Staff	10	0	10
Sampled Files With IL Plans Not Signed or Dated by Staff	1	0	1
Sampled Files With IL Plans Signed But Not Dated by Consumer	1	0	1

Annual Review

34 CFR 364.52(c) states, “The IL plan must be reviewed as often as necessary but at least on an annual basis to determine whether services should be continued, modified, or discontinued, or whether the individual should be referred to a program of VR services under 34 CFR part 361 or to any other program of assistance.”

We reviewed the 33 sampled CSRs for documentation of annual reviews. Of the 33 CSRs sampled, 15 were eligible for an annual review. We determined none of 15 CSRs included documentation that the SCIL staff conducted an annual review.

The lack of required documentation makes it difficult for the CIL to ensure services are provided to eligible consumers and that consumers actively participate in the determination of their independent living services and goals. It also hinders DVR's ability to confirm the SCIL is providing appropriate services to its consumers and that consumers are achieving their goals in accordance with their IL plans.

Recommendation

We recommend the SCIL enhance its procedures to ensure they maintain all required documents in the CSRs, including eligibility determinations. We additionally recommend the SCIL establish and maintain IL plans with consumers, document the joint development of the plan, and conduct and document timely annual reviews. We recommend DVR include a review of CSRs in its monitoring activities.

DVR Management Response

Concur. VR will conduct at minimum an annual random review of Suncoast's CSRs.

Suncoast CIL Management Response

Concur. Suncoast Center for Independent Living will develop a checklist that notes when each of the following has been done: Eligibility Documentation; Disability Documentation; IL Plans properly signed and dated by consumer & staff; and Annual Reviews. The documentation will also include the signature of the responsible employee along with a date. In conjunction with this, a spreadsheet will be developed as a master list with each consumer placed on the list in an effort to simplify the task for continued compliance.

Finding 2: The SCIL did not maintain proper fiscal oversight.

Section VII.B of Contract #19-114 requires the SCIL to "maintain a financial management system relating to funds received and expended under this Agreement in accordance with generally accepted accounting principles and that is compliant with 45 CFR Part 75.302, Standards for financial management systems and 45 CFR Part 75.361, Retention Requirements for Records."

Section VII.D of Contract #19-114 requires the SCIL to "retain all financial records, supporting documents, statistical records and any other documents including electronic storage media pertinent to this Agreement for a period of five (5) years after the ending date of the Agreement or, if audit findings have not been resolved at the end of the five (5) year period, the records shall be retained until resolution of the audit findings. State auditors and any persons duly authorized by Vocational Rehabilitation shall have full access and the right to examine any of the said materials during said period."

Expenditures

During our site visit the week of July 8-10, 2019, we judgmentally selected 58 expenditures for review from the July 1, 2018, through May 30, 2019, general ledger. The SCIL provided documentation for only 6 of the 58 sampled expenditures.

Per the SCIL Administrative Policy and Procedures, “In accordance with federal regulations, SCIL shall maintain all financial and programmatic records for a minimum of seven years. Consumer records will be kept in accordance with applicable federal, state, and funding requirements.”

We observed the file cabinets containing financial documents located in both the Executive Director’s and the Program Director’s offices. Based on our observation, it appeared most financial records after 2013 were no longer physically at the CIL or stored electronically in violation of both the contract and the SCIL records retention policy. Per the SCIL staff, the records were removed by the former Executive Director.

OMB Circular A-122 states that cost allocation methodologies used to allocate direct and indirect costs must be adequately documented and established in accordance with reasonable criteria that distribute costs across its various benefitting cost objectives in a manner commensurate with the relative benefit received.

We found the SCIL did not categorize expenditures in the general ledger by funding source; therefore, we were unable to identify which expenditures were tied to DVR funding. The DVR Contract Manager informed us via phone call that he had advised the SCIL not to be concerned with separating expenditures by funding source since all perceived expenses were independent living focused. This practice limits the CIL’s ability to demonstrate that allocable costs were distributed in reasonable proportion to the benefits received.

