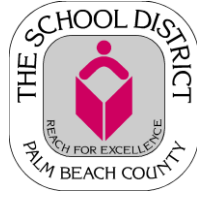


Audit of
Adult Education
Expenditures & Grant Compliance
October 30, 2015

Report #2015-14



MISSION STATEMENT

The School Board of Palm Beach County is committed to providing a world class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

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Audit of
Adult Education
Expenditures & Grant Compliance

Table of Contents

	Page
EXECUTIVE SUMMARY	i
PURPOSE AND AUTHORITY	1
SCOPE AND METHODOLOGY	1
BACKGROUND	2
CONCLUSIONS	
1. \$17 Million in Accumulated Adult Education Fund Balance	4
2. No Exceptions Noted for Adult Education Program Expenditures	7
(a) Florida Department of Education Review	7
(b) Adult Education/Workforce Development Fund Expenditures	7
(c) Grant Compliance and Expenditures	8
(d) Inventory Controls of Equipment	10
APPENDIX – Management’s Responses	
A. Chief Operating Officer	11
B. Director of Adult & Community Education	12

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Audit of
Adult Education
Expenditures & Grant Compliance

Executive Summary

Pursuant to the *Office of Inspector General's (OIG) 2014-15 Work Plan*, OIG has audited Adult Education and Family Literacy grants for Fiscal Years 2013 and 2014. The grants were awarded by the Florida Department of Education (FDOE). The primary objective of the audit was to determine whether the expenditures for Adult Education grants and Adult Education/Workforce Development Fund complied with related rules and regulations. During Fiscal Years 2013 and 2014, the District received a total of \$19.3 million and \$19.5 million respectively in Workforce Development and Adult Education Grant Funds. This audit produced the following major conclusions.

1. \$17 Million in Accumulated Adult Education Fund Balance

The District's Adult Education Programs are funded by the State's Adult Education General Funds (i.e. Workforce Development Fund #1401). The Adult Education General Funds are earmarked solely for adult education and related workforce development programs. The programs had a total accumulated unspent year-end fund balance of \$17 million as of June 30, 2014.

This \$17 million Year-End Balance was the result of the accumulation of unspent operating funds. As of June 30, 2015, the District was in the process of developing a plan for establishing the goals and priorities for the use of the unspent program funds. The plan is expected to be presented to the School Board for its review and adoption in the near future.

2. No Exceptions Noted for Adult Education Program Expenditures

(a) Florida Department of Education Review

During Fiscal Year 2013-14, the FDOE conducted a review of the District's Adult Education programs. The review concluded that (1) no noncompliance was noted, and (2) all sampled technology and equipment purchased with Adult Education funds were physically located.

(b) Adult Education/Workforce Development Fund Expenditures

During Fiscal Year 2014, the Adult Education/Workforce Development programs had a total expenditures of \$15.8 million, which included \$12.9 million in personnel expenditures and \$2.9 million in non-personnel expenditures. The review of sample expenditures for non-personnel items revealed no exceptions.

(c) Expenditures Complied with Grant Requirements

The review of sample Adult Education grant programs concluded that the expenditures were complying with grant requirements. The samples reviewed included (a) time-records for 49 (55%) of the 89 part-time employees during Fiscal Year 2014, and (b) non-personnel expenses totaling \$1.2 million (51% of the \$2.3 million expenses) during Fiscal Years 2013 and 2014.

(d) Inventory Controls of Equipment

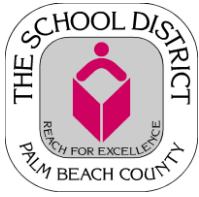
The review of 25 laptop computers and 200 iPads, totaling \$109,005, purchased with Adult Education grant funds concluded that the District asset tags were properly assigned, and inventory records were maintained for these 225 technology items.

Management's Response from the Chief Operating Officer: Management concurs with the conclusions in the report. A spending plan has been developed. The District charges the adult education program 10% for operational costs that directly benefit the adult education program. The District will review this rate during FY16 to ensure that all direct costs are being recovered. (Please see page 11 for details.)

