

Department of Education
Office of Inspector General – Internal Audit
Six-Month Status Report on: Teachstone, Inc.
Report # A-2324DOE-012 Issued: January 17, 2025
Status as of July 17, 2025

Finding	Recommendation(s)	Previous Management Responses	Management Response as of July 17, 2025	Anticipated Completion Date & Contact
Significant variances existed between the number and type of services originally prescribed in the contract and the services actually provided and invoiced by Teachstone, Inc.; however, DEL did not authorize those budget changes in accordance with the contract.	We recommend that DEL authorize budget changes in accordance with contract terms. We further recommend that Teachstone, Inc. and DEL develop a system to track the inventory of purchased, but not yet shipped, training materials.	<p>Management Response as of January 17, 2025</p> <p>Concur. Budget changes will only be made after DEL review and approval and in accordance with the contract terms, including a formal contract amendment (as required). DEL has confirmed all the previous inventory held by Teachstone has been distributed to the Coalitions. DEL is establishing an inventory control process to ensure items purchased are accounted for, tracked, and approved for distribution BEFORE shipping to Coalitions. DEL will no longer pre-purchase materials and maintain an inventory with Teachstone. A DEL</p>	<p><i>Created an internal Inventory Tracking spreadsheet for materials that will be purchased and distributed to the ELCs by Teachstone.</i></p> <p><i>UPDATE as of 7/7/2025: Materials will be available for ELC to purchase through the Teachstone contract; however the pre-purchase is no longer allowable. We track all units used each month verifying the invoice submitted against the approved budget. Teachstone has shared their inventory tracking log and we shared that we have an internal inventory tacking as well.</i></p> <p><i>Budget Changes: as requested and approved by DEL, formal budget amendments and technical budget adjustments</i></p>	<p>July 2025</p> <p>Aimee Ashley</p>

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		Government Operations Consultant III is responsible for implementing these corrective actions with an anticipated completion by December 31, 2024.	<p><i>(TBA) are allowable. The Teachstone contract has the TBA allowance language in their contract.</i></p> <p><i>A formal budget amendment is used when the total budget for the contract changes (either reduced or increased) and if new items are being added to the budget. A TBA is used if moving monies between line items in the budget, no new line items are being added to the budget, and the total contract amount does not change.</i></p>	
Teachstone, Inc. did not maintain certification documents for their trainers in accordance with contract terms.	We recommend that DEL include a review of trainer certification documents in their monitoring activities to ensure compliance with contract terms.	Concur. DEL will add the review of trainer certifications to the monitoring tool/plan for the Teachstone contract to ensure compliance with contract	<i>DEL has added to the DEL Monitoring Tool the review of all Teachstone contractor certified trainers with resumes and certification documents (section 2.2 in the contract).</i>	<p>July 15, 2025</p> <p>Aimee Ashley</p>

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		terms. The DEL Contract Manager is responsible for implementing this corrective action with an anticipated completion by December 31, 2024.	<i>UPDATE as of 7/1/2025: The DEL monitoring tool for Teachstone has been revised to add monitoring of the contractor-certified trainers with resumes and certification documents.</i>	
DEL did not effectively monitor Contract 24-L17.	We recommend DEL conduct monitoring in accordance with the risk assessment and create a formal monitoring plan to document the steps for conducting and completing monitoring activities. We also recommend that DEL draft a monitoring report at the conclusion of the monitoring engagement that includes any noted deficiencies and	Concur. DEL will conduct monitoring in accordance with the risk assessment and create a formal monitoring plan to document the steps for conducting and completing monitoring activities. DEL will draft a monitoring report at the conclusion of the monitoring engagement that includes any noted observations, deficiencies, and recommendations for correcting those deficiencies.	<i>DEL will conduct monitoring of Teachstone’s contract in accordance with the risk assessment and create a formal monitoring plan to document the steps for conducting and completing monitoring activities. At the conclusion, a monitoring report will be created and will include any findings and recommendations for correcting those findings. The report will be sent to the subrecipient and followed-up</i>	January 31, 2026 Aimee Ashley