Salaries and Related Timesheets

Section 8.m. of Attachment B to OMB Circular A-122 requires the CILs to allocate salary costs across funding sources and programs based on the relative benefits received, and specifies certain time and effort documentation requirements.

The 2012 SCIL Fiscal Policy and Procedures state, “Time sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.”

We reviewed the September 2018 and May 2019 timesheets for the SCIL employees for each of the following two-week time periods: August 22-28, 2018; August 29, 2018 - September 4, 2018; May 1-7, 2019; and May 8-14, 2019.

We determined that the timesheets lacked documentation of the actual hours worked on various funding sources or programs. This limits the SCIL’s ability to demonstrate that allocations of salaries and related expenditures were reasonable and necessary for the performance of the

contract. The lack of documentation on staff timesheets hinders the DVR contract manager's ability to verify funds are allocated correctly and ensure contract funds are not being utilized for non-related projects.

Petty Cash

The 2012 SCIL Fiscal Policy and Procedures for petty cash state, "It is the policy of the Suncoast Center for Independent Living, Inc. to provide for advanced funds (used for payment of minor office expenditures, not for travel or employee advances) only for valid transactions and to periodically replenish these funds up to its authorized balance of \$200. It is the responsibility of the Administrative Assistant to ensure that the petty cash fund is locked at all times. All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash."

During our site visit the week of July 8-10, 2019, we conducted a reconciliation of the petty cash fund. We noted the petty cash was in the possession of the IL Specialist. The most recent petty cash cycle began with a \$500.00 deposit May 31, 2019, \$300 higher than the authorized balance dictated by the fiscal policies and procedures. While the petty cash generally reconciled to the receipts, we noted the disbursements were not accompanied by a completed and approved petty cash voucher. Instead, the transactions were recorded on a scratch piece of paper.

In addition, we noted a \$750.00 general ledger accounts payable transaction on October 31, 2018, for petty cash to the previous Executive Director. The SCIL was unable to provide supporting documentation for the petty cash transaction.

Lack of supporting documentation for petty cash disbursements, incomplete petty cash vouchers, and maintaining a higher amount of petty cash than allowed by policy, could lead to unauthorized use of petty cash funds and insufficient oversight.

Invoice Submittal

Section IV.B of Contract #19-114 states, "No later than thirty (30) days after the close of monthly business the Center shall submit to the Contract Manager the following documents in sufficient detail for proper pre-audit and post-audit thereof as evidence of deliverable completion:

1. A properly completed invoice which includes, at a minimum, the month for which payment is sought; the number of Independent Living service hours provided for the month included in Section 111.B. of this Agreement.
2. A Monthly Performance Report for the Center for Independent Living Program and a quarterly report of activities conducted pursuant to the State Plan for Independent Living goals, objectives, and strategies, as applicable, completed in formats provided by Vocational Rehabilitation and submitted with the Center's December, March, June and September invoice."

In addition, Section IV. C of Contract #19-114 states, “No later than thirty (30 days) after the end of each quarter, the Center shall submit to the Contract Manager a quarterly budget reconciliation in a format provided by Vocation Rehabilitation for the year-to-date period.”

We noted, as of August 19, 2019, the SCIL had not submitted the deliverable invoices for April 2019, May 2019, or June 2019, along with the quarterly report. The SCIL board stated the late invoices were due to the departure of the former Executive Director and the lack of access to SCIL records.

Recommendation

We recommend the SCIL maintain financial records in accordance with contract terms to support expenditures incurred. We recommend the SCIL enhance its procedures to ensure expenses funded through DVR’s contract are allowable and appropriately reflected in budget reconciliations by funding source. We recommend the SCIL ensure employees accurately and consistently allocate work hours across funding sources on the submitted timesheets. We recommend the SCIL maintain the petty cash in accordance with policies and procedures with completed and approved vouchers. We further recommend DVR perform periodic reviews to ensure expenditures are allowable, allocable, reasonable, and necessary to the performance of the contract.

