



**Quality Assurance and Compliance
Desk Monitoring Review
for
Perkins Career and Technical Student Organizations**

Florida Association of Future Farmers of America, Inc.

July 10, 2017

Final Report

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Florida Department of Education
Division of Career and Adult Education

**Florida Association of Future Farmers of America, Inc.
Career and Technical Education
Quality Assurance and Compliance Monitoring Report**

I. INTRODUCTION

The Florida Department of Education (FLDOE), Division of Career and Adult Education (division), in carrying out its roles of leadership, resource allocation, technical assistance, monitoring and evaluation, is required to oversee the performance and regulatory compliance of recipients of federal and state funding. The Quality Assurance and Compliance section is responsible for the design, development, implementation and evaluation of a comprehensive system of quality assurance including monitoring. The role of the quality assurance system is to assure financial accountability, program quality and regulatory compliance. As stewards of federal and state funds, it is incumbent upon the division to monitor the use of workforce education funds and regulatory compliance of providers on a regular basis.

II. AUTHORITY

The FLDOE receives federal funding from the U.S. Department of Education (USDOE) for Career and Technical Education (CTE) under the Carl D. Perkins (Perkins) Career and Technical Education Act of 2006 and for Adult Education (AE) under the Adult Education and Family Literacy Act of 1998. FLDOE awards subgrants to eligible providers to administer local programs. FLDOE must monitor providers to ensure compliance with federal requirements, including Florida's approved state plans for CTE and adult education/family literacy. Each state shall have procedures for reviewing and approving applications for subgrants and amendments to those applications, for providing technical assistance, for evaluating projects, and for performing other administrative responsibilities the state has determined are necessary to ensure compliance with applicable statutes and regulations pursuant to 34 CFR 76.770, Education Department General Administrative Regulations (EDGAR) and the Uniform Grant Guidance (UGG) for grant awards issued on or after December 26, 2014. The Florida Department of Education, Division of Career and Adult Education is required to oversee the performance of subgrantees in the enforcement of all laws and rules (Sections 1001.03(8) and 1008.32, Florida Statutes).

Additional citations noting pertinent laws and regulations and authority to monitor are located in the 2016-2017 Quality Assurance Policies, Procedures, and Protocols, Module A, Section 1.

III. QUALITY ASSURANCE POLICIES, PROCEDURES, AND PROTOCOLS

The Quality Assurance Policies, Procedures, and Protocols manual was revised in the 2016-17 program year. The manual is provided to each provider prior to the monitoring visit. The manual provides a summary of each facet of the monitoring design and the process. It also contains protocols that may be used as agencies are monitored or reviewed. References may be made to the manual in this document; it is located on the division's website at <http://fldoe.org/academics/career-adult-edu/compliance>.

IV. PROVIDER SELECTION

Various sources of data are used throughout the implementation of the quality assurance system. The monitoring component of the system is risk-based.

Risk assessment is a process used to evaluate variables associated with the grants and assign a rating for the level of risk to the department and the division. A risk matrix, identifying certain operational risk factors is completed for each provider. The risk matrix for each program monitored is located in Appendix A. The results of the risk assessment process and consideration of available resources are used to determine one or more appropriate monitoring strategy(ies) to be implemented.

The monitoring strategy for Florida Association of Future Farmers of America, Inc. (FFA) was determined to be a desk monitoring review. Notification was sent to Mr. Chad Lyons, board of directors president, Florida Association of Future Farmers of America, Inc. on August 5, 2016. The designated representative for the agency was Mr. Ronnie Simmons, executive director, Florida Association of Future Farmers of America, Inc.

The desk monitoring review for the agency was conducted on November 7-10, 2016, by a representative of the Quality Assurance and Compliance section of the division: Mr. Michael Swift, program specialist.

