



Office of Inspector General

Family Café Cooperative Agreement with Bureau of Exceptional Education and Student Services

Report #A-2021DOE-018

July 2021

Executive Summary

In accordance with the Department of Education's fiscal year (FY) 2020-2021 audit plan, the Office of Inspector General (OIG) conducted an audit of the agreements between the Bureau of Exceptional Education and Student Services (BEESS) and The Family Café (Cooperation, Advocacy, Friendship, and Empowerment), Inc. The purpose of this audit was to determine if BEESS effectively manages and monitors the agreements; the Family Café achieves its performance targets and deliverables in accordance with the agreements; and payments and expenditures made through the agreement are made in accordance with terms and applicable laws, rules, and regulations.

During this audit we noted that, in general, BEESS monitored the agreement and The Family Café met the majority of the deliverable targets. However, there were instances where improvements could be made to strengthen controls. For example, we cited The Family Café did not submit, nor did BEESS require, a modified budget narrative for changes to the project budget for agreement #37F-90745-9Q001. We also noted that The Family Café submitted, and the department paid for, vague invoices and invoices without adequate documentation. Finally, we determined The Family Café did not achieve one deliverable in FY 2018-2019 related to providing scholarships to conference attendees and could improve the tracking of the conference scholarship awards.

We further reviewed internal controls surrounding the awarding of contracts in which The Family Café staff or board members have an interest. In the case of the Audio/Visual contracts, we confirmed that The Family Café obtained quotes from other vendors and awarded the contract to the lowest vendor, who was also the son of The Family Café CEO¹. However, the Family Café did not obtain quotes for services provided by two additional family members of the CEO. See Finding 2. None of the three agreements required board approval. We noted that the bylaws in effect during the scope of the audit did not include a conflict of interest clause. The bylaws were amended on February 26, 2021, to include Article XI, Conflict of Interest, stating that no board member shall be interested, directly or indirectly, in any contract executed by the corporation, unless such contract is authorized by at least two-thirds of the non-interested board

¹ Per the Family Café bylaws, The Family Café CEO is additionally the President and a lifetime board member.

members and the fact and nature of such interest is fully disclosed at the board meeting during which such contract shall be authorized.

Scope, Objectives, and Methodology

The scope of this audit included an examination of the agreements between BEESS and The Family Café, Inc., from July 1, 2018, through August 31, 2020. Our objectives for the audit included:

1. Determining whether BEESS effectively manages and monitors the agreements for compliance;
2. Determining whether The Family Café achieves performance targets and deliverables in accordance with the agreement terms;
3. Determining whether payments and expenditures are made in accordance with agreement terms and applicable laws, rules, and regulations.

To accomplish our objectives we reviewed applicable laws, rules, and regulations; interviewed appropriate department and contractor staff; reviewed policies, procedures, and related documentation; and evaluated achievement of deliverables and program expenditures through invoices, supporting documentation, and checks.

Background

The Bureau of Exceptional Education and Student Services (BEESS) contracts with The Family Café to provide support for an annual statewide conference for persons with disabilities or special health care needs and their families. The program expectations are that “The Family Café will provide individuals with disabilities and their families with an opportunity for education, collaboration, advocacy, friendship, and empowerment by servicing as a facilitator of communication, a space for dialogue and a source of information.” The target population is Pre-kindergarten through 12th grade students; at risk students; exceptional students with disabilities; families; and parents.

In Fiscal Year 2018-2019, the Family CAFÉ received funding through two cooperative agreements to include \$150,000 in Individuals with Disabilities Education Act (IDEA), Part B funds (Agreement # 37F-2629B-9P001) and \$500,000 of state funds through the General Appropriations Act of the Florida Legislature (Agreement # 37F-90745-9Q001). In Fiscal Year 2019-2020, the Family CAFÉ received funding through two cooperative agreements, to include \$156,455 in IDEA, Part B funds (Agreement# 37F-2620B-0P001) and \$900,000 of state funds through the General Appropriations Act of the Florida Legislature (Agreement # 37F-90745-0Q001). These agreements covered salary expenses, administrative expenses, and expenses related to the annual event including but not limited to marketing, information dissemination, speakers, scholarships, printed program materials, sessions, and client satisfaction surveys for event attendees. Due to the COVID-19 pandemic, the 2020 Annual Family Café conference was moved to a virtual event.

