



# FLORIDA DEPARTMENT OF EDUCATION



## Office of Inspector General

September 2011

Report No. 10/11-04A

# Supplemental Education Services Providers

## Overview

The Office of Public School Options (Office) in the Division of Public Schools oversees Florida's Supplemental Educational Services (SES) Program. Adequate controls are in place, but could be strengthened with more guidance and random invoice spot checks.

Office of Inspector General (OIG) staff identified three primary areas for improvement: provider record retention, invoice accuracy, and written policies and procedures.

## We recommend the Office:

- Update the contractual agreement technical assistance paper (TAP) and encourage school districts to update their contracts to include information specific to tutor qualifications, background clearance, cash incentives, and attendance records;
- Advise school districts to perform random invoice spot checks for items not normally verified during the monthly invoice review; and
- Complete efforts to implement a monitoring TAP and establish a written policy for tutoring during normal school hours.

## Background

This audit was identified in the OIG annual risk assessment and included in the approved audit plan. It was a follow up based on suggested objectives from OIG audit 08/09-02A, described in the next section. This audit was performed in support of the Department's goal of quality efficient services with the purpose of promoting the strategic imperative of aligning resources with performance.

The Office is under the Bureau of Federal Educational Programs, which was previously the Bureau of Student Assistance. As part of No Child

Left Behind (NCLB) federal guidelines, school districts with Title I school(s) that have not made adequate yearly progress for three consecutive years in reading and/or math must offer SES for eligible students. The goal of these services is to ensure that students increase their proficiency in meeting the state's academic achievement standards in reading and math.

## Previous Audit Findings

OIG staff completed two audits of SES in 2009 and an investigation issued in July 2010. The first report, titled *Audit of Supplemental Educational Services*, was issued in June 2009. Recommendations included improvements to public notification letters, stronger internal controls over payments, and assurance of contract compliance with NCLB. The second audit, titled *Audit of Payments to Supplemental Educational Services Providers*, was issued in November 2009. This audit focused on services and payments with recommendations similar to the previous report - regular provider monitoring by school districts and ensuring contracts contain all elements required by NCLB. These reports may be found on the OIG website. Program management responded appropriately to the audit recommendations by developing internal guidance and issuing TAPs to assist with contracts, invoicing/payments, and policies and procedures.

## Audit Results

Overall, providers were compliant with school year 2009/10 contract terms. SES contracts require tutors to meet the minimum qualifications for Title I paraprofessionals and to clear a Level 2 background screening. Forty-eight tutors were sampled to verify qualifications and background clearance. The auditor noted one instance of a tutor not meeting the minimum qualifications. The Office

and applicable school district has been provided this information for handling as appropriate.

Provider billing accuracy and school district policies and procedures were satisfactory. Concerns were noted, but systemic issues were not present. These concerns are discussed further in the findings and recommendations section below.

SES invoicing is performed in offices with heavy workloads and limited resources. In this environment, errors can be expected. Several school districts and providers had noteworthy practices for this function listed below:

- The Orange School District uses an invoice check procedure, an invoicing TAP, and monitoring templates.
- Each of the school districts sampled has created their own student attendance template. Hillsborough's Activity Roster was exceptionally useful in determining how many students attended a session.
- A to Z In-Home Tutoring, LLC has created a detailed billing manual.

## Findings and Recommendations

### 1. Provider record retention needs to be improved.

Ten providers were not able to supply all OIG requested documents, including fifteen instances regarding tutor credential or background clearance support and two instances regarding attendance documents. Four providers stated that a tutor was an employee of a district school, but could not provide support of the tutor's qualifications. ABC Appletree Inc. said they received verbal approval from the Franklin school district regarding employee background clearance and did not have anything on paper. Providers should maintain their own records, request written approvals, and not rely on the school district to ensure compliance with SES staff qualifications.

A+ Markem, Inc. and Triunfo "Triumph" Academy could not provide all requested attendance documents. A+ Markem, Inc. held previous directors responsible for the unavailable documents. Triunfo "Triumph" Academy stated that attendance sign-in sheets are required to be turned in to the

school district to process invoices. The company did not respond when questioned further about copies of documents.

The Office issued a TAP in July 2009 titled *Contractual Agreement between School Districts and State-Approved SES Providers*. The TAP has a section for Inspection and Audit which states: "This section should describe District policies related to access to records or reports or other relevant information upon request by the District and the requirements for maintaining records (such as student progress reports, student assessment results, etc.) for five years from the end of a fiscal period of the source of funding." The school districts in our sample included similar language in their contracts.

The Orange County Public Schools' contract requires the maintenance of fiscal records, while the other school districts sampled call for "matters relating to the contract" in their retention requirements. Tutor qualifications and background clearance are included in the contract; however, many providers did not maintain these records.