V. FLORIDA ASSOCIATION OF FUTURE FARMERS OF AMERICA, INC.

The provider was awarded the following grants for FYs 2014 -15, 2015-16 and 2016 -17:

2014-2015

| <u>Grant</u> | <u>Grant Number</u> | <u>Grant Amount</u> | <u>Unexpended Funds</u> |
|---------------------------|---------------------|---------------------|-------------------------|
| Perkins – CTSO Leadership | 193-1625A-5PL01 | \$ 49,344.00 | \$ 0.00 |

2015-2016

| <u>Grant</u> | <u>Grant Number</u> | <u>Grant Amount</u> | <u>Unexpended Funds</u> |
|---------------------------|---------------------|---------------------|-------------------------|
| Perkins – CTSO Leadership | 193-1626A-6PL01 | \$ 49,382.00 | \$ 0.00 |

2016-2017

| <u>Grant</u> | <u>Grant number</u> | <u>Grant Amount</u> | <u>Unexpended Funds</u> |
|---------------------------|---------------------|---------------------|-------------------------|
| Perkins – CTSO Leadership | 193-1627A-7PL01 | \$ 50,453.00 | N/A |

Additional information about the provider may be found at the following web address:

www.flaffa.org

VI. MONITORING ACTIVITIES

The desk monitoring review activities included administrative, financial, review of deliverables and exit conference call.

Exit Conference

The exit conference was conducted via conference call on June 1, 2017. The participants are listed below:

| Name | Title | Exit |
|------------------------------|-----------------------|------|
| Ronnie Simmons | Executive Director | X |
| FLDOE MONITORING TEAM | | |
| Tashi Williams | Program Director | X |
| Michael Swift | Program Specialist IV | X |

Records Review

Program, financial and administrative records were reviewed. A complete list is provided in section VII, item B. Policies and procedures were also reviewed.

VII. RESULTS

A. **ADMINISTRATION** refers to the management and/or supervision of programs, structure of programs and services, grant oversight and other administrative areas.

- FFA is governed by a board of directors that includes state FFA officers, the State Advisor, the FFA Executive Director, an agriscience education staff member, six teacher representatives, the President or designee of the Florida Association of Agriculture teachers and the President of the Florida FFA alumni group.
- The State Supervisor of Agriscience and Natural Resources Education serves on the governing board as the state advisor, but has no voting privileges.
- The constitution of FFA lays out the management and operating expectations of all state chapters and state elected officials. The constitution was provided to FLDOE and reviewed during the course of the desk monitoring process.
- The executive director is responsible for the day to day activities of the state organization that include: issuing charters to local chapters, maintaining records of FFA membership and chapter progress, submitting an annual budget proposal to the board of directors and arranging state conventions and conferences.
- FFA conducts annual training events for chapter administrators and officers.
- FFA holds multiple Career Development Events during the school year for students. These events include leadership training, agricultural seminars/conferences and competitive events for students to participate in and qualify for national competitions.

B. **RECORDS REVIEW** refers to a review of the records and documents that demonstrate compliance with federal and state rules and regulations. Samples of financial and programmatic records are reviewed.

- FY 2014/15 quarterly deliverables submitted to FLDOE
- FFA constitution
- Board of directors meeting minutes and agenda
- FFA announcements and brochures for statewide conferences and training events
- Signed contractual agreement between FFA and a speaker for a state convention
- State leadership project invoice forms (fiscal quarters 1-4)
- FY2014/15 budget approved by the board of directors
- FFA management procedures manual
- Completed Desk Monitoring Review packet

C. **FINANCIAL** refers to aspects of the federal fiscal requirements that providers must meet when expending federal funds, including financial management, procurement, inventory management, and allowable costs.

- The entire grant award from FLDOE is used for the FFA Executive Director’s salary.
- The Executive Director is the required signature on all “normal” checks, and approval from the board of directors is required for purchases considered “non-normal.”
- FFA financial policies does not state what monetary thresholds are considered “normal” vs. “non-normal.”
- Florida FFA, Inc. has a lack of fiscal oversight in regards to procurement, expenditures and cash flow management.

FINDING AND RECOMMENDATION:

Finding C1: Lack of general oversight concerning federal funds (UGG 2 CFR 200.303, Internal Controls). The lack of financial oversight is due to the vague language used in the FFA management procedures manual in describing the job requirement of the Executive Director as an authorized check signer. The Executive Director is allowed to sign off on expenditures and checks up to a certain threshold, but the financial policies and procedures simply refer to expenditures as “normal” and “non-normal”. These “normal” and “non-normal” expenses should be clearly defined by an actual dollar value.

Recommendation C1: FFA must amend their financial policies and procedures to reflect an actual dollar value that is to differentiate between a “normal” and “non-normal” expense. The updated policy must explicitly define who has signature authority based on the dollar value of an expense.