As part of the state funded agreement, The Family Café is required to submit quarterly return on investment program activities reports to BEESS. The return on investment reports describe programmatic results that should be consistent with the expected outcomes, tasks, objectives, and details in the executed agreement. The current process for the BEESS program office is to review applications, award projects, and review budget amendments. BEESS does not process invoice payments for The Family Café. The Family Café submits invoices for payment to the department's Office of the Comptroller. The Office of the Comptroller approves all interim and final DOE 399 forms in which the fiscal agent certifies that all of the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the project award.

The fiscal method for The Family Café is Reimbursement with Performance, in which payment is rendered upon submission of documented allowable disbursements in addition to documentation of completion for specified performance objectives.

Audit Results

Finding 1: The Family Café did not submit, nor did BEESS require, a modified budget narrative for changes to the project budget for agreement #37F-90745-9Q001.

Per Agreement #37F-90745-9Q001, VII, B., "Project Budget: Changes to the budget that do not impact total agreement amount will not require formal amendment, however, the Provider must request all changes to the project budget in writing, along with a modified Budget Narrative Form (DOE 101) and a written justification outlining the need for the change. The requested change must be approved in writing by the department. Changes that impact (increase/decrease) the total annual project amount will be reduced to writing and duly signed by each of the parties hereto, and attached to the original agreement.

Using the Final Project Disbursement Report, we compared the descriptions of disbursement budget amounts to the total disbursements by the end of the fiscal year for Agreement #37F-90745-9Q001 (Amount: \$500,000). We noted that budgeted amounts and final disbursements varied widely. Examples include:

- **Printing and Postage** - \$50,000 budgeted and \$99,895.19 disbursed;
- **Pre Conference Training** - \$30,000 budgeted and \$22,250 disbursed;
- **Contractual Services: Scholarship Expense** - \$230,000 budgeted and \$208,983.19 disbursed.

While The Family Café provided justifications for the variation from budget amounts to actual disbursement amounts during the course of the audit, they did not submit, nor did BEESS require, written justifications or modified DOE 101 Forms during the fiscal year (FY) 2018-2019 agreement period. Consequently, the changes to the budget did not receive approval in writing by the department as required in the agreement.

Substantial shifts in program resources occurred in FY 2019-2020 due to the COVID-19 pandemic, resulting in a budget amendment and requiring the development of a virtual conference. To develop the virtual conference, The Family Café shifted \$377,000.00 of the

\$900,000.00 agreement to other budget categories. Although The Family Café submitted project amendments and written justifications, the Final Project Disbursement Report (DOE 399) still reflected wide variances between budgeted amounts and actual disbursements. For example, contractual services for the planning and hosting of the annual event was budgeted at \$161,941.00 after the amendment; however, the final disbursement was \$215,766.68. Also, contractual services for a consultant was budgeted at \$106,000, with final disbursements of \$154,372.55. Per The Family Café, “Given the fact that the contingencies of a virtual event were largely unknown, and the fact that the event occurred in the final month of the fiscal year, it seems there would not be sufficient time to submit and get approval for an additional amendment to better reflect the real costs of the virtual event.”

We identified a lack of coordination between BEESS and the Office of the Comptroller relating to The Family Café invoices and project disbursement reports (DOE 399). As a result, the BEESS office did not request nor receive the interim and final disbursement forms and was unaware of the need for a modified Budget Narrative Form (DOE 101). Per The Family Café staff, they were unaware of a need to submit requests for changes to the project budget when the total project amount and planned deliverables do not change, but actual expenses depart from budget projections. Family Café additionally stated the nature of the Café as a large training event hosted at a third party hotel makes it difficult to adhere to all budget amounts and deliverables.

Lack of the required modified Budget Narrative Form (DOE 101) and a written justification outlining the need for budget changes hinders the department’s ability to ensure funds are used in the manner approved by the department, and allows the contractor to significantly redistribute resources late in the fiscal year, rendering budget estimates and allocation schedules less useful.