DVR Management Response

Concur. The SCIL is now on a cost reimbursement contract and all expenditures will be reviewed monthly to ensure they are necessary to perform the contract.

Suncoast CIL Management Response

Concur. Moving forward SCIL will incorporate as a matter of policy and procedure a records keeping protocol to meet the contract requirements and ensure that it is compliant with CFR Part 75.302. Also, the Board Treasurer will randomly audit for records compliance for annual meeting report and the New Executive Director will be trained with assistance from VR and other Independent Living Fiscal Personnel. Training schedule to follow. A new time sheet will be used with proper allocation documentation embedded within the time sheet. The Fiscal Policies and Procedures will be updated by the Certified Public Accountant. The Petty Cash will be increased to \$500.00 with replenishment only after proper documentation required is received and approved. Also, petty cash needs to be signed out and must be approved by the Executive Director.

Finding 3: The SCIL did not record service hours accurately or by funding source.

Per Contract #19-114, Section IV:

“D) The Center shall maintain documentation (electronic or hard copy) to track and record all service hours provided under this Agreement. Documentation will at a minimum identify the staff providing the service, the date of service, the hours of service, the consumer receiving the service, and all services provided to the consumer during the hours of service.

- E) The Center shall track, record, and allocate all service hours provided under this Agreement rounded to the nearest 15-minute increment.
- F) The Center shall record and report services provided to more than one individual at the same time or in a group setting based on the actual hours of service provided regardless of how many individuals are in attendance unless the individuals are consumers with active consumer service records and the services being provided are listed in their Independent Living Plans.
- G) The Center shall track, record, allocate, and report services provided under this Agreement by funding source.”

Contract #19-114 requires the SCIL to provide a total of at least 1,001 service hours during the FY 2018-19 comprised of 792 service hours under the Title VII (SSA/Part B) funding source (40 minimum monthly) and 209 service hours (10 minimum monthly) under the General Revenue funding source. Amendment 1 of Contract #19-114 adds 50 service hours, during the FY 2018-19, under the Title VII (SSA/Part B) funding source making a grand total of 842 service hours under the Title VII (SSA/Part B) funding source and a grand total of 1,051 service hours for Contract #19-114.

The SCIL utilizes COMS to maintain consumer service records and service hours. We requested the COMS service hours from July 1, 2018, through June 30, 2019, to verify that the service hours submitted to DVR during the course of the contract were accurate and supported. Due to the departure of the previous Executive Director and lack of administrative access to COMS, the SCIL staff was unable to provide service hours by month, year, or funding source. SCIL staff members were only able to view service hours for clients assigned to them individually in COMS. We observed that the SCIL did not break down the service hours by funding source.

We additionally noted, during the site visit, the IL Specialist discovered a SCIL consumer who had not received services from the SCIL since 2016, was credited with service hours through 2018. The IL Specialist alleged that a previous Program Manager entered service hours for clients who were no longer being served by the SCIL and logged hours and notes under other employee names.

Due to the lack of administrative access, the unavailability of COMS service hours, and discovery of misreported service hours, we could not verify whether the service hours submitted to DVR during the course of the contract were accurate and supported.

Recommendation

We recommend the SCIL consistently and accurately record services hours in the COMS systems by funding source and ensure the hours submitted to DVR through invoices are supported and accurate. We recommend the SCIL review service hour documentation and ensure hours are properly categorized and only assigned to active consumers upon receipt of services. We recommend DVR periodically request and review supporting documentation for the service hours submitted by the SCIL through the invoices.

DVR Management Response

Concur. VR will request documentation supporting service hours submitted by SCIL.

Suncoast CIL Management Response

Concur. Invoices submitted will be done in the proper time frame and reported to the Board of Directors quarterly to help ensure compliance. All employees will have extensive training on the COMS system. Board members will also train on the system. A Board member shall be assigned to review with the Executive Director monthly the status of the work being done in COMS and report to the Board in conjunction with the Executive Director to ensure all contractual requirements are being met.

Finding 4: The SCIL did not conduct all background screenings in accordance with the contract.

