

Office of the Inspector General
Enterprise Risk Based Compliance Audit of Contracts

Report #A-2425DOE-003

July 2025

Introduction

In accordance with the Department of Education's (DOE) fiscal year (FY) 2024-2025 audit plan, the Office of the Inspector General (OIG) conducted an audit of the DOE contract procurement procedures. This audit satisfies the requirements of House Bill 1079, passed during the 2021 Legislative Session, which amended section 287.136, Florida Statutes, to require a periodic risk-based compliance audit of all contracts executed by a state agency to identify any trends in vendor preferences.

During this audit we noted in general that the Department of Education's Division of Early Learning (DEL), and the Bureau of Contracts, Grants, and Procurement Management Services have sufficient controls in place, and we identified no trends in vendor preference during the review period. However, we noted instances where some controls should be strengthened. For example, when reviewing the compliance with Florida Statute 215.985(14)(a), we noted that DOE failed to enter all statutorily required information into the Florida Accountability Contract Tracking System (FACTS) within statutory timeframes for 17 of 60 sampled contracts. The audit results section below provides details regarding the instances noted within our audit.

Scope, Objectives, and Methodology

The scope of this audit included an examination of a sample of contracts executed by the Department under Chapter 287, Florida Statutes, from FY 2021-2022 through FY 2023-2024. We established the following objectives for our audit:

1. Determine if the Department administers its procurement and contract execution functions in compliance with Section 215.985 (14)(a), Florida Statutes; and
2. Identify any trends in vendor preference in the procurement and execution phases of the Department's contracts.

To accomplish our objectives we reviewed applicable laws, rules, and regulations; interviewed staff from the Bureau of Contracts, Grants, and Procurement Management Services; interviewed Division of Early Learning staff; and reviewed policies, procedures, and related documentation. Our methodology included:

- Sampling the Department's standard two-party contracts and purchase orders from FY 2021-2022 through FY 2023-2024;
- Ensuring that the Department posts all ten statutorily required elements to the Florida Accountability Contract Tracking System (FACTS) within 30 calendar days of contract execution as required in section 215.985 (14)(a), Florida Statutes; and
- Identifying any Departmental trends in vendor preference.

Background

The Bureau of Contracts, Grants and Procurement Management Services (Bureau) oversees the review, approval, and execution of the Department's contracts, grants, and purchase orders. The Office of Contracts and Procurement manages the processes for executing, amending, and monitoring the implementation of contracts on behalf of the department. This office is also responsible for implementing all purchases for the department in accordance with state and federal laws and rules, thus assuring that goods and services are procured at the best value for the state.

Staff of the Bureau submit documentation of executed contracts and periodic contract amendments to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS). The process by which contracts are executed also includes internal reviews and approvals from the DOE Budget Office, the Comptroller's Office, and Legal staff, with assistance from relevant program offices depending on the contract rendered. The process is similar for the Division of Early Learning; however, the DEL finance office enters the contract information into FACTS rather than the Bureau. The state's purchasing laws are designed to promote fair and open competition in the public procurement process. The goal is to reduce the appearance and opportunity for favoritism and foster public confidence that contracts are awarded equitably and economically.

Statutory Contract Exemptions

Overall, 281 of 303 (92.7 %) standard two-party DOE contracts executed in the review period were exempt from competitive bidding processes. This determination was based on section 287.057(3), Florida Statute, which exempts several types of contracts from competitive solicitation requirements to include legal services, services to persons with mental or physical disabilities served by non-profit corporations, training and education services, and services or commodities provided by government agencies. We sampled 60 contracts, which yielded 52 (86%) exempt contracts. Most DOE contracts are exempt as the contracts are procuring services for persons with mental or physical disabilities or legal services.

Purchase Orders

For the three fiscal years in the scope of this audit, DOE made 12,372 purchase orders for 774 different service/commodity types and 923 different vendors. The top ten vendors make up 48.8% of the total purchase orders (6,043) but only make up approximately 6% of the total dollar amount spent in the three fiscal years. Overall, in taking a sample of the top 10 vendors and top 20 commodity types for the three fiscal years, a majority of the purchases were made using vendors with state-term contracts with no discernable trend or indication of vendor preference.

Audit Results

Finding 1: DOE failed to enter all statutorily required information into FACTS within statutory timeframes for 17 of 60 sampled contracts.

