

Department of Education
Office of Inspector General – Internal Audit
Twelve-Month Status Report on: Suncoast Center for Independent Living, Inc. (SCIL)
Report # A-1819-027 Issued: October 23, 2019
Status as of October 23, 2020

Finding	Recommendation(s)	Previous Management Responses	Management Response as of October 23, 2020	Anticipated Completion Date & Contact
<p>Consumer service records had missing or incomplete documentation.</p>	<p>We recommended DVR include a review of CSRs in its monitoring activities.</p>	<p>Management Response as of October 23, 2019 Concur. VR will conduct at minimum an annual random review of Suncoast’s CSRs.</p> <p>Management Response as of April 23, 2020 VR has conducted review of CSR notes and compared them to hours the SCIL submitted for payment. Because of restrictions on travel we will have to devise another way to physically inspect CSRs. However we will still continue to review CSR case notes and compare them to hours submitted for payment. <i>Anticipated Completion Date & Contact</i> July 2020.</p>	<p>Due to COVID reviewing CSRs has been difficult. VR has however monitored contract service hours by reviewing COMS consumer notes and hours captured by the software used to track consumer service hours to ensure service hours are being documented appropriately. The risk assessment has resulted in the need for SCIL to be monitored quarterly for 2020-21. Part of that monitoring will include the physical review quarterly of open and closed CSRs.</p>	<p>The contract manager will conduct quarterly desktop monitoring of SCIL for completion due 10/31/2020, 1/30/2021, 4/30/2021 and 7/31/2021. Paul N. Martell 850-245-3492, Paul.Martell@vr.fldoe.org.</p>

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<p>The SCIL did not maintain proper fiscal oversight.</p>	<p>We recommended DVR perform periodic reviews to ensure expenditures are allowable, allocable, reasonable, and necessary to the performance of the contract.</p>	<p>Management Response as of October 23, 2019 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.</p> <p>Management Response as of April 23, 2020 The SCIL continues to be on a cost reimbursement contract and all expenditures are reviewed monthly. SCIL will continue to be on cost reimbursement for the '20-'21 contract year.</p> <p>Anticipated Completion Date: Ongoing until July 1, 2021</p>	<p>SCIL continues to be on a cost reimbursement contract for 2020-21. This requires the contractor to submit monthly budget reconciliations along with backup documentation to support each line item expenditure. The reconciliation separates SSA/Part B and General Revenue funds so that expenditures can be traced back to the funding source used to pay each expense. The risk assessment for 2020-21 has resulted in the need for SCIL to be monitored quarterly for 2020-21.</p>	<p>The contract manager will conduct quarterly desktop monitoring of SCIL for completion due 10/31/2020, 1/30/2021, 4/30/2021 and 7/31/2021. Paul N. Martell 850-245-3492, Paul.Martell@vr.fldoe.org.</p>

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Finding 1: The SCIL did not maintain proper fiscal oversight.

Recommendation: We recommended the SCIL maintain financial records in accordance with contract terms to support expenditures incurred. We recommended 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 recommended the SCIL ensure employees accurately and consistently allocate work hours across funding sources on the submitted timesheets. We recommended the SCIL maintain the petty cash in accordance with policies and procedures with completed and approved vouchers.

Management Response as of October 23, 2020:

Concur. SCIL continues to work with the CPA ensuring all Budgets and financial reports are up to date. The 2020 budget was submitted to VR and approved (see attached). SCIL also recently completed the first revision of the Fiscal Policy and Procedures. The Fiscal P&P was submitted to the board on 10/02/2020 and is awaiting feedback and any changes. (please note the copy attached may not be the final edition as we are awaiting possible edits) Currently SCIL is working hand in hand with Paul Martell at VR to continue our VR Cost Reimbursement Plan. SCIL has all Deliverables and supporting documents submitted up through September 2020.

SCIL also implemented a new Purchase Approval Request (PAR) Form. This form is used regardless of the amount or how the money is spent, Ex. Check, card etc. (see attached, c.c will be added and petty cash deleted as it was just approved and we don't physically have a card yet). SCIL also implemented a new Mileage Tracking /reimbursement form. (see attached)

At the request of VR and the SCIL management team; On 10/8/2020 at the SCIL Board Meeting a SCIL credit card was voted on and approved. This will eliminate the need for petty cash in SCIL's general use and the SCIL van gas/upkeep. The SCIL Credit Card is in the SCIL Fiscal Policy and Procedure to ensure proper usage and documentation (see pg. 31 in the Fiscal P&P). The credit card eliminates the need for a SCIL petty cash all together. At the 10/08/2020 SCIL Board meeting the Board voted for all petty cash accounts to be eliminated. The petty cash will be reconciled and deposited at the bank once the C.C is secured. All ledgers and receipts of the Petty Cash will be filed and kept for 3 yrs.

All staff continue to clock in using the COMS database. This ensures all staff time is distributed properly across the SCIL funding ratios. All consumer contact is also notated in the COMS database to ensure proper back up documentation for all funding sources.