Section 1008.331(1), Florida Statutes allows student performance or attendance incentives, but they are not to exceed a value of \$50 per student per year. There was no evidence of a sampled provider exceeding the \$50 limit. Most providers were able to provide receipts for 2009/10 incentives; however, two of the providers sampled supplied cash incentives. One provider supplied bank statements detailing the cash disbursements, but Triunfo "Triumph" Academy said no receipts were available when asked for support. The company said they were not aware such receipts were required by the Office or the school district. The 2009/10 school district contract and Office TAP did not have specific language regarding receipts for incentives.

### Recommendation:

Office management should require more comprehensive provider record retention requirements by updating the contractual agreement TAP and advising school districts to update their contracts to include information specific to:

- Tutor qualifications and background clearance;

- Support for incentives, especially cash incentives; and
  - Attendance documentation.
- 2. Invoice errors were found for ten of the twenty-one providers sampled.**

Systemic concerns were not present, but several invoicing errors were noted:

- Exceeding group size ratios
- Billing for incorrect or absent student(s)
- Incorrect tutoring dates/times

School districts, in consultation with parents and the provider, develop a learning plan for each student, which includes the type of instruction to be provided. The 2009/10 SES Request for Application (RFA) defines type of instruction as:

- 1) Individual tutoring;
- 2) Distance learning instruction (on-line, internet-based, or computer-based instruction);
- 3) Small group instruction (not to exceed a group size of five students per tutor); and
- 4) Large group instruction (not to exceed a group size of eight students per tutor).

Providers may charge the same or varying rates depending on the type of instruction and associated fee listed on their 2009/10 RFA. We identified five providers during our audit that did not comply with tutoring group size ratios. Non-compliance ranged from the billing of a student in a large group session at the small group instruction rate to fifteen instances of billing at a small group rate for sessions where six to twelve students were present with one tutor, exceeding the student to tutor ratio by up to seven students.

School districts establish an annual allotment per student due to limited funds, which restricts the hours of tutoring a student may receive. Accurate billing is necessary to ensure that each student maximizes their annual allotment. There was one instance of a provider billing (and being paid for) an hour and a half (\$75) of tutoring even though the student was marked absent. In another case, a sample of attendance records for one provider showed erroneous billing affecting eighteen students. The auditor compared attendance records

to the school district invoice and discovered that nine students were billed for tutoring services not received, while nine other students were not billed for tutoring services received. This balances for payment purposes, but affects the individual students' annual allotment and available remaining tutoring hours.

Accurate invoicing dates and times are necessary for accurate billing and to assist the school districts in their invoice reviews. One provider contracted to offer services Monday through Saturday, but billed the school district for a total of five hours of tutoring on a Sunday. The provider said the billed date was incorrect and should have been a Saturday. Another provider billed the school district for a tutoring session from 2:15pm to 3:45pm, when the session actually started at 2:25pm. This ten minute difference was billed for forty students for one day sampled, which resulted in an overbilling of \$700 if the session was rounded to the nearest quarter hour as defined in the contract.

### **Recommendation:**

Office management can help insure more accurate invoicing by recommending school districts perform random invoice spot checks for items not normally verified during the monthly invoice review (e.g. student to tutor ratio compliance and accurate session day/time).

### **3. Expanded policies and procedures are needed.**

Audit staff reviewed school district monitoring procedures. All school districts sampled performed monitoring, but procedures were inconsistent. It is reasonable that school districts would have varying methods of monitoring based on funding and population served; however, more formal monitoring guidelines would be beneficial. The OIG recommended in its November 2009 Audit of Payments to Supplemental Educational Services Providers: "The Department should require all school districts to establish and implement monitoring programs and regularly monitor providers." The Office's June 2010 response stated that a technical assistance document would be developed for school districts that outlines the minimum requirements for monitoring the

implementation of SES by providers. The Office informed us that this TAP is in progress.

The Office's website states: "The goal of these (SES) services is to ensure that students increase their proficiency in meeting the state's academic achievement standards in reading and math. Services may include such assistance as tutoring, remediation, and academic intervention and must take place outside the regular school day." We noted during our site visit that Franklin County Public School makes an exception and allows students to receive online tutoring on days they stay home from school. There were five sessions, totaling 2.5 hours, of tutoring during normal school hours in Franklin for November 2009 through January 2010. Franklin staff was questioned about the tutoring during normal school hours and responded that the students were "probably" absent from school. Franklin does not have a written policy and procedure regarding tutoring during normal school hours. A written policy and procedure is needed to: a) require document that Franklin allows online tutoring if a student is absent from school and b) establish a procedure to verify that any online tutoring during normal school hours is on a day the student had an excused absence.

### Recommendation:

Office management should promote more comprehensive guidance for the school districts by:

- Completing efforts to implement a monitoring technical assistance document that provides minimum monitoring requirements for school districts; and
- Establishing a written policy for tutoring during normal school hours that may be adopted by the school districts.

