

Department of Education
Office of the Inspector General – Internal Audit
Six Month Status Report on: Palm Beach Habilitation Center, Inc.
PROJECT # A-2223DOE-013 Issued: December 21, 2023
Status as of July 10, 2024

Finding	Recommendation(s)	Previous Management Responses	Management Response as of July 10, 2024	Anticipated Completion Date & Contact
<p>DVR did not provide effective oversight of the grant.</p>	<p>We recommend DVR conduct monitoring in accordance with the risk assessment and monitoring plan. Should DVR identify any deficiencies through its monitoring efforts, we recommend DVR promptly provide the monitoring results and recommendations for improvement to PBHC and ensure they complete corrective action on noted deficiencies. We recommend DVR include a review of expenditures incurred and the supporting documentation as part of their monitoring efforts to ensure expenditures are supported, allowable, allocable, reasonable, and necessary to the performance of the grant and align with the approved budget. We also recommend that DVR reconcile and verify all funds received against all funds expended in accordance with statutory requirements.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. According to evidence available at this time, it appears that the finding is valid. The contract manager will conduct monitoring in accordance with the risk assessment and monitoring plan. Deficiencies will be addressed and recommendations for improvement will be communicated to the grantee and follow-up on corrective actions will be performed. Review of expenditures and supporting documentation will be regularly reviewed for alignment with the approved budget. All funds paid will be verified and reconciled against expenditures in accordance with statutory requirements. Additionally,</p>	<p>DVR continues to provide effective oversight of the grant and will conduct official desktop monitoring during Spring 2025 (End of Q3), in accordance with the grantee’s agreement. The Contract Manager reviews all required documentation, such as quarterly expenditures and all supporting documentation to ensure that funds are being allocated according to the approved budget. Additionally, the Contract Manager continues to communicate any deficiencies in documentation, if any, with the grantee and</p>	<p>In Progress.</p> <p>Victoria Hill, Contract Administration and Management Unit Grant Manager (850) 245-3493 Monica Edwards, Bureau of Vendor and Contract Services Assistant Chief (850) 245-3344 Michael Newsome, Bureau of Vendor and Contract Services Chief (850) 245-3486 Terry Hoffman, Bureau of Compliance and</p>

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		<p>the Contract and Grants Management Unit is now fully staffed with new management and will be working towards identifying and correcting these deficiencies. The anticipated completion date is on-going through the end of the grant period, June 30, 2024.</p>	<p>provide opportunities for resubmission, as detailed in their agreement. Final invoice will be received 30 days after the end of the 4th Quarter.</p>	<p>Quality Assurance Chief (850) 245-3290 Victoria Gaitanis, DVR Acting Director (850) 245-3338</p>
<p>PBHC could not provide sufficient documentation to demonstrate that they achieved the required performance funding benchmarks on their quarterly invoices, but DVR paid the invoices despite the lack of supporting documentation.</p>	<p>We recommend DVR include a review of the AIEPs in their monitoring activities to ensure consistency and compliance with the grant terms and its performance measures and make the appropriate adjustments to performance funding when benchmarks are not achieved.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. According to evidence available at this time, it appears that the finding is valid. AIEPs and other supporting documentation will be reviewed to ensure consistency and compliance with the grant terms and performance measures. Performance funding will be adjusted when goals are not</p>	<p>The grantee has submitted sufficient documentation to demonstrate that the deliverables and task, according to their agreement, are being met. The grantee has submitted participant attendance reports, Benchmark Goal reports, Return on Investment reports and other documentation,</p>	<p>In Progress.</p> <p>Victoria Hill, Contract Administration and Management Unit Grant Manager (850) 245-3493 Monica Edwards, Bureau of Vendor and Contract Services Assistant Chief</p>

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		<p>met. The anticipated completion date is on-going through the end of the grant period, June 30, 2024.</p>	<p>which is reviewed to ensure the documents are consistent with the requirements of §§ 215.971, and 287.058(1)(d) and (e), Florida Statutes.</p>	<p>(850) 245-3344 Michael Newsome, Bureau of Vendor and Contracted Services Chief (850) 245-3486 Terry Hoffman, Bureau of Compliance and Quality Assurance Chief (850) 245-3290 Victoria Gaitanis, DVR Acting Director (850) 245-3338</p>

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<p>Neither DVR nor PBHC retained evidence of invoice submission dates to demonstrate that PBHC submitted invoices in accordance with grant terms and DVR inspected, approved, and paid those invoices in accordance with statutory requirements.</p>	<p>We recommend that DVR inspect, approve, and pay invoices in accordance with statutory requirements, and DVR should ensure that appropriate evidence is retained to demonstrate compliance.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. According to evidence available at this time, it appears that the finding is valid. Invoice tracking will be maintained to ensure compliance with the grant agreement terms. The anticipated completion date is on-going through the end of the grant period, June 30, 2024.</p>	<p>DVR continues to retain evidence of invoice submission dates to demonstrate that the grantee has submitted invoices in accordance with the agreement. The Contract Manager maintains a detailed tracking sheet for invoice document submission and continuously updates records to ensure grantee compliance.</p>	<p>Complete.</p> <p>Victoria Hill, Contract Administration and Management Unit Grant Manager (850) 245-3493 Monica Edwards, Bureau of Vendor and Contract Services Assistant Chief (850) 245-3344 Michael Newsome, Bureau of Vendor and Contract Services Chief (850) 245-3486 Terry Hoffman, Bureau of Compliance and</p>