Management's Response from the Director of Adult & Community Education: We concur with the conclusions in the report. The District's plan to spend the accumulated programs funds include:

- (1) Modernize the Adult Education Center (Okeechobee & Military Trail) which is the largest adult education center in the District servicing more than 5,000 adults per year and facility more than forty five years old.*
- (2) Create a South County Adult Education Center.*
- (3) Research the feasibility of creating additional adult education satellite centers and school based adult and community education programs.*

(Please see pages 12 to 14 for details.)



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PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Robert M. Avossa, Ed.D., Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Lung Chiu, CPA, Inspector General

DATE: October 30, 2015

SUBJECT: Audit of Adult Education Expenditures & Grant Compliance

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) 2014-15 Work Plan*, we have audited the Adult Education and Family Literacy Grants for Fiscal Years 2013 and 2014. The grants were awarded by the Florida Department of Education. The primary objective of the audit was to determine whether the expenditures for Adult Education Grants and Adult Education/Workforce Development funds complied with related rules and regulations.

SCOPE AND METHODOLOGY

This audit was performed in accordance with *Generally Accepted Government Auditing Standards* promulgated by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Florida Department of Education (FDOE) selected the District's Adult Education Program for review during Fiscal Year 2013-14. FDOE's review included Adult Education's program, financial and administrative records. FDOE concluded that (1) no noncompliance was noted, and (2) all sample technology and equipment purchased with Adult Education funds were located during their onsite visits.

This audit covered the period July 1, 2012, through June 30, 2014, which coincides with the program performance dates of the two Adult Education and Family Literacy Grants. The audit was conducted during Fiscal Year 2015, while the 2015 year-end financial closeout for the program has not been completed.

The audit included (1) obtaining an understanding of the internal controls by surveying the Adult Education Department, and (2) interviewing District staff and reviewing the following documentation and relevant information:

1. Applicable *Federal laws, Florida Statutes, and School Board Policies*.
2. Florida Auditor General's Financial Statement Audit for FY 2012-13.
3. Florida Department of Education's *Quality Assurance Monitoring Report of the Adult Education & Family Literacy Program for Palm Beach County School District, December 2-6, 2013*.
4. Related grant applications and awards documentation.
5. Adult Education Program's financial records including budgets, financial statements, and expenditures.

Audit conclusions were brought to the attention of staff during the audit so that necessary corrective actions could be implemented immediately. The draft report was sent to the departments for review and comments. The management response is included in the Appendix.

We appreciate the courtesy and cooperation extended to us by staff during the review. The final draft report was presented to the Audit Committee at its October 30, 2015, meeting.

BACKGROUND

FL Statute §1004.93(2), Adult General Education, requires that School Districts to provide academic services to students in the following priority:

- (a) Students who demonstrate skills at less than fifth grade level, as measured by tests approved for this purpose by the State Board of Education, and who are studying to achieve basic literacy.
- (b) Students who demonstrate skills at the fifth grade level or higher, but below the ninth grade level, as measured by tests approved for this purpose by the State Board of Education, and who are studying to achieve functional literacy.
- (c) Students who are earning credit required for a high school diploma or who are preparing for the General Educational Development test.
- (d) Students who have earned a high school diploma and require specific improvement in order to:
 1. Obtain or maintain employment or benefit from certificate career education programs;
 2. Pursue a postsecondary degree; or
 3. Develop competence in the English language to qualify for employment.

The District's Adult and Community Education Department provides adult education and family literacy programs to allow adults to obtain the knowledge and skills necessary to participate effectively as productive citizens, workers, and family members. Specifically, the adult education

programs provide life-long educational opportunities and support services to all adults to enable them to:

- Enter post-secondary education
- Obtain Career-Technical Educational training
- Seek employment
- Experience job and career advancement
- Establish a better quality of life for themselves and their families

The District offers adult education programs in 26 community high schools and 10 satellite sites located throughout the County. Major programs include Adult Basic Education, Adult Secondary Education, and English Language Acquisition. These programs emphasize basic skills such as reading, writing, math, and English language competency. Adult education provides a program of academic instruction for adults, including but not limited to, basic reading, writing, speaking, mathematics, high school completion, General Educational Development (GED) preparation, Family Literacy and pre-employment training.

