



**Office of Inspector General
Florida Independent Living Council (FILC)**

Report #A-1617-030

December 2017

Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2016-2017 audit plan, the Office of Inspector General (OIG) conducted an audit of the Memorandum of Agreement (MOA) #15-144 between the Division of Vocational Rehabilitation (DVR) and the Florida Independent Living Council (FILC). The purpose of this audit was to determine whether FILC is meeting the requirements of the agreement and DVR is effectively monitoring adherence to the agreement.

During this audit, we noted instances where improvements could be made to strengthen certain internal controls. For example, we noted that DVR failed to monitor FILC’s adherence to the agreement. Due at least in part to the lack of monitoring, we also cited instances where FILC failed to coordinate activities with the Florida Rehabilitation Council; FILC failed to effectively monitor, review, and evaluate the implementation of the State Plan for Independent Living (SPIL); and FILC expended funds on behalf of a resigned staff member. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of this audit included an examination of the memorandum of agreement between DVR and FILC from October 1, 2015, through the end of fieldwork.¹ We established the following objectives for our audit:

1. Determine if DVR effectively manages and monitors the agreement for compliance;
2. Determine if FILC performs its duties and responsibilities pursuant to the agreement and applicable Federal and State laws; and
3. Determine if payments and expenditures are made in accordance with agreement terms.

To accomplish our objectives we reviewed applicable laws, rules, and regulations; interviewed DVR and FILC staff; reviewed policies, procedures, and FILC bylaws; reviewed the agreement between DVR and FILC and related documentation; reviewed the State Plan for Independent

¹ Fieldwork ended October 17, 2017.

Living; reviewed submitted invoices; reviewed a sample of expenditures and related documents; reviewed FILC meeting minutes; and reviewed FILC hours of operation.

Background

Section 413.395, Florida Statutes, created the Florida Independent Living Council (FILC) to assist the Division of Vocational Rehabilitation (DVR) and the Division of Blind Service (DBS) in the expansion and development of statewide independent living policies, programs, and concepts and to recommend improvement for such programs and services. Per statute, the council functions independently and is assigned to the division for administrative purposes only. FILC is a non-profit organization whose mission is to advance the civil rights of people with disabilities through advocating for systematic changes. DVR and DBS entered into Memorandum of Agreement (MOA) #15-144 with FILC for the period of October 1, 2014, through September 30, 2016, to administer funds appropriated by the Florida Legislature. The MOA was extended from October 1, 2016, through September 30, 2017, with Amendment #2.

MOA #15-144 includes a total annual budget of \$410,820.00, of which DVR shall make available \$395,820.00 to FILC in twelve equal monthly installments upon receipt of monthly deliverable documentation.

Audit Results

Finding 1: DVR failed to monitor FILC's adherence to the agreement.

Section V. of MOA #15-144 states, "The parties agree that each shall comply with all applicable Federal and State laws and regulations throughout the Term."

Section I. of MOA #15-144 states, "Throughout the Term, the Council agrees to continue monitoring, reviewing, and evaluating implementation of the State Plan, and shall continue performing all of its other duties and responsibilities pursuant to applicable Federal and State laws and regulations. Specifically, the Council agrees that it shall:

2. Monitor, review and evaluate the implementation of the State Plan;
3. Coordinate activities with the Florida Rehabilitation Council and other councils that address the needs of specific disability populations and issues under other Federal law;
9. Ensure that funds provided pursuant to the Agreement are expended in accordance with the applicable provisions of the State of Florida Reference Guide for State Expenditures, 34 CFR 76.530, 34 CFR 80.22, and the applicable Office of Management and Budget Circulars, including but not limited to, A-122 and A-133, as amended or superseded; and
10. Ensure that the Council is available to the general public for a minimum of 1,560 hours during each fiscal year (October 1-September 30) covered by this Agreement."

In addition, Section III, A of MOS #15-144, states "No later than 30 days after the close of monthly business the Council shall submit to the Vocational Rehabilitation Contract Manager a summary of the number of hours of FILC operations during the month." FILC was required to operate a minimum of 78 hours per month, with an average of 130 projected hours per month.