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				Quality Assurance Chief (850) 245-3290 Victoria Gaitanis, DVR Acting Director (850) 245-3338
PBHC did not perform background screenings on all PBHC employees associated with the grant.	We recommend DVR include a review of service provider background screenings as part of their monitoring efforts to ensure they are being conducted in accordance with statutory requirements.	Management Response as of December 21, 2023 Concur. According to evidence available at this time, it appears that the finding is valid. Background screening results will be requested from the grantee upon execution of the grant agreement. However, the grant agreement states that documentation can be provided in the form of a list of employees. The anticipated completion date is on-going	The Contract Manager will request background screening results and verify it with the list PBHC submits that includes the employees working on the grant. This is done through the quarterly submission of the required document that details salary expenditures and the individuals working on the grant. The projected completion date is on-going through the end of	In Progress. Victoria Hill, Contract Administration and Management Unit Grant Manager (850) 245-3493 Monica Edwards, Bureau of Vendor and Contract Services Assistant Chief (850) 245-3344

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		through the end of the grant period, June 30, 2024.	the grant period, June 30, 2024.	Michael Newsome, Bureau of Vendor and Contracted Services Chief (850) 245-3486 Terry Hoffman, Bureau of Compliance and Quality Assurance Chief (850) 245-3290 Victoria Gaitanis, DVR Acting Director (850) 245-3338

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<p>PBHC could not provide sufficient documentation to demonstrate that they achieved the required performance funding benchmarks on their quarterly invoices, but DVR paid the invoices despite the lack of supporting documentation.</p>	<p>We recommend that PBHC ensure all benchmarks recorded in participant AIEPs are completed in accordance with grant terms. We further recommend that PBHC document and report progress towards benchmark achievement as outlined in the grant. If benchmark goals change through the course of the grant year, we recommend PBHC amend the AIEP to correlate with the new goals and clearly report progress towards the amended goals in the quarterly invoices.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. Participant’s AIEP’s will be reviewed by appropriate team members to ensure that all benchmarks recorded in the participant’s AIEP are completed in accordance with grant terms. Progress towards benchmarks achievement will also be documented and reported as outlined in the grant. Participant’s AIEP’s will be amended as needed to reflect changes in Participant’s goals and progress towards the amended goals. The anticipated completion date is April 1, 2024.</p>	<p>Since the initial response in December 2023, immediate measures have been taken to address the identified concerns in relation to client AIEP’s and the required information. Team members rendering services and responsible for the completion and monitoring of client’s AIEP’s are aware of the findings and course correction needed. Additionally, the recent change in leadership has allowed for the integration of a VP of Programs who is directly working with the program director. As a result of the recent changes, the VP of</p>	<p>In-progress. Anticipated completion date is December 31, 2024. Ruth Acosta-Flores</p>

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			<p>Programs along with the program director responsible for the oversight and implementation of the AWD contract have started a full review of program processes and controls. This is the first step in identifying the challenges that led to the findings noted. Currently the VP of programs and the program director are working on significant modifications to the process, which include improved documentation, integration of system processes, and controls to ensure accuracy and compliance.</p>	

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<p>PBHC could not provide documentation to support the employee salary expenditures they submitted on invoices to DVR. PBHC could not demonstrate that those employees actually worked with grant-funded participants nor how many hours those employees worked on grant related activities</p>	<p>We recommend PBHC enhance its procedures to ensure expenses funded through DVR’s grant are allowable and appropriately reflected by funding source in the general ledger and correlate to invoices submitted to DVR for payment for services rendered. We further recommend that PBHC retain employee timesheets and personnel activity reports, including a time worked allocation by funding source.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. During the audit period, PBHC used the services of a PEO company for its payroll. Now that PBHC is under the payroll of The Arc, we are able to code employee salary expenditures directly to a funding source using the ADP Workforce Now payroll system. This platform also allows for the transfer of payroll data directly into The Arc’s accounting software (Abila MIP) which is a fund accounting software. We can generate General Ledger reports by funding source. We also use electronic timecards in ADP so we can generate employee timecards/timesheets when</p>	<p>Expenses funded through the DVR grant are in accordance with the Budget Narrative Form 101S and are appropriately reflected by funding source in the general ledger and correlate to invoices submitted to DVR for payment. All team members funded through the DVR grant and 100% allocated to DVR. Per Form DOE 300 instructions, individuals allocated 100% do not require the submission of time sheets. We are however, able to generate timesheets for all team members funded through DVR.</p>	<p>In Progress. This is marked In Progress as the grant period has not ended; it ends June 30, 2024. Russell Greene</p>

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		needed. This matter is considered to be completed.		
<p>Neither DVR nor PBHC retained evidence of invoice submission dates to demonstrate that PBHC submitted invoices in accordance with grant terms and DVR inspected, approved, and paid those invoices in accordance with statutory requirements.</p>	<p>We recommend that PBHC submit invoices in accordance with grant terms, and ensure that appropriate evidence is retained to demonstrate compliance.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. PBHC will submit invoices in accordance with grant terms and will ensure appropriate evidence is retained to demonstrate compliance. All former team members who had access to ShareFile for invoice and report submissions are no longer with the agency. New team members will be assigned login credentials so that invoices and other reports/documents can be submitted timely. The anticipated completion date is January 1, 2024.</p>	<p>Invoices are submitted in accordance with grant terms and evidence is retained to demonstrate compliance.</p>	<p>In Progress. This is marked In Progress as the grant period has not ended; it ends June 30, 2024. Ruth Acosta-Flores</p>

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<p>PBHC did not perform background screenings on all PBHC employees associated with the grant.</p>	<p>We recommend PBHC conduct all employee background screenings in accordance with statutory requirements.</p>	<p>Management Response as of December 21, 2023</p> <p>Concur. PBHC will conduct all team members background screenings in accordance with statutory requirements, including but not limited to Level 2 screenings. This matter is considered to be completed.</p>	<p>Level II background screenings have been performed on all team members associated with the grant.</p>	<p>This has been completed as of April 4, 2024. Cynthia Juarbe</p>