### Objectives and Scope

The objectives of this audit were to: 1) verify provider compliance with school district SES contracts, to include qualifications and background clearance of staff; 2) test the accuracy of SES billing; and 3) determine the effectiveness of school district policies and procedures for SES payments and monitoring.

The audit scope included a review of SES contracts and policies and procedures for school year 2009/10. Invoices and attendance records for November 2009 to January 2010 were reviewed.

### Methodology

Three to five providers were selected from the five school districts sampled, totaling twenty-one providers as follows: Franklin (3); Hillsborough (5); Orange (4); Palm Beach (5); St. Lucie (4). See Appendix A for a list of sampled providers by school district. The five school districts supplied the requested 2009/10 SES contracts, policies and procedures, and invoicing documents. The twenty-one providers supplied SES policies and procedures, tutor qualifications, and additional invoicing documents as needed. An onsite visit was made to Franklin County School. Other visits were planned, but SES services were completed for the year prior to our available travel dates.

This audit was conducted in accordance with *The International Standards for Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. The audit team achieved these audit standards by:

- Researching applicable federal and state statutes, rules, and procedures.
- Reviewing school district and provider documents – contracts, invoices, and policies.
- Interviewing and working with SES management and staff throughout the audit process.

### Closing Comments

The Office of the Inspector General would like to recognize and acknowledge SES staff, sampled school districts, and sampled providers for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance provided by all personnel involved.

**Appendix A: Sampled SES Providers by District**

<b>Franklin</b>
ABC Appletree Inc
ADC Tutoring Corp
ATS Project Success

  

<b>Hillsborough</b>
!A+ Tutor U
A to Z In-Home Tutoring, LLC
A++ at JFK Tutoring
Hillsborough County Public Schools Academy for Success
Macedonia Human Services Cultural Training Center, Inc.

  

<b>Orange</b>
A+ Markem, Inc (d.b.a. for Markem Services, Inc.)
Club Z! In-Home Tutoring Services, Inc.
FUNDamentals Plugged In LLC
Sylvan Learning Center (Kush Corporation)

  

<b>Palm Beach</b>
The Princeton Review, Inc.
Rocket Learning
Triunfo "Triumph" Academy
Tutoring In Your Home, LLC
ATS Project Success

  

<b>St. Lucie</b>
Advanced Learners Private Tutoring, LLC
After School Programs, Inc.
ATS Project Success
Sylvan Learning Center of Fort Pierce

# FLORIDA DEPARTMENT OF EDUCATION



Gerard Robinson  
Commissioner of Education

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## MEMORANDUM

**DATE:** September 14, 2011

**TO:** Greg White, Acting Inspector General

**FROM:** Dr. Michael Grego

**CC:** LaTrell Edwards

**SUBJECT:** Audit of Supplemental Educational Services Providers (OIG 10/11-04A)

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This memorandum provides response to your audit of Supplemental Educational Services Providers and the recommendations contained in your report dated August 2011, Audit Number 10/11-04A.

I would like to thank you and the audit staff for working with the Office of Public School Options (OPSO) throughout the audit process. We hope that as a result of your audit recommendations, the changes made in processes and procedures will result in highly effective and efficient delivery of Supplemental Educational Services (SES). Following are the Recommendations and Responses.

### **Provider Record Retention**

Recommendations: The Department should require more comprehensive provider record retention requirements by updating the contractual agreement technical assistance document and advising school districts to update their contracts to include information specific to:

- Tutor qualifications and background clearance
- Support for incentives, especially cash incentives
- Attendance documentation

DR. MICHAEL GREGO  
CHANCELLOR OF PUBLIC SCHOOLS

The OPSO will update the Contractual Agreement between School Districts and State-Approved SES Providers technical assistance paper to require school districts to include record retention requirements regarding tutor qualifications and background clearance, documentation of incentives and attendance.

#### **Expanded Policies and Procedures**

Recommendations: Office management should promote more comprehensive guidance for the school districts by:

- Completing efforts to implement a monitoring technical assistance document that provides minimum monitoring requirements for school districts
- Establishing a written policy for tutoring during normal school hours that may be adopted by the school districts

The OPSO agrees that requiring school districts to establish and implement monitoring programs and to regularly monitor providers is integral to ensuring internal controls over the program. The Department will develop a technical assistance document for school districts that outlines the minimum requirements for monitoring supplemental educational services. This document will also include guidance on the establishment of written procedures governing such monitoring. This information will be shared in writing, via conference call, and through meetings with school districts. Additionally, the OPSO will develop a written policy regarding tutoring during normal school hours.

#### **Invoice Errors**

Recommendations: Office management can help ensure more accurate invoicing by recommending school districts perform random invoice spot checks for items not normally verified during the monthly invoice review.

The OPSO will include information in the technical assistance document regarding monitoring SES providers and encouraging districts to perform random invoice spot checks for items not routinely verified during the monthly invoice review (e.g. student to tutor ratio compliance and accurate session day/time).

MG/le