We reviewed MOA #15-144 and related documents to determine if DVR effectively monitored FILC's adherence to the agreement. We determined DVR did not effectively monitor the agreement and, as a result, did not identify FILC's noncompliance with its required duties and responsibilities in certain instances. Due to the lack of monitoring, DVR did not ensure FILC coordinated activities with the Florida Rehabilitation Council (Finding 2); DVR did not ensure FILC effectively monitored, reviewed, and evaluated the implementation of the SPIL (Finding 3); and DVR did not identify instances in which FILC expended funds on behalf of a resigned staff member (Finding 4). The subsequent results sections below provide details of the instances noted.

We also noted that DVR did not review supporting documentation for the submitted hours of operation to ensure FILC was available to the public in accordance with agreement terms. The lack of monitoring led to DVR failing to identify discrepancies between the reported hours and actual hours of operation. DVR also did not review supporting documents for the submitted itemized expenditure reports. This led to DVR failing to identify various instances where FILC failed to adhere to the travel guidelines when reimbursing travelers. Lack of monitoring could lead to the expenditure of funds for items that do not meet the intent of the agreement.

Per DVR staff, the lack of monitoring was due to a contentious past relationship with FILC.

Recommendation

We recommend DVR monitor adherence to the agreement and review supporting documentation to ensure FILC is meeting the Council's responsibilities as stated in the agreement. We additionally recommend DVR review expenditures quarterly to ensure payments are made in accordance with agreement terms and state and department requirements for expenditures.

DVR Management Response

Concur. DVR will develop a review tool to assist in monitoring both VR and FILC's compliance with contractual and legislative responsibilities. Some of the items included in the tool include, a review of progress on the state plan; a review of the progress on the development of the 2020 SPIL; and a review of the FILC's collaboration with other disability organizations in Florida.

DVR will immediately begin reviewing quarterly expenditures to ensure payments are made in accordance with the agreement, as well as state and department requirements for expenditures.

Finding 2: FILC failed to coordinate activities with the Florida Rehabilitation Council (FRC) in accordance with agreement terms.

Section I. 3, of MOA #15-144 states, "Specifically, the Council agrees that it shall coordinate activities with the Florida Rehabilitation Council and other councils that address the needs of specific disability populations and issues under other Federal law."

We requested documentation of FILC's coordinated activities with the Florida Rehabilitation Council (FRC) and other councils to address the needs of specific disability populations during the period of October 1, 2015, until present. FILC was unable to provide documentation of coordinated activities with the FRC or any other councils that address the needs of specific disability populations, with the exception of having one board member who is a member of the Florida Alliance for Assistive Technology board.

Per FILC staff, in the past FILC had joint council members with FRC. When terms expired, the Governor did not make timely appointments to the FILC and gaps occurred. The Governor's office has not yet replaced the appointee. FILC staff discussed the potential of having staff from FILC attend FRC meetings to represent FILC as a non-voting member. Lack of coordinated activities with FRC could lead to FILC not adequately addressing the needs of specific disability populations.

Recommendation

We recommend FILC ensure, and document, coordination of activities with FRC and other councils that address the needs of specific disability populations and issues.

FILC Management Response

FILC concurs that coordination is not happening; however, it is dependent on the Governor to make joint appointment to both councils. FILC met on December 5, 2017, and adopted the following motion to address this finding. It was decided that a special committee would be formed to develop written policy to support this motion passed by the council.

MOTION: Council member or FILC staff will attend FRC meetings until Governor has officially appointed an FRC representative. FILC will cover expenses for travel and report will be made on FRC activities at the regular FILC meeting following the FRC meeting.

Finding 3: FILC failed to effectively monitor, review, and evaluate the implementation of the State Plan for Independent Living (SPIL).

Section I. 2, of MOA #15-144 states, "Specifically, the Council agrees that it shall monitor, review, and evaluate the implementation of the State Plan."

Per FILC staff, FILC created a State Plan of Independent Living (SPIL) committee to address the requirement to monitor, review, and evaluate the implementation of the SPIL in July 2017, after initiation of the audit. FILC was unable to provide sufficient documentation of monitoring, reviewing, or evaluating the implementation of the State Plan subsequent to October 2016. According to FILC leadership, the delay in establishing the committee was due to a lack of council members.