Recommendation

We recommend that BEESS request and review The Family Café interim and final disbursement reports throughout the agreement period and ensure modified narrative forms are required as necessary in accordance with agreement terms. We additionally recommend BEESS consider clarifying the agreement language and include a percentage variation, or a combination of a percentage variation and dollar threshold per budget line, that would trigger the requirement for the modified budget form and justification as appropriate based on the funding source. We recommend the Family Café submit a modified Budget Narrative Form (DOE 101) and a written justification for all changes to the project budget in accordance with agreement terms.

BEESS Management Response

As of March 21, 2021, the Bureau of Exceptional Student Education² (BESE) program office has conducted an interim disbursement report for Quarters 1-3 billing periods ranging from August of 2020 to March of 2021. Additionally, the BESE program office has met internally and collaboratively with the Comptroller’s Office on May 20, 2021, May 28, 2021 and June 2, 2021 to establish an additional review process for payment requests and amendments submitted by

² Formerly known as the Bureau of Exceptional Education and Student Services (BEES).

The Family Café and ensure a comprehensive review is conducted prior to processing and approval of future payments effective immediately.

The BESE program office has reviewed and will revise the 2021-22 contract agreement language to align with the Office of Inspector General's recommendations i.e. the addition of language to include the requirement of a modified budget narrative form and written justification for line item variations that exceed 1%.

The Family Café Management Response

While The Family Café agrees that the project did not submit a modified budget narrative, also known as an amendment, it should be noted that BEESS did not provide any guidance as to what percentage or amount of deviation from the original budget would trigger the need for such a modification or amendment, nor does the relevant Cooperative Agreement stipulate what conditions would necessitate such a modification or amendment. The project makes the greatest possible effort to meet all deliverables and expend funding as allocated. Real costs can vary in relationship to budgeted costs due to a variety of factors beyond the project's control. As the project was implemented in the manner promised, the idea of submitting an amendment was not considered, nor was the project offered guidance on what degree of variation from the initial budget would make an amendment necessary. The project is not aware of any DOE guidance regarding the necessity to submit an amendment when budget line items and planned deliverables do not change, but actual expense departs from budget projections. Furthermore, the nature of The Annual Family Café as a large-scale training event hosted at a third-party hotel makes it difficult to adhere precisely to all budget amounts and deliverables. Factors including unforeseen scholarship funding from non-DOE sources, hotel space availability, and decisions by individual families on whether or not to attend can make it difficult for the actual event to entirely match the planned structure in terms of exact budget amounts and deliverable units. While one remedy may be to amend the budget and deliverables, that may be impossible as every circumstance cannot be foreseen, and changes can occur mere days before the event itself. In other words, it is not possible to submit an accurate amendment when the real cost is not yet known. That said, The Family Café makes a good faith effort to implement the event as described in its initial application and uses DOE funding solely in support of the activities and purposes outlined in the project's application narrative, and the project welcomes further guidance as to what circumstances would necessitate a formal modification or amendment.

Finding 2: The Family Café submitted, and the department approved and paid for, vague invoices and invoices without adequate documentation.

The fiscal method for Family Café is reimbursement with performance, in which payment is rendered upon submission of documented allowable disbursements in addition to documentation of completion for specified performance objectives. Per the agreement, the BEESS project liaison and project manager should verify that the project's expenditures are allowable and performance objectives are progressing in a satisfactory manner, consistent with the project narrative and performance targets.

Further, the FDOE Greenbook, Section C, Fiscal and Programmatic Accountability prescribes that all disbursements must be supported by adequate documentation including, but not limited to, invoices, receipts, payrolls, contracts, time and attendance records, and paid checks. We determined Family Café submitted, and the department approved and paid for, vague invoices and invoices without adequate documentation. We additionally determined BEESS did not receive the invoices submitted to the department; therefore, they did not verify that the project's expenditures were allowable and consistent with the project narrative and performance targets.

Vague Invoices

As part of our review of the submitted invoices, we identified several invoices that lacked sufficient details. We requested clarification for several invoices from vendor Paul Sanczel for printed educational materials submitted by The Family Café for payment during the 2018-2019 and 2019-2020 agreements. See Table 1 below.

