



**AUDITOR GENERAL**  
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**VOLUNTARY PREKINDERGARTEN EDUCATION PROGRAM**  
**ADMINISTERED BY**  
**THE AGENCY FOR WORKFORCE INNOVATION**  
Operational Audit

July 1, 2005, Through February 28, 2007,  
And Selected Actions Taken Through February 2008

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**OBJECTIVES, SCOPE, AND METHODOLOGY**

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This operational audit primarily focused on selected operational aspects of the Voluntary Prekindergarten Education (VPK) Program as administered by the Agency for Workforce Innovation (AWI). Our objectives were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.

Our audit included examinations of various VPK Program transactions (as well as events and conditions) occurring during the period July 2005 through February 2007, and selected AWI actions taken through February 2008.

This operational audit was conducted in accordance with applicable Generally Accepted Government Auditing Standards. In conducting our audit, we:

- Interviewed AWI and early learning coalition personnel.
- Obtained an understanding of internal controls and observed, documented, and tested key processes and procedures related to the operation of the VPK Program.
- Evaluated the effectiveness of the policies and procedures established by AWI for:
  - Monitoring the activities of early learning coalitions and VPK providers in accordance with State law applicable to the VPK Program.
  - Determining client eligibility and enrollment in accordance with State law applicable to the VPK Program.
  - Determining eligibility of VPK providers in accordance with State law applicable to the VPK Program.
  - Making payments to early learning coalitions in accordance with State law applicable to the VPK Program.
  - Ensuring VPK provider compliance with applicable laws, rules, and contractual agreements.
- Determined whether the early learning coalitions maintained documentation supporting payments to VPK providers in accordance with applicable laws, rules, contractual agreements, and policies and procedures.

This operational audit also included a follow-up of the prior audit findings disclosed in audit report No. 2006-027 related to the AWI procurement process for commodities and contractual services and other administrative matters. We determined that AWI staff adequately implemented the recommendations made in that report.

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**SUMMARY**

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**AWI State-Level VPK Program Administration**

**Finding No. 1:** AWI should enhance procedures to promote the accuracy and completeness of the VPK Program data maintained in the Enhanced Field System (EFS).

**Finding No. 2:** AWI should continue to provide technical assistance to the coalitions regarding the establishment of VPK provider calendars in EFS. Such assistance is needed to ensure that the calendars contain the required number of instructional hours and that VPK provider payments are properly made.

**Finding No. 3:** AWI should adopt procedures that require monthly reconciliations of the EFS and AWI financial records. To ensure the accuracy of the financial records, any differences noted during the reconciliation process should be timely investigated and resolved.

**AWI Procedures for Coalition and School District VPK Program Administration**

**Finding No. 4:** AWI should develop procedures requiring that all VPK records be promptly and securely returned by the provider to the coalition should the provider's contract be terminated for any reason.

**Finding No. 5:** As required by VPK law, AWI should prescribe a provider profile format for coalition use and ensure that statutorily required information is included in the profiles and that the profiles are timely provided to parents.

**Finding No. 6:** AWI should take appropriate actions to ensure that coalitions timely obtain and properly retain the required parental certification naming the selected provider and directing that payments be made to that provider.

**Finding No. 7:** AWI should establish procedures to assist coalitions in the verification of provider eligibility. In addition, AWI procedures should require that the coalitions document the provider's eligibility before the provider is allowed to deliver VPK Program services.

**Finding No. 8:** To ensure that VPK providers are timely informed of their eligibility status in advance of their planned VPK start dates, AWI should require that coalitions adopt internal processing benchmarks that establish the timeframes within which the steps in the VPK provider application review process must be completed.

**Finding No. 9:** AWI, in consultation with the Department of Education (DOE) and the Department of Children and Family Services (DCFS), should establish procedures and provide technical assistance to the coalitions regarding acceptable documentation for and review of private provider VPK instructor eligibility.