The SPIL committee met July 14, 2017, to schedule ongoing meetings and determine direction and evaluation methodology. We reviewed the SPIL committee meeting notes and determined the notes did not contain evidence of discussion of monitoring, reviewing, or evaluating the

implementation of the SPIL. In addition, FILC did not have policies and procedures on how to monitor the implementation of the SPIL. Per FILC, a plan for better monitoring the SPIL is needed.

Failing to effectively monitor, review, and evaluate the implementation of the SPIL could lead to the goals and the objectives of the SPIL not being achieved.

Recommendation

We recommend FILC effectively monitor, review, and evaluate the implementation of the SPIL and develop policies and procedures outlining how that should occur.

FILC Management Response

Concur; however, this is a challenge when the FILC has no authority over the CILs to assure they follow or report accurately their activities on the SPIL. DVR has obligation to assure CILs are carrying out their contract obligations. FILC met on December 5, 2017, and adopted the following motion to address this finding. It was decided that a special committee would be formed to develop written policy to support this motion passed by the council.

FILC SPIL Committee met on November 28, 2017, and will continue to meet on the 4th Tuesday (alternate date in cases of holiday or conflicts in schedule) monthly to review and monitor the SPIL. Minutes will be kept of each meeting. Recommendations to the full council will be made on determining quality assurance measures. Training will be developed for the CILs to better complete report forms and will be delivered at the Statewide IL Conference to be held on May 16-17.

MOTION: Provide SPIL Committee meeting schedule, produce minutes, determine quality assurance, develop training related to the SPIL and of its reporting in collaboration with Network of Centers to use for training at the Independent Living Conference in May 2018.

Finding 4: FILC expended funds on behalf of a resigned staff member.

Section III. B., of MOA #15-144 states, “No later than 30 days after the close of each quarter the Council shall submit to the Vocational Rehabilitation Contract Manager the following documents in sufficient detail for proper pre-audit and post-audit thereof

1. Quarterly itemized expenditure reports for the quarter and year-to-date periods.
2. Quarterly budget reconciliations for each quarter and year-to-date periods.
3. Quarterly Community Activities Table for FILC Activities.”

Section I. 9, of MOA #15-144 states, “Specifically, the Council agrees that it shall ensure that funds provided pursuant to this Agreement are expended in accordance with applicable provisions of the State of Florida Reference Guide for State Expenditures, 34 CFR 76.530, 34 CFR 80.22, and the applicable Office of Management and Budget Circulars, including but not limited to, A-122 and A-133, as amended or superseded.”

We reviewed the quarterly expenditure reports and budget reconciliations from October 1, 2015, through March 31, 2017, and supporting documentation. We determined that FILC paid \$6,917.98 on behalf of the previous Executive Director after her resignation on November 6, 2015. See Table 2. FILC stated that there were some discussions during the November 6, 2015, board meeting regarding retaining the previous Executive Director to provide consulting services; however, there was no evidence of an agreement between the parties. Effective October 1, 2016, the current Executive Director stopped all payments for benefits and reimbursements to the former Executive Director.

Table 2: Payments made after the resignation of the Executive Director

Health Insurance	Life Insurance	Cell phone	Dental	Retirement	Payroll	Travel/PCA /Other*	Grand Total
\$128.61	\$477.00	\$647.96	\$652.95	\$598.96	\$2,475.79	\$1,936.71	\$6,917.98

*PCA-Personal Care Assistance for travel. Other-ink cartridge for personal printer

Recommendation

We recommend FILC ensure all expenditures are made in accordance with agreement terms.

FILC Management Response

Concur. FILC met on December 5, 2017, and adopted the following motion to address this finding. It was decided that a special committee would be formed to develop written policy to make clear policies to assure this does not happen in the future.

MOTION: We agree with the recommendation and will implement a policy and procedure to correct and will provide said policy and procedure within six months.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the DVR office and staff and the FILC 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 William Bull and supervised by Tiffany Hurst, 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.