I.C.4. of Contract 19-114 states “The Center shall comply with the background screening requirement as set forth in section 413.208 Service providers; quality assurance; fitness for responsibilities; background screening), and section 435.05, Florida Statutes (Requirements for Covered Employees and Employers). These responsibilities include maintaining the initial employment status and any changes in status must be reported within 10 business days in the Care Provider Background Screening Clearinghouse. The CIL may not hire, select, or otherwise allow a person required to be screened to perform any duty that would place the individual in a role that requires background screening until the screening process is completed and demonstrates the absence of any grounds for the denial or termination of employment or appointment. The CIL must provide VR with a list of staff members, volunteers, and board members, including hire/appointment date, upon request for verification purposes.”

In addition, I.C.5. of Contract 19-114 states “All required background screenings must be initiated via the Care Provider Background Screening Clearinghouse created in section 435.12, Florida Statutes.”

The previous SCIL Executive Director resigned on April 30, 2019. The SCIL subsequently hired a new Executive Director on July 5, 2019. As of August 6, 2019, the SCIL had not initiated a background screening for the new Executive Director through the Care Provider Clearinghouse in accordance with the contract and Florida Statutes. During our site visit we observed the new Executive Director interacting with the SCIL consumers without a completed background screening and without being deemed eligible to work by DVR.

The SCIL board was unaware of the requirement to conduct background screenings through the Care Provider Background Screening Clearinghouse. Hiring SCIL staff who have not been appropriately screened and determined eligible to provide services could endanger SCIL consumers and expose the SCIL to unnecessary risk.

Recommendation

We recommend the SCIL conduct all background screenings according to the contract and Florida Statutes. We additionally recommend the SCIL to not hire a person in any role that requires a background screening until the background screening is completed and the person is determined eligible to provide services.

Suncoast CIL Management Response

Concur. Moving forward SCIL will conduct all background screenings in accordance with the contract through the proper agency.

Finding 5: DVR did not conduct monitoring in accordance with the monitoring plan.

Per the DVR CIL Monitoring Plan Agreement, “A complete risk assessment is performed on all CIL Agreements prior to execution. Risk will be reassessed at the end of each term. The assigned risk score drives the type and frequency of monitoring conducted. Monitoring activities include, but are not limited to, reviewing expenditure data, and visiting the Center’s location.”

DVR completed a risk assessment for the contract term of July 1, 2018, through June 30, 2019, and designated the SCIL as low risk. The subsequent monitoring plan required DVR to conduct annual desktop monitoring and an annual program review.

We determined DVR did not conduct an annual desktop monitoring or annual program review of SCIL. The SCIL contract manager conducted a site visit to the SCIL on March 14, 2019. However, the contract manager did not conduct analysis of the site visit or provide documentation with monitoring results and recommendations for improvement to the SCIL. Therefore, we determined DVR failed to adhere to the monitoring plan developed for Contract #19-114 and did not adequately monitor the SCIL for compliance with contract terms. The absence of documented monitoring hinders DVR’s ability to ensure the SCIL is satisfactorily meeting the performance requirement of the contract.

Recommendation

We recommend DVR conduct monitoring in accordance with the risk assessment and monitoring plan. In addition, we recommend DVR promptly provide the monitoring results and recommendations for improvement to the SCIL and ensure corrective action has been initiated on noted deficiencies.

DVR Management Response

Concur. VR has updated the risk assessment and monitoring plan and initiated a corrective action plan to address OIG noted deficiencies.

Finding 6: The SCIL did not always follow its own internal policies and the policies are outdated.

Administrative Policy and Procedures 2012 Policy A-33 EXECUTIVE DIRECTOR states, “The Board of Directors is responsible for ongoing supervision of the Executive Director. The Executive Director manages all SCIL staff and contractual staff, either directly or through designated management level staff, using the policies approved by the Board of Directors.” Policy A-24 RETURN OF PROPERTY states, “If your employment with SCIL terminates, for any reason, you must promptly return to the company all confidential documents and other materials in your possession. You are not permitted to retain copies of any such documents or materials. In addition, keys, equipment, software and all other SCIL property must be returned. Upon acceptance of employment each new employee signed an agreement to return SCIL property or be charged the replacement cost for a replacement from their last paycheck.