**Finding No. 10:** AWI, in consultation with DOE, should provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented.

**Finding No. 11:** AWI, in consultation with DCFS and DOE, should develop procedures and provide technical assistance to coalitions regarding timely verification of private VPK provider licenses or accreditations.

**Finding No. 12:** To provide AWI and the coalitions with the guidance necessary to consistently and equitably determine the eligibility of potential VPK providers, AWI should seek legislative clarification regarding acceptable accreditations.

**Finding No. 13:** As the State agency responsible for administration of the operational requirements of the VPK Program, AWI should develop procedures for reviewing student attendance records and verifying provider compliance. So that interagency duplication of monitoring activities is minimized, AWI should ensure that the procedures require coordination between the coalitions, AWI, DOE, and DCFS.

**Finding No. 14:** AWI should provide technical assistance to the coalitions to ensure that the coalitions comply with AWI-adopted procedures for VPK provider payments and for the maintenance of records. In addition, AWI should enhance procedures to provide detailed instructions to the coalitions for paying VPK providers.

**Finding No. 15:** AWI should implement procedures to analyze consolidated EFS data. In addition, AWI should adopt procedures requiring coalitions to periodically review EFS data for errors and potential fraud.

**AWI Monitoring of VPK Program Local Administration**

**Finding No. 16:** AWI should continue to enhance its VPK Program annual eligibility and triennial performance monitoring processes.

**Finding No. 17:** AWI, in consultation with DOE, should develop policies and procedures describing the process to be used to verify public school provider and district school board compliance with the operational requirements of the VPK law.

This audit was conducted by Travis Cone and supervised by Janet Bentley, CPA. Please address inquiries regarding this report to Sherrill F. Norman, CPA, Audit Manager, by e-mail ([sherrillnorman@aud.state.fl.us](mailto:sherrillnorman@aud.state.fl.us)) or by telephone (850-487-9316).

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**BACKGROUND**


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The Agency for Workforce Innovation (AWI) is a separate budget entity within the Department of Management Services (DMS) and is not subject to the control, supervision, or decision by DMS in any manner.<sup>1</sup> The AWI Director is appointed by the Governor and is the agency head for all purposes. Table 1 shows the AWI Directors that served during the audit period.

**Table 1**  
**AWI Directors and Dates of Service**

Directors	Dates of Service
Susan Pareigis	October 16, 2002 – May 5, 2006
Linda H. South	May 8, 2006 – January 2, 2007
Monesia T. Brown	From January 2, 2007

AWI performs services and activities within three program areas: Executive Direction and Support Services, Workforce Services, and Early Learning.

### **Voluntary Prekindergarten Education Program**

In November 2002, Florida voters approved an amendment to the State Constitution<sup>2</sup> requiring that every four-year-old child in the State of Florida be provided a prekindergarten learning opportunity in the form of an early childhood development and education program which shall be voluntary, high quality, free, and delivered according to professionally accepted standards. In January 2005, the Voluntary Prekindergarten Education (VPK) Program was created by law<sup>3</sup> and the Office of Early Learning (OEL) was established within AWI.

The VPK law is located in Chapter 1002, Part V, of the Florida Statutes.<sup>4</sup> Pursuant to VPK law,<sup>5</sup> parents of four-year-olds who elect to participate in the VPK Program may choose a 540-instructional-hour school year program or a 300-instructional-hour summer program. Parents may also select a public or private provider of their choice that meets the minimum standards specified in VPK law.<sup>6</sup>

The VPK law<sup>7</sup> provides that, at the State level, the Department of Education (DOE) shall administer the accountability requirements of the VPK Program as described in Section 1002.73, Florida Statutes, and AWI shall administer the operational requirements of the VPK Program as described in Section 1002.75, Florida Statutes. AWI is to adopt procedures governing the administration of the VPK Program by the various public school districts and local early learning coalitions. The early learning coalitions