Table 1
Invoices 2018-2019 and 2019-2020:

Family Café Invoice Number	Vendor	Invoice Date	Amount	Description
8-1-2155	Paul Sanczel	3/10/2019	\$17,580.00	Printed Materials for 21st Annual Family Café June 7-9 2019
B529F12	Paul Sanczel	4/2/2019	\$ 1,255.00	Printed Materials
B529F12	Paul Sanczel	5/2/2019	\$ 1,500.00	Printed Materials
B529F12	Paul Sanczel	5/16/2019	\$ 3,543.00	Printed Materials
B529F12	Paul Sanczel	5/28/2019	\$ 206.16	Printed Materials
Total 2018-2019			\$24,084.16	
20200231	Paul Sanczel	11/20/2019	\$ 2,200.00	Annual Family Café Educational Materials. Project - Jar Scrapers
20200231	Paul Sanczel	2/6/2020	\$ 1,939.00	Printed Materials and Freight
20200231	Paul Sanczel	2/16/2020	\$21,000.00	Printed Materials
20200231	Paul Sanczel	2/16/2020	\$ 606.00	Printed Materials
20200247	Paul Sanczel	3/3/2020	\$ 610.00	Printed Materials
20200247	Paul Sanczel	4/28/2020	\$ 7,056.00	Educational Printed Materials
20200261	Paul Sanczel	7/14/2020	\$ 100.00	FYC Educational Materials
Total 2019-2020			\$33,511.00	
Total for 2018/2019 and 2019/2020			\$57,595.16	

The Family Café responded that Paul Sanczel was the sole proprietor and business owner of The Warehouse and passed away in September 2020. The business is no longer in operation and was not transferred; therefore, detailed invoices are not available. Although The Family Café provided a list of the items produced, since the invoices lack specific criteria to demonstrate that all costs associated with the invoices were allowable, we determined the expenditures in these invoices to be questioned costs. Per The Family Café, they previously received guidance from the department to the effect that the type of detail currently sought in the context of this audit

was unnecessary. However, they could not produce written documentation of this guidance when requested.

The department's Project Application and Amendment Procedures for Federal and State Programs (Green Book) states. "The recipient will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organization conflict of interest or personal gain." Upon further inquiry, The Family Café confirmed Paul Sanczel was a relative of The Family Café CEO and had received financial compensation for providing educational materials and related services as a vendor for years. The Family Café further confirmed they did not have a contract with Paul Sanczel and had not received quotes from other vendors for the services rendered. We noted the IRS Form 990 disclosure submitted by The Family Café does not include a reference to Paul Sanczel under Part IV, Business Transactions Involving Interested Persons.

Sanczel Designs provided an invoice in the amount of \$8,200.00 to The Family Café dated May 15, 2019. The invoice contained a 20% rush charge in the amount of \$700.00. The Family Café confirmed that one of the owners of Sanczel Designs is also a relative of The Family Café CEO. The Family Café did not receive quotes from other vendors for the services rendered for this invoice either. Per The Family Café, Sanczel Designs became a vendor in FY 2018-2019 when the previous graphic designer left the job two weeks before they were to go to print. None of the invoices referenced above from the two relatives of the CEO required review or approval by The Family Café Board.

Invoice Lacking Supporting Documentation

The Family Café submitted Invoice #20200260, dated August 31, 2020, for \$215,766.68 that lacked supporting documentation. The description of the invoice stated "Contractual Services – Annual Family Café Planning and Hosting: Cost to plan and host disability education, training, and leadership event." Due to the lack of an itemized breakdown of the expense and specific invoices to demonstrate that all costs associated with the invoice were allowable or appropriately spent, we determined this expenditure to be a questioned cost.

Per Agreement #37F-90745-0Q001, Amendment #2, Family Café requested an increase to the category: *Contractual Services – Annual Family Café Planning and Hosting: Cost to plan and host disability education, training and leadership event* by \$161,941.00. The justification stated, "Costs related to this line item include navigating and managing the entire Annual Family Café planning cycle, developing a comprehensive event strategy, re-inventing/streamlining the planning process from a face-to-face to an online process, facilitating the participation of breakout session presenters and keynote speakers, managing technology needs across multiple sites and platform to facilitate live streaming, designing and managing communications with attendees, developing and disseminating promotional communications to encourage participation, collecting and analyzing attendee feedback to improve future events, facilitating the participation of exhibitors and self-advocate owned and operated micro-enterprises, and continual process improvement to ensure that the project meets the information, resource, and networking needs of individuals with disabilities and their families." The amendment and requested increase was approved by BEESS.