Procedure

Supervisor

Upon receiving notice of an employee's resignation, advises employee of the need to return SCIL property, according to the following schedule:

- All property such as equipment, keys, and manuals returned before or on the final day of work.
- Executive Director or designees shall oversee the removal of personal belongings from the work area, and collect company belongings.

Employee

Contacts appropriate office to arrange for repayment of any unaccounted for property.”

We determined the SCIL Board of Directors did not maintain effective oversight of the Executive Director position. During our site visit from July 8-10, 2019, the SCIL Board was unable to provide a personnel file for the previous Executive Director who resigned April 30, 2019. The SCIL Board was also unable to provide a written performance evaluation of the Executive Director. Upon departure of the previous Executive Director, the SCIL Board of Directors did not implement business continuity controls such as, collecting office keys, collecting devices, changing and reassigning administrative passwords to electronic devices, and changing and reassigning administrative credentials to mission critical computer software. The SCIL Board also failed to deactivate the Executive Director’s COMS access credentials.

The SCIL 2012 Fiscal Policy and Procedures state, “The Suncoast Center for Independent Living, Inc. maintain an inventory of goods for resale. Or distribution through the Equipment Loan program to Consumers.” In addition, the procedures state, “It is the policy of the Suncoast Center for Independent Living, Inc. to perform a physical count of inventory on an annual basis and is the responsibility of the AC¹. Any inventory items that appear damaged, obsolete or otherwise unable to be sold shall be excluded from the counts. A detailed record of the physical count shall be kept by the Administrative Assistant.”

¹ AC is not defined in the SCIL 2012 Fiscal Policy and Procedures. Per the SCIL Board Treasurer, the former Executive Director served as the bookkeeper and also composed the policy and procedures.

During our site visit we observed four areas where the SCIL staff stored inventory items such as computers, computer monitors, telephones, shower chairs, etc. We attempted to conduct an inventory check; however, we were advised by the SCIL staff that physical inventory counts are not performed and the SCIL does not maintain inventory ledgers. We determined the SCIL had no method in place to track the flow of inventory.

We noted the Fiscal Policy and Procedures were outdated and did not align with current SCIL positions and processes. We additionally determined the SCIL did not always follow its fiscal internal policies as detailed in Finding 2. Not following the policies and procedures can impact the SCIL's abilities to administer its program appropriately and in compliance with contract requirements. The previous finding regarding lack of fiscal oversight exemplifies this issue.

Recommendation

We recommend the SCIL update the Fiscal Policy and Procedures. We recommend the SCIL consistently follow its established policies and procedures including proper monitoring of the Executive Director. We additionally recommend the SCIL maintain inventory records and conduct physical counts of inventory on an annual basis.

Suncoast CIL Management Response

Concur. Moving forward the SCIL will adhere to the established policies and procedures. The SCIL by-laws will be revised and reviewed by the Board and attorney. Inventory will be conducted immediately and updated annually to coincide with the end of the fiscal year. New Executive Director Probationary period will be extended due to the Board's inability to properly assist or evaluate his performance while the Audit and VR have been the focus. The Executive Director will be evaluated annually at the end of the fiscal year.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Department of Vocational Rehabilitation Office and staff, as well as the Suncoast Center for Independent Living, Inc. and their staff, for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Bradley Rich, MS and supervised by Tiffany Hurst, CIA, Audit Director.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at 850-245-0403. Copies of final reports may be viewed and downloaded via the internet at <http://www.fldoe.org/ig/auditreports.asp#F>. Copies may also be requested by telephone at 850-245-0403, by fax at 850-245-9419, and in person or by mail at the Department of Education, Office of the Inspector General, 325 West Gaines Street, Suite 1201, Tallahassee, FL 32399.