Program Budget and Expenditures

The District’s Adult Education Program is funded by three sources: Workforce Development, Adult General Education Grant, and English Literacy & Civic Grant. The program’s total budgets were \$19,315,060 during FY2013; \$19,508,921 during FY2014; and \$17,697,335 during FY2015.

Fund	Fiscal Year 2013		Fiscal Year 2014		Fiscal Year 2015	
	Budget ⁽¹⁾	Expenses	Budget ⁽¹⁾	Expenses	Budget ⁽¹⁾	Expenses ⁽²⁾
Adult Education / Workforce Development	\$16,916,191	\$13,016,995	\$16,769,879	\$15,809,758	\$15,323,829	\$16,137,859
Adult General Education Grant	\$1,672,244	\$1,672,243	\$2,012,417	\$2,012,417	\$1,894,526	\$1,905,786
English Literacy & Civic Grant	\$726,625	\$726,624	\$726,625	\$726,625	\$478,980	\$474,114
Total	\$19,315,060	\$15,415,862	\$19,508,921	\$18,548,800	\$17,697,335	\$18,517,759

Notes: (1) Adult Education/Workforce Development budget does not include surplus funds from prior years, and the 10% withheld for indirect costs.

(2) As of July 23, 2015.

CONCLUSIONS

The audit produced the following major conclusions.

1. \$17 Million in Accumulated Adult Education Fund Balance

The District's Adult Education Programs are funded by the State's Adult Education General Funds (i.e. Workforce Development Funds #1401). The Adult Education General Funds are earmarked solely for adult education and related workforce development programs.

The review of the School District's *Budget Executive Summaries for Fiscal Years 2013 through 2015*, noted that the District did not allocate all the available Workforce Development Funds to the Adult Education Department or the Adult Education Centers at various schools. According to the Budget Department, the District appropriates 90% of new revenues to Adult Education programs, and the remaining 10% of the funding is for the indirect costs incurred by Adult Education programs.

Adult Education/Workforce Development Revenue Allocations During Fiscal Years 2013 Through 2015

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Revenues from State:			
Workforce Development	\$18,633,199	\$18,633,199	\$17,026,477
Workforce Performance Initiatives	162,569	-	-
Total Revenues	\$18,795,768	\$18,633,199	\$17,026,477
Less 10% Indirect Costs	(1,879,577)	(1,863,320)	(1,702,648)
Net Budget:	\$16,916,191	\$16,769,879	\$15,323,829

Source: Budget Department

The unspent Workforce Development Funds are maintained in the "School Center Reserve Fund Account – Dept. 9989." This Reserve Fund Account year-end fund balance has increased by 530% from \$2.7 million in Fiscal Year 2007 to \$17 million in Fiscal Year 2014.

Adult Education Year-End Fund Balance

Fiscal Year	(a) Beginning Reserve Balance	(b) Reserve Transfers In / (Out)	(c) Schools & Department Carryovers	(a)+(b)+(c)=(d) Ending Reserve Balance
2008	\$2,684,365.56	(\$808,453.19)	\$2,229,518.33	\$4,105,430.70
2009	\$4,105,430.70	(\$89,102.97)	\$1,041,569.38	\$5,236,103.05
2010	\$5,236,103.05	(\$54,617.13)	\$795,521.12	\$5,977,007.04
2011	\$5,977,007.04	(\$282,745.36)	\$1,044,670.40	\$6,739,002.08
2012	\$6,739,002.08	\$859,030.58	\$3,338,929.29	\$10,936,961.95
2013	\$10,936,961.95	\$1,655,985.01	\$2,870,976.06	\$15,463,923.02
2014	\$15,463,923.02	\$5,763.53	\$1,587,332.49	\$17,057,019.04

* PeopleSoft Budget Status Reports

According to staff, the \$17 million year-end balance in the Adult Education Reserve Fund was the result of the accumulation of unspent operating funds that were allocated annually to the adult education school sites and departments for administering the programs.