Anticipated Completion Date and Contact:

Contact- Harvey Brooks, Nicholl Hand, & Stephen Wicker

Fiscal Policy & Procedure Rough draft completed- 10/02/2020 (waiting Board approval)

PAR Form completed -07/2020

Budget approved with proper allocation completed implemented and on-going- 06/01/2020

COMS clock in/out, Petty Cash record keeping- Completed -10/2019 implemented and on-going

Contact- Harvey Brooks & Nicholl Hand

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Management Response as of April 23, 2020:

SCIL has recently hired a new CPA, Stephen Wicker, to oversee the financials, and begin the revision of SCIL's fiscal policy and procedures As well as make sure we are in compliance with CFR part 75.30. and maintain proper financial records. SCIL is also in the process of acquiring new Board members, and will start the auditing of fiscal record keeping by the Treasurer.

SCIL began using the COMS system to clock in/out to ensure more accurate time keeping. By using the COMS system this also enabled SCIL to establish the needed ratios across staff payroll via SCIL's different funding sources. A report can be given to accounting at any time to ensure quality control within the Quick books record keeping as well. SCIL implemented a petty cash system with the increase of petty cash to \$500.00. The petty cash is kept in a lock box in the Executive Directors office. Petty cash will only be used for reimbursements under \$50.00 and with proper documentation, such as a receipt or invoice. Anything over \$50.00 MUST have prior authorization before purchase and will only be reimbursed via check and this could take up to two weeks.

Anticipated Completion Date & Contact:

Contact- Harvey Brooks & Stephen Wicker

Fiscal revisions Completion date - 9/23/2020

COMS clock in/out, Petty Cash record keeping- Completed -10/2019 implemented and on-going

Contact- Harvey Brooks & Nicholl Hand

Management Response as of October 23, 2019:

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

Recommendation: We recommended the SCIL update the Fiscal Policy and Procedures. We recommended the SCIL consistently follow its established policies and procedures including proper

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monitoring of the Executive Director. We additionally recommended the SCIL maintain inventory records and conduct physical counts of inventory on an annual basis.

Management Response as of October 23, 2020:

Concur. SCIL recently completed a Fiscal Policy & Procedure rough draft in October 2020. We are awaiting the Board approval of any edits. The final approved Fiscal Policy & Procedure will either be voted on at an Executive Committee meeting or the next SCIL board meeting in December, depending on how long it takes the SCIL board to review the Policy thoroughly.

SCIL wrote a Medical Equipment Recycle Program policy (MERP) (see attached) This policy was voted on and approved at the 10/08/2020 Board meeting. This policy will ensure better tracking of all donations and give detailed instruction on inventory procedure. SCIL is currently in the process of transferring to a new IT company and securing laptops and phones for the staff while working remotely. Once this transfer finishes (within the month) SCIL will look at a Digital Inventory tracking system. Until SCIL moves to digital tracking, SCIL will follow the inventory guidelines and methods as outlined in the SCIL MERP Policy. Once we move to the Digital tracking the MERP Policy will be updated to reflect any changes. SCIL updated the SCIL Administrative Policy and Procedure as well as the SCIL By-Laws (see attached). These documents were voted on and approved at the SCIL 07/2020 board meeting.

SCIL is scheduling a staff training day to review the new MERP & Administrative Policies to ensure everyone has a solid understanding of Policy. This will be completed by December. Once the final draft of the Fiscal Policy & Procedure is voted on SCIL will have a training on that as well.

The New SCIL Executive committee is also in the Process of an evaluation of the Executive Director Harvey Brooks. The Executive Director, Harvey Brooks is currently being evaluated by the local VR for accommodations for all his office equipment, and technology.

Anticipated Completion Date and Contact:

Contact- Harvey Brooks & Nicholl Hand

Digital inventory incomplete– on going depending on IT by the end of the year.

MERP Policy completed- 10/2020

Updated rough draft SCIL Fiscal Policy & Procedure- 10/2020

Updated SCIL Administrative Policy & Procedure completed- 07/2020

Management Response as of April 23, 2020:

SCIL conducted a preliminary inventory on all durable medical equipment including computers, and power chairs. An inventory was also done on all office equipment. SCIL was in the process of conducting another more thorough inventory with a digital scanner and barcode system, making sure all equipment and office equipment was marked with a barcoded sticker. Our goal in this is to move the inventory process to a digital online form. We were not able to complete due to everything being put on hold with the Board change over and then the CORONA virus. SCIL will conduct this inventory annually.

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The Executive Director probationary period is extended under the board of director's discretion, due to their focus being on the Audit and Voc. Rehab. The SCIL Programs have their own current policy and procedural manuals. The By-Laws, Fiscal policy & Procedures and SCIL Policy & Procedures are currently being revised as SCIL will be adapting the DAC (Disability Achievement Center's) By-Laws, Fiscal Policy & Procedures, and Policy & Procedures manuals.

Anticipated Completion Date & Contact

Contact- Harvey Brooks & Nicholl Hand

Digital inventory completion- 9/30/2020

Update of fiscal and SCIL policy & Procedures estimated completion- 9/30/2020

Management Response as of October 23, 2019:

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.