Per The Family Café, this invoice was submitted in accordance with instructions from the department to compensate The Family Café for planning and hosting a disability education, training, and leadership event, The Annual Family Café. The Family Café provided a chain of emails between the Office of the Comptroller and The Family Café. The emails reflected that the Office of Comptroller requested supporting documentation for the invoice in September 2020, and again in April 2021, during the course of the audit. In April 2021, the Office of the Comptroller staff requested proof of payment and an invoice. They stated they had marked the invoice as “ok” on the spreadsheet but could not recall why they marked it in that manner. The Family Café staff responded that they were instructed to submit the invoice that way by BEESS in accordance with their amendment, and there was no itemized breakdown of the expense. Absent any specific evidence as to how monies for this invoice were spent prevents the department from ensuring that the monies were spent appropriately and benefited the target population.

Although The Family Café submits invoices and receipts for program expenditures to the Office of the Comptroller, these documents are not sent to the BEESS program office. Therefore, we determined the BEESS project liaison conducting programmatic oversight of contract deliverables is hindered from appropriately monitoring relevant fiscal information during the course of annual monitoring. Lack of communication and coordination between BEESS and the Office of the Comptroller raises the risk of approving and paying for vague invoices, which could result in payment for unallowable expenditures. Submittal of vague invoices or invoices without adequate supporting documentation also hinders the department’s ability to ensure expenditures are allowable and align with the program’s purpose.

Recommendation

We recommend that BEESS request and review invoices submitted by The Family Café during the agreement term to ensure invoices are appropriately detailed and align with the approved budget narrative. We recommend BEESS review these invoices when conducting programmatic monitoring. We further recommend BEESS add a conflict of interest statement in their grant language that requires disclosure of conflicts of interest and additional safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of, a personal or organizational conflict of interest or personal gain.

We recommend The Family Café include details in the submitted invoices to adequately depict the services billed and ensure all supporting documentation accompanies invoices submitted for payment. Finally, we recommend all decisions related to expenditure approvals between The Family Café, Office of the Comptroller, and BEESS be documented in writing.

BEESS Management Response

In collaboration with the Office of the Comptroller, the BESE program office has revised the review and approval process for payments to include an additional step that requires the thorough review and approval by the designated project liaison, the program office, BESE senior leadership and the Office of the Comptroller prior to final approval of the requested payments.

The revised review process includes, but is not limited to, requesting clarification in writing from the project, additional written justification of how the requests for payment allowed the project to meet their required deliverables, how the requests for payment aligned with the project’s scope of work, product samples i.e. flyers, website postings, newsletters, brochures etc., additional source documentation and itemized receipts that explicitly state quantities and costs per item for each requested payment rather than previously approved vague language and generic summaries.

The revised review process is effective March 3, 2021, and has been implemented for the quarters 1-3 billing period of the 2020-2021 FY.

Additionally, the BESE program office has added contractual language to include a conflict of interest statement in the 2021-2022 Family Café request for application (RFA). The statement will require The Family Café to provide disclosure of potential or actual conflicts of interest. The provision of additional safeguards has been included within the RFA to prohibit Family Café’ employees from using their positions in a way that may constitute or present the appearance of any personal or organizational gains.

The Family Café Management Response

The project agrees that a number of invoices submitted in the years subject to audit did not meet the standard for detail and clarity currently being applied by the Department. It should be noted, however, that the project had previously received guidance from DOE to the effect that the type of detail being sought in the context of the current audit was unnecessary, and that varied materials produced could be listed as “printed materials” or “educational materials” for invoicing purposes. Going forward, the project is willing and able to provide invoices with the type of detail and supporting documentation being sought by the Department.

Finding 3: The Family Café did not achieve one deliverable in fiscal year 2018-2019 related to providing scholarships to conference attendees, and could improve the tracking of conference scholarship awards.

Per agreement #37F-90745-9Q001, failure to complete or achieve performance targets for a deliverable will result in payment reduction in accordance with the cost per unit of deliverables, as stated in the award. The BEESS project liaison shall periodically review the progress made on the deliverables approved in the award.