As indicated by the Auditor General's *Financial, Operational, and Federal Single Audit* of the School District for Fiscal Year 2013, the District's Adult Education program had a \$15 million fund balance carried forward into Fiscal Year 2014 and that,

“carrying forward large balances into subsequent years does not appear to be consistent with legislative intent or benefit the persons and programs for which these funds were generated.”

The Auditor General recommended that,

“The Board should adopt a spending plan for unspent workforce development and adult education program funds to serve as a guide to ensure that these resources will have a direct, positive impact on these programs.”

In response to the Auditor General's inquiry, the School District stated:

“The Department of Adult & Community Education is developing a five-year spending plan comprised primarily of one-time nonrecurring initiatives. The plan will include enhancing existing programs...”

Recommendation

To ensure the surplus funds are properly expended and provide positive impacts on the Adult Education Program, the District should,

- Develop a plan with specific goals and priorities in properly spending the program funds.
- Recover all District's indirect costs for administering the Adult Education Programs. Such indirect costs may include building maintenance, utilities, custodial, accounting, and others, etc.

Update As Of June 30, 2015

As of June 30, 2015, a formal spending plan had not been presented to the School Board. District management anticipated that a plan for establishing the goals and priorities in how to use the unspent funds will be presented to the School Board for consideration in the near future.

Management's Response from the Chief Operating Officer:

- 1) *A spending plan has been developed. Currently, the project plan will be structured as a design build. The facilities department is working on core specifications. The purchasing department will put the project out to bid upon completion of the specifications. The spending plan will be attached to the purchasing board item which could be ready in February or March 2016.*
- 2) *The District charges the adult education program 10% for operational costs that directly benefit the adult education program. The District will review this rate during FY16 to ensure that all direct costs are being recovered.*

(Please see page 11.)

Management's Response from the Director of Adult & Community Education:

- *We Concur. The District appropriates 90% of new revenues to Adult Education programs, and the remaining 10% of the funding is for the indirect costs incurred by Adult Education programs.*
- *The District's plan to spend the accumulated programs funds include:*
 - *Goal #1: To modernize the Adult Education Center (Okeechobee & Military Trail) which is the largest adult education center in the District servicing more than 5,000 adults per year and facility more than forty five years old.*
 - *Project Cost: \$13 - \$15 million dollars (Estimation Only)*
 - *Project Estimated Start Date: June 2016*
 - *As of September 4, 2015, project specifications confirmed and project moving towards board presentation and approval.*
 - *Goal #2: To create a South County Adult Education Center*
 - *Adult and Community Education staff and other district staff will investigate the feasibility of acquiring a facility in Boynton Beach or Delray Beach area for the purpose of operating a South County Adult Education Center*
 - *Possible Sites: Facility previously occupied by Charter School of Boynton Beach – Quantum Blvd. Facility located at Delray Full Service Center*
 - *Project Cost: \$2 - \$4 million dollars. Project estimated to cost significantly more than estimated \$2 - \$4 million dollars.*
 - *Project Start Date: 2017*
 - *Goal #3: Research the feasibility of creating additional adult education satellite centers and school based adult and community education programs*
 - *Possible Sites: To Be Determined*
 - *Project Cost: \$500,000 (Annual Estimation Only)*
 - *Implementation Date: August 2016*

(Please see pages 11 and 12.)

2. No Exceptions Noted for Adult Education Program Expenditures

(a) Florida Department of Education Review

The Florida Department of Education (FDOE) conducted a *Quality Assurance and Compliance Onsite Monitoring Visit for Adult Education and Family Literacy* of the District's Adult Education Program during Fiscal Year 2013-14.

Results. As indicated by the June 25, 2014, report, FDOE concluded that (1) no noncompliance was noted and (2) all sampled technology and equipment purchased with Adult Education funds were located during their onsite visits.