Section 287.057, Florida Statutes, mandates that state agencies comply with the competitive solicitation process outlined in statute. The statute also outlines requirements for competitive sealed bids and sealed proposals. State agency staff must upload specific contract information to the Department of Financial Services' FACTS website. The controlling statute calls for the Chief Financial Officer to establish and maintain a secure contract tracking system available for viewing and downloading by the public through a secure website. Section 215.985(14)(a), Florida Statutes, requires that "within 30 calendar days after executing a contract, each state entity shall post the following information relating to the contract on the contract tracking system:

1. The names of the contracting entities.
2. The procurement method.
3. The contract beginning and ending dates.
4. The nature or type of the commodities or services purchased.
5. Applicable contract unit prices and deliverables.
6. Total compensation to be paid or received under the contract.
7. All payments made to the contractor to date.
8. Applicable contract performance measures.
9. If a competitive solicitation was not used to procure goods or services, the justification of such action, including citation to a statutory exemption or exception from competitive solicitation, if any.
10. Electronic copies of the contract and procurement documents that have been redacted to exclude confidential or exempt information."

To determine if the department uploaded the required contract information into FACTS within established timeframes, we judgmentally sampled 60 contracts procured by DOE during fiscal years 2021-2022 through 2023-2024. We determined that the department failed to upload all required documentation into FACTS within established timeframes for 17 of the 60 sampled contracts. The department uploaded those 17 contracts from 3 to 111 days after the required timeframe. The specific contracts and upload dates are in the following tables.

Fiscal Year 2021-2022

Agency Contract ID	Contract Execution Date	Date Added to FACTS	Number of Days Late
23-585	6/23/2022	8/18/2022	26
SA-330	9/11/2021	10/21/2021	10
22-671	9/28/2021	11/23/2021	26
22-022	1/11/2022	2/28/2022	18
SA-332	9/28/2021	11/23/2021	26
21-921	7/27/2021	12/15/2021	111

Fiscal Year 2022-2023

Agency Contract ID	Contract Execution Date	Date Added to FACTS	Number of Days Late
23-100	9/30/2022	11/2/2022	3
SA-499	8/1/2022	9/14/2022	14

Fiscal Year 2023-2024

Agency Contract ID	Contract Execution Date	Date Added to FACTS	Number of Days Late
24-660	09/25/23	10/30/2023	5
99D-90560-4Q001	12/06/23	1/22/2024	17
852-94530-4Q002	12/12/23	1/15/2024	4
060-90560-4SH02	12/06/23	1/23/2024	18
25-555	06/26/24	7/30/2024	4
855-92240-4D001	12/07/23	1/15/2024	9
200-90560-4SH02	12/06/23	1/23/2024	18
370-90560-4SH01	12/06/23	1/23/2024	18
169-99241-4Q001	12/01/23	1/5/2024	5

During the course of the audit, we also identified an additional six contracts with the *Document Add Date* over the 30-calendar day posting requirement. However, DEL and Bureau of Contracts, Grants, and Procurement Management Services staff explained that the required information for those six contracts was uploaded within the required timeframe, and they were able to provide supporting documentation. They also indicated that, when editing or resubmitting the original contract document, FACTS will overwrite the *Document Add Date* data field resulting in the original posting date being adjusted to the later date. This is the entry date field visible to the public and causes timely uploaded contracts to appear that they were submitted late. We did not include those six contracts in the table above.

The Bureau of Contracts, Grants, and Procurement Management Services and DEL management indicated that workload issues contributed to the late entries of the 17 contracts identified above. Failure to enter all required contract information timely into FACTS hinders transparency for public consumption of Department procurement activities and leads to noncompliance with statutory requirements.

Recommendation

We recommend that the Bureau of Contracts, Grants, and Procurement Management Services and DEL management enter all required contract information into FACTS in accordance with statutory requirements.

Bureau of Contracts, Grants, and Procurement Management Services Management Response

Concur. The contracts office has already implemented corrective measures to ensure contracts are entered into FACTS in a timely manner. Staff will enter the statutorily required information into FACTS before executed contract documents are provided to the requestor. The contract administrator will monitor executed contracts for FACTS entry weekly. The Contracts Office considers this matter to be completed as of May 30, 2025. The grants office has already implemented corrective measures to ensure project grant awards are entered into FACTS in a timely manner. The grants office has initiated a dedicated email for staff to send documents ready for FACTS to the FACTS team. The FACTS team has a tracking sheet on entries that will be cross-referenced for verification. The Grants Office considers this matter to be completed as of May 30, 2025.

DEL Management Response

Concur. DEL will enter all executed contracts into FACTS within 7 business days of the contract execution date, and completed immediately as contracts are executed.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Bureau of Contracts, Grants, and Procurement Management Services and DEL 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 Global Internal Audit Standards, 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 Lauren Shepard and supervised by Bradley Rich, Audit Director.

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