VIII. REQUIRED RESOLUTION ACTIVITIES

CAREER TECHNICAL EDUCATION

1. Corrective Action Plan (findings) – Florida FFA, Inc. is required to complete a corrective action plan.

IX. SUMMARY

Once the desk monitoring review is completed, including receipt of requested information, a draft report will be forwarded to the provider for review. Comments are accepted and considered. The final report will be completed, forwarded to the Chairman of the Board of Directors with a copy to the appropriate parties, and is posted on the department’s website at the following address: <http://fldoe.org/academics/career-adult-du/compliance>.

The division will issue a closure notice to the Chairman of the Board of Directors and contact designee once all outstanding resolution items have been completed.

On behalf of the department, the monitor, Mr. Michael Swift, extends his appreciation to all participants in the Florida FFA, Inc. desk monitoring review. Special thanks is offered to Mr. Ronnie Simmons for his participation in this process.

APPENDIX A
 Florida FFA, Inc.
 Career and Technical Education
 Risk Matrix

| Risk Scores Matrix for Non-Colleges Receiving Career and Technical Education (CTE) Carl D. Perkins Grants | | | | | |
|--|----------------|-------------|-----------------|--------|---------------------|
| Agency Name: FL ASSOCIATION OF FUTURE FARMERS OF AMERICA INC | | | | | |
| Program type: CAREER AND TECHNICAL EDUCATION | | | | | |
| Target Year: 2014-2015 | | | | | |
| Monitoring Year: 2016-2017 | | | | | |
| Metric | Scaling | Point Value | Points Assigned | Weight | Total Metric Points |
| Total Perkins Budget Allocated Value | Upper Quartile | 7 | 7 | X 10 | 70 |
| | Upper Middle | 5 | | | |
| | Lower Middle | 3 | | | |
| | Lower Quartile | 1 | | | |
| # Perkins Grants Value | 4+ | 7 | 1 | X 8 | 8 |
| | 3 | 5 | | | |
| | 2 | 3 | | | |
| | 1 | 1 | | | |
| | 0 | 0 | | | |
| Perkins Director Change Value | Yes | 7 | 0 | X 6 | 0 |
| | No | 0 | | | |
| Perkins Funds Remaining Point Value | Upper Quartile | 7 | 0 | X 4 | 0 |
| | Upper Middle | 5 | | | |
| | Lower Middle | 3 | | | |
| | Lower Quartile | 1 | | | |
| | 0 | 0 | | | |
| AGENCY RISK SCORE: | | | | | 78 |

*Compliance monitoring last visit: n/a

*Data sources used for calculations: Prior to July 1, 2015

APPENDIX B
 Florida FFA, Inc.
 Resolution Action Plan

| Finding | Corrective Action | Agency Response | Person Responsible | Projected Date of Completion |
|---|---|--|--|------------------------------|
| <p>C1: Lack of general oversight concerning federal funds. (UGG 2 CFR 200.303, Internal Controls)</p> <ul style="list-style-type: none"> The lack of financial oversight is due to the vague language used in the FFA management procedures manual in describing the job requirement of the Executive Director as an authorized check signer. The Executive Director is allowed to sign off on expenditures and checks up to a certain threshold, but the financial policies and procedures simply refer to expenditures as “normal” and “non-normal”. These “normal” and “non-normal” expenses should be clearly defined by an actual dollar value. | <p>Recommendation C1: FFA must amend their financial policies and procedures to reflect an actual dollar value that is to differentiate between a “normal” and “non-normal” expense. The updated policy must explicitly define who has signature authority based on the dollar value of an expense.</p> | <p>Florida FFA will address Finding C1 at the next regularly scheduled meeting of the board of directors. A dollar threshold will be established for amounts to be check amounts to be considered “normal” or “non-normal”. A signature requirement will be established for check signing authority for both categories.</p> | <p>Ronnie Simmons will present this item to the Board of Directors for consideration and action.</p> | <p>September 1, 2017</p> |
| <p>Plan submitted by (name and title): Ronnie Simmons, Exec. Director</p> | | <p>Date: 08/04/17</p> | | |
| <p>Plan accepted by: Michael Swift, Program Specialist IV</p> | | <p>Date: 8/7/17</p> | | |
| <p>Status of Action Plan (to be completed by FLDOE staff): Ongoing as of 8/7/17</p> | | | | |
| <p>Date:</p> | | <p>Status of Plan Completion:</p> | | |