(b) Adult Education/Workforce Development Fund Expenditures

During Fiscal Year 2014, the Adult Education/Workforce Development Program's General Fund (Fund #1401) had a total budget of \$32.9 million and total expenditures of \$15.8 million, which included \$12.9 million (82%) in personnel expenditures and \$2.9 million (18%) in other expenses.

Adult Education/Workforce Development Program Expenditures During Fiscal Year 2014

Locations	Actual Expenditures			Total Budget
	Personnel	Non-Personnel	Total	
30 Adult Education Centers	\$11,076,056 (83%)	\$2,281,909 (17%)	\$13,357,965 (100%)	\$14,851,505
Adult & Community Education Department	\$1,712,161 (73%)	\$638,436 (27%)	\$2,350,597 (100%)	\$2,450,587
Other Administrative Support Departments	\$101,196 (100%)	-	\$101,196 (100%)	\$115,654
Reserve	-	-	-	\$15,469,687
Total	\$12,889,413 (82%)	\$2,920,345 (18%)	\$15,809,758 (100%)	\$32,887,433

At the 30 adult education centers, the average non-personnel expenses per school was \$76,064 ($\$2,281,909 \div 30 = \$76,064$), or 17% of the total expenditures. The total non-personnel expenses at the Adult & Community Education Department was \$638,436, which represented 27% of the department's total expenditures.

To evaluate the propriety of the non-personnel expenditures funded by the Adult Education/Workforce Development Program's General Fund, we selected \$353,271.81 (55%) of the non-personnel expenditures for review.

Results. Our review of the supporting documentation concluded that (1) all the sample non-personnel expenditures reviewed were relevant to the Adult Education's program objectives, (2) the expenses were adequately approved prior to payment, and (3) the payments were adequately supported by vendors' invoices.

(c) Grant Compliance and Expenditures

Adult Education Grants

In addition to the Adult Education/Workforce Development Program’s General Fund (Fund 1401), the School District received from FDOE a total of \$5,137,911 in two Adult Education grants during Fiscal Years 2013 and 2014.

Grant	Fiscal Year 2013	Fiscal Year 2014	Total
Adult General Education (Fund 4301)	\$1,672,244	\$2,012,417	\$3,684,661
English Literacy & Civics (Fund 4303)	\$726,625	\$726,625	\$1,453,250
Total	\$2,398,869	\$2,739,042	\$5,137,911

Analysis of Grant Program Costs and Expenditures

The District’s PeopleSoft *Budget Status Report* provides track records of special revenue funds (i.e. grant awards) by cost category. We reviewed and compared the related *Budget Status Reports* with the FDOE Project Award Notifications for Fiscal Years 2013 and 2014.

Results. Our review concluded that the grants awarded and the related expenditures were accurately tracked through the correct Fund Accounts.

**Adult Education Grants Expenditures
During Fiscal Years 2013 and 2014**

Grant	Actual Expenditures				Grant Amount
	Non-Personnel	Personnel – Full-Time Employees	Personnel – Temporary Employees	Total	
FY 2013					
Adult General Education (Fund 4301)	\$750,490.49	\$624,396.87	\$297,356.01	\$1,672,243.37	\$1,672,244.00
English Literacy & Civics (Fund 4303)	\$344,818.07	\$215,031.28	\$166,775.07	\$726,624.42	\$726,625.00
FY2014					
Adult General Education (Fund 4301)	\$877,335.76	\$767,777.10	\$367,304.14	\$2,012,417.00	\$2,012,417.00
English Literacy & Civics (Fund 4303)	\$314,111.16	\$262,832.86	\$149,680.98	\$726,625.00	\$726,625.00
Grand Total	\$2,286,755.48 (45%)	\$1,870,038.11 (36%)	\$981,116.20 (19%)	\$5,137,909.79 (100%)	\$5,137,911.00 (100%)

Non-Personnel Expenditures

During Fiscal Years 2013 and 2014, these two grants had a total non-personnel expenditures of \$2,286,755, or 45% of the \$5,137,910 in total expenditures. We selected a total of \$1,167,224 (51%) of the non-personnel sample expenditures for review. The sample expenditures for review included the purchase of software licenses, computer systems, mobile devices (e.g. iPad), classroom material and supplies, advertisement, subscriptions, and educational contracts with the Palm Beach County Literacy Coalition, Inc.