As part of the agreement, The Family Café submits a DOE 101 Budget Narrative Form (Budget Description Form) and a Project Performance Accountability Form (Schedule of Deliverables). The agreement #37F-90745-9Q001 budget description form included the following categories and performance targets:

9999	6210	Board, Florida Youth Council Staff, and Keynote Travel: Cost of lodging for 30 people, including Board members, Florida Youth Council members, keynote speakers, and staff at The Annual Family Cafe, as well as travel costs for keynote speakers.	\$30,000.00
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9999	7065	Contractual Services - Scholarship Expense: Cost to support 850 families to attend The Annual Family Café to include hotel room nights and daily parking fees as applicable.	\$ 230,000.00
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The Board, Florida Youth Council Staff, and Keynote Travel accounted for 6% and the Contractual Services - Scholarship Expense accounted for 46% of the total Project #37F-90745-9Q001 budget of \$500,000.00. The final DOE 399 reflected total disbursements of \$892.44 for the Board, Florida Youth Council (FYC), The Family Café staff, and keynote speaker travel and \$208,983.19 for the scholarship expenses. We noted the Family Café received \$500,000 for the full contract as reflected in the 399 Final Disbursement Report, which indicates the Family Café moved the undisbursed balance from these areas to other budget categories and was not penalized for not meeting the deliverable. As stated in Finding 1, The Family Café did not submit a revised DOE 101 reflecting these changes, BEESS did not require a revised DOE 101, and BEESS did not approve the changes. We additionally noted the schedule of deliverables reflected the cost per unit for the Contractual Services: Scholarship Expense deliverable as \$230,000.00, which would penalize The Family Café the full amount of the category if a payment reduction were to be applied.

The \$892.44 for the Board, FYC, The Family Café staff, and keynote speaker travel expenses consisted of 4 payments: airfare payments for 2, associated agent fees, and a shuttle for keynote speakers. We requested an explanation for the \$208,983.19 invoice billed to DOE for the scholarship expense. Per The Family Café, “The original amount invoiced for rooms (including tax) was \$275,218.35. We deducted the Occupancy tax (\$14,526.64) and the rooms paid for by sponsors (\$33,822.00) as well as the sales tax for the whole bill since it was not broken out by line item in the original invoice (\$15,734.07). This left \$211,135.64. The remaining difference is accounted for by incidentals we did not invoice DOE for in the amount of \$2,152.45.”

The Family Café provided hotel records displaying the names of individuals and families who received lodging at the hotel for the conference. The hotel list reflected 808 rooms were occupied for the event. The Family Café additionally provided details for rooms and scholarships paid for by funding sources other than the department. Per The Family Café, the Agency for Persons with Disabilities paid for 53 rooms and WellCare paid for 48 rooms. We removed those 101 rooms from the 808 total rooms listed in the hotel records, leaving 707 rooms paid for by the department. We noted the 707 rooms included 39 rooms for The Family Café staff, its Board of Directors, and Youth Council Members.

The Family Café additionally provided a list of 823 individuals who were selected to receive a scholarship through the lottery as part of the scholarship budget item. We compared a sample of 151 individuals on the scholarship list to the hotel records and identified 35 recipients who were not listed on hotel records (23%). Per the Family Café staff, some families selected for the scholarship choose to not attend the event. In the event of cancellations, The Family Café will contact families on the waiting list that were not selected through the lottery to offer them a

scholarship room. This practice occurs prior to and at the event. Given the project's limited staff, the size of the event, and the ongoing ad hoc nature of the process it can be difficult to track the use of scholarship funding. The Family Café does not notate which families do not attend the event, nor which families replace those not attending.

By not achieving the deliverable, The Family Café may not provide information, training, and resources to the greatest number of families possible. As this was The Family Café's largest expenditure item in fiscal year 2018-2019, it represented the most critical outcome deliverable. In addition, insufficient documentation demonstrating which lottery recipients utilized hotel rooms, which families did not attend, or which families replaced non-attendees, hinders the department's ability to ensure The Family Café is submitting appropriate invoices to the department for payment. We additionally noted that BEESS requested the hotel invoice while reviewing the quarterly reports, but they did not request the hotel records. Therefore, BEESS could not ensure achievement of the deliverable nor could they identify and potentially penalize The Family Café for not achieving the deliverable.