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	recommendations for correcting those deficiencies. DEL should transmit the report to the subrecipient and follow up on the status of the corrective actions until the subrecipient completes all recommended corrective actions.	DEL will transmit the report to the subrecipient and follow up on the status of the corrective actions until the subrecipient completes all recommended corrective actions. The Contract Manager is responsible for implementing this corrective action with an anticipated completion by March 1, 2025.	<p><i>on the status of the corrective action(s) until completed.</i></p> <p><i>UPDATE as of 7/1/2025: In the DEL Monitoring Tool Programmatic Requirement section for the Teachstone contract, we included a requirement to monitor and review the list of all Contractor-certified trainers with resumes and certification documents (section 2.2 in the contract). We anticipate completing the monitoring of the Teachstone contract by 1/31/26. With the monitoring completion a FINAL monitoring report will be sent to Teachstone including the summary and any findings or recommendations.</i></p>	

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Significant variances existed between the number and type of services originally prescribed in the contract and the services actually provided and invoiced by Teachstone, Inc.; however, DEL did not authorize those budget changes in accordance with the contract.	We recommend Teachstone, Inc. seek prior written approval from DEL in accordance with contract terms before deviating from the approved contract budget. We further recommend that Teachstone, Inc. and DEL develop a system to track the inventory of purchased, but not yet shipped, training materials.	Management Response as of January 17, 2025 Concur. Teachstone has worked closely with DEL to identify unit changes that fall within contract guidelines, by submitting email requests to ensure such changes are provided with written communication. As such, Teachstone remains committed to adhering strictly to the contracted services and quantities and will not deviate from these terms without obtaining prior written approval from DEL, as outlined in the contract. To ensure clarity and alignment, Teachstone will collaborate with DEL to define and formalize the specific terms of this written approval process. Teachstone maintains a detailed inventory document which is shared with DEL to track materials	Teachstone has established a Change Request Log to track technical amendments that do not require formal contract modifications. This log ensures clear documentation of requested changes, including submission dates, approval status, and related communications, reinforcing transparency and alignment with contract expectations. Alongside this effort, Teachstone continues to collaborate with DEL on a shared inventory document to monitor the	<i>Completed</i>

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		<p>purchased and the allocation of materials to coalitions. Once the allocations have been determined by DEL, Teachstone ships the materials in accordance with that document, and Teachstone records shipment details within that document. This process and document were established collaboratively by Teachstone and DEL and are reviewed and discussed at the start of each contract period to ensure clarity and alignment. To reinforce this collaboration, Teachstone will review the inventory document and associated processes with DEL to ensure both parties remain aligned and the process continues to meet contract objectives. The Teachstone, Inc. Senior Client Success Manager and Senior Director are responsible for implementing these corrective</p>	<p>shipment and allocation of materials. This document reflects DEL-approved allocations and is updated regularly as shipments are completed, ensuring both accuracy and visibility.</p> <p>Together, these tools support a strong compliance framework and demonstrate our ongoing commitment to accountability and partnership with DEL.</p>	

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		actions with an anticipated completion by January 30, 2025.		
Teachstone, Inc. did not maintain certification documents for their trainers in accordance with contract terms.	We recommend that Teachstone, Inc. ensure all trainer certification documents are maintained in accordance with contract terms.	Concur. Teachstone is committed to ensuring that all trainers, observers, and coaches meet the recommended qualifications necessary to deliver high-quality services to our clients. To uphold this commitment, Teachstone will continue to review and verify resumes and transcripts during the recruitment and interview process. Moving forward, these documents, along with all CLASS certification records, will be securely stored in a centralized location upon hire. Additionally, all missing documentation for current Professional Services staff and consultants will be collected and filed no later than February 15, 2025. Upon request, Teachstone will provide the Department of Early Learning (DEL) with the	Teachstone is committed to ensuring that all trainers, observers, online facilitators and coaches meet the qualifications necessary to deliver high-quality services to our clients. To uphold this commitment, Teachstone has built a process to collect and securely store resumes and transcripts from all current employees and new hires, at the time of hire. Upon request, Teachstone will provide the Department of Early Learning (DEL) with the required documents	<i>Completed</i>

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		required documents within fifteen business days. The Vice President, Services and Vice President, People Operations are responsible for implementing this corrective action with an anticipated completion by February 15, 2025.	<p>within fifteen business days.</p> <p>Since the audit, Teachstone has not hired any new trainers to work on the Florida DEL contract.</p>	