Results. All the sample expenditures reviewed were adequately supported and were allowable pursuant to the grant awards.

Non-Personnel Expenditures

Fiscal Year	Grant	Total Expenditures	Audit Sample
2013	Adult General Education	\$750,490.49	\$295,741.19 (39%)
2013	English Literacy & Civics	344,818.07	236,214.74 (69%)
2014	Adult General Education	877,335.76	500,840.00 (57%)
2014	English Literacy & Civics	314,111.16	134,428.55 (43%)
Total		\$2,286,755.48	\$1,167,224.48 (51%)

Personnel Expenditures

Personnel expenditures accounted for \$2,851,154.31 (55%) of the \$5,137,910 total expenditures during Fiscal Years 2013 and 2014. Of the \$2,851,154.31 in personnel expenditures, \$1,870,038.11 was for regular employees and the other \$981,116.20 was for temporary employees.

During Fiscal Year 2014, the Adult General Education Grant paid a total of \$367,304.14 to 66 part-time employees (i.e. temporary staff worked for more than six months); and for the English Literacy & Civics Grant, a total of \$149,680.98 was paid to 23 part-time employees.

FY14 Personnel Expenses for Temporary Employees

Grant	Total Expenditures	# of Part-Time Employees	# of Sample Part-Time Employees
Adult General Education	\$367,304.14	66	38 (58%)
English Literacy & Civics	149,680.98	23	11 (48%)
Total	\$516,985.12	89	49 (55%)

Based on the payroll records, 49 (55%) of the 89 part-time employees were randomly selected for detailed review. We compared the employee records with (1) the listing of all part-time employees provided by the Adult Education Department, (2) timesheets completed by the staff, and (3) time records maintained in the PeopleSoft System.

Results. We concluded that all the 49 sample employees who worked on educational programs were associated with the related grants.

(d) Inventory Controls of Equipment

As required by the District's *Capital Assets Policies and Procedures Manual*, all tangible personal property value at \$1,000 or above must be tagged with a bar code to identify ownership and to facilitate the annual physical inventory. Computers must also be tagged with a barcode tag regardless of the \$1,000 threshold. These tangible personal property items are recorded and tracked through the PeopleSoft Asset Management System.

FDOE's June 25, 2014, *Quality Assurance and Compliance Onsite Monitoring Visit for Adult Education and Family Literacy Report* noted that all technology and equipment purchased with Adult Education funds were available for inspection during their site visits.

We randomly selected 225 items for review, totaling \$109,005, purchased with Adult Education grant funds. These 225 items included 15 Dell Latitude E543 laptop computers, 10 MacBook Pro laptop computers, and 200 iPads.

Results. We concluded that (1) the 25 Laptop Computers were properly tagged and recorded in the PeopleSoft Asset Management System, and (2) the 200 iPads, which cost less than the \$1,000 threshold, were assigned a blue tag and recorded on the inventory list maintained by the Adult Education Department.

Management's Response from the Chief Operating Officer: Management concurs with the conclusions in the report. (Please see page 11.)

Management's Response from the Director of Adult & Community Education: We concur with the conclusions. (Please see pages 13 and 14 for details.)

– End of Report –

Management's Response
Chief Operating Officer



**THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL**

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MICHAEL J. BURKE
CHIEF OPERATING OFFICER

ROBERT M. AVOSSA, Ed.D.
SUPERINTENDENT

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INSPECTOR GENERAL

MEMORANDUM

September 3, 2015

TO: Lung Chiu
Inspector General

FROM: Michael J. Burke *MJB*
Chief Operating Officer

SUBJECT: **AUDIT OF ADULT EDUCATION EXPENDITURES AND GRANT COMPLIANCE**

Management has reviewed the Audit Report of Adult Education Expenditures & Grant Compliance and offers the following responses:

- 1) Management concurs with the conclusions in the report.
- 2) A spending plan has been developed. Currently, the project plan will be structured as a design build. The facilities department is working on core specifications. The purchasing department will put the project out to bid upon completion of the specifications. The spending plan will be attached to the purchasing board item which could be ready in February or March 2016.
- 3) The District charges the adult education program 10% for operational costs that directly benefit the adult education program. The District will review this rate during FY16 to ensure that all direct costs are being recovered.