Recommendation

We recommend the BEESS project liaison enhance their monitoring of project deliverables by periodically ensuring a sufficient number of scholarship program families utilize the conference hotel. The monitoring should include a review and analysis of the list of families awarded the scholarships, the scholarship applications, and the hotel records demonstrating attendance. We also recommend BEESS ensure the cost per unit in the Schedule of Deliverables are proportionate to the deliverable in the event a payment reduction is required.

We recommend that The Family Café ensure achievement of the deliverable to support families attending The Annual Family Café. We additionally recommend The Family Café enhance their tracking mechanisms to better account for families and individuals awarded scholarships and utilizing the conference hotel while attending The Annual Family Café.

BEESS Management Response

The Program Office requested via email on June 4, 2021, that Family Café submit a list of the 2020-21 scholarship recipients (including name and contact information for recipients) in addition to the applications submitted to the project to match the roster. The email also requested a list of conference attendees, number of hotel rooms proposed for booking prior to the conference and the submission of the confirmed number of hotel rooms booked with a hotel invoice to accompany the roster no later than one week post the Family Café conference (on or before June 21, 2021).

The revised review process will be conducted to assess the accuracy of the submitted documentation and will be considered by the Program Office and Office of the Comptroller prior to approval and processing of any form of payment.

The Family Café Management Response

While the project agrees that the financial assistance scholarship deliverable was not met in the 2018-2019 contract year, a number of unique circumstances contributed to this. First, it must be recognized that the relationship between the initial list of Financial Assistance lottery recipients and the final hotel rooming list is complex. Some recipients may cancel, some recipients may fail to appear at check in, and some may have name changes due to the need to make reservations under the name of adult household members, while event registration may have been made under the name of a minor child or other household member. Some families may include more than four family members, and therefore require more than one room. In the event of cancellations, The Family Café contacts families on the waiting list that were not selected through the financial assistance lottery to offer them a scholarship room. This practice also occurs up to and at the event itself, with families being contacted on site to fill scholarship rooms when families do not appear at check in. Given the project's limited staff, the size of the event, and the ongoing, ad hoc nature of this process, it can be extremely difficult to track the use of scholarship funding. With specific reference to the 2018-2019 year, the host hotel sold a number of rooms that had been allocated to The Family Café room block without the project's knowledge or consent. As a result, there was not sufficient room space to accommodate the number of scholarship families called for in the DOE agreement. Additionally, two non-DOE entities contributed funding to provide accommodation to scholarship recipients. While these families cannot be counted against the DOE deliverable, their inclusion on the rooming list further limited the number of hotel rooms available on site. To remedy this situation and prevent it from occurring again, in 2021 the project contacted the host hotel and arranged to identify families that applied for financial assistance that were initially declined and subsequently attended at their own cost. A number of these non-awardee families were subsequently moved from the "self-pay" list to the financial assistance list. Doing so required the project to cross-reference the hotel billing folio with its internal financial assistance lottery list, with non-awardee families being moved from self-pay to financial assistance in lottery order until a sufficient number of families was included in the financial assistance list to meet the deliverable. Again, it should be noted that this process can be difficult and complex, as it relies on the willingness of a third party, the host hotel, to provide the project with the necessary information to identify qualified financial assistance applicants that attended at their own cost. Additionally, the project must rely on the willingness of the third party host hotel to provide sufficient room space to house the number of families called for in the deliverable.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Bureau of Exceptional Education and Student Services, the Office of the Comptroller, and The Family Café Inc., 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 International Standards for the Professional Practice of Internal Auditing, 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 James Russell and supervised by Tiffany Hurst, CIA, Deputy Inspector General.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at 850-245-0403. Copies of final reports may be viewed and downloaded via the internet at <https://www.fldoe.org/about-us/office-of-the-inspector-general/audit-reporting-products.stml>. Copies may also be requested by telephone at 850-245-0403, by fax at 850-245-9419, and in person or by mail at the Department of Education, Office of the Inspector General, 325 West Gaines Street, Suite 1201, Tallahassee, FL 32399.