If you should have any questions or require additional information, please do not hesitate to contact me at PX 48584.

cc: Nancy Samuels, Director of Accounting
Dr. Joseph Lee, Asst. Superintendent

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Management's Response
Director of Adult & Community Education



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GUARN SIMS
DIRECTOR

JOSEPH M. LEE, Ed.D.
ASSISTANT SUPERINTENDENT

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INSPECTOR GENERAL

Audit of Adult Education Expenditures & Grant Compliance

Responses to Executive Summary
Date Submitted: September 4, 2015
Submitted By: Guarn A. Sims - Director

Conclusion #1: \$17 Million in Accumulated Adult Education Fund Balance

Recommendation:

- Develop a plan with specific goals and priorities in properly spending the program funds
- Recover all District's indirect costs for administering the Adult Education programs. Such indirect costs may include billing maintenance, utilities, custodial, accounting, and others, etc.

Management Response:

- We Concur; The District appropriates 90% of new revenues to Adult Education programs, and the remaining 10% of the funding is for the indirect costs incurred by Adult Education programs.
- The District's plan to spend the accumulated programs funds include:
 - Goal #1: To modernize the Adult Education Center (Okeechobee & Military Trail) which is the largest adult education center in the District servicing more than 5,000 adults per year and facility more than forty five years old.
 - Project Cost: \$13 - \$15 million dollars (Estimation Only)
 - Project Estimated Start Date: June 2016
 - As of September 4, 2015, project specifications confirmed and project moving towards board presentation and approval.
 - Goal #2: To create a South County Adult Education Center
 - Adult and Community Education staff and other district staff will investigate the feasibility of acquiring a facility in Boynton Beach or

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Management's Response
Director of Adult & Community Education

Page 2 of 3
Subject:
Date:

- Delray Beach area for the purpose of operating a South County Adult Education Center
 - Possible Sites: Facility previously occupied by Charter School of Boynton Beach – Quantum Blvd. Facility located at Delray Full Service Center
 - Project Cost: \$2 - \$4 Million Dollars; Project estimated to cost significantly more than estimated \$2 - \$4 million dollars.
 - Project Start Date: 2017
- Goal #3: Research the feasibility of creating additional adult education satellite centers and school based adult and community education programs
 - Possible Sites: To Be Determined
 - Project Cost: \$500,000 (Annual Estimation Only)
 - Implementation Date: August 2016

Conclusion #2: No Exceptions for Adult Education Expenditures

- **Florida Department of Education Review**
 - We concur with conclusion that no noncompliance items were noted and all sample technology and equipment purchases with Adult Education funds were located during their onsite visits.
- **Adult Education/Workforce Development Fund Expenditures**
 - We concur with conclusions that all the sample non-personnel expenditures reviewed were relevant to the Adult Education's program objectives, and
 - Expenses were adequately approved prior to payment, and
 - The payments were adequately supported by vendors' invoices
- **Grant Compliance and Expenditures**
 - Adult Education Grants: We concur with conclusions that grants awarded and the related expenditures were accurately tracked through the correct Fund accounts
 - Non-Personnel Expenditures: We concur with conclusions that all sample expenditures reviewed were adequately supported and were allowable pursuant to the grant awards.
 - We concur with conclusions that all 49 sample employees who worked on educational programs were associated with the related grants.
- **Inventory Controls and Equipment**

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Management's Response
Director of Adult & Community Education

Page 3 of 3
Subject:
Date:

- We concur with the conclusions that 25 laptop computers were properly tagged and recorded in the PeopleSoft Asset Management System, and
- The 200 iPads, which cost less than the \$1,000 threshold were assigned a blue tag and recorded on the inventory list maintained by the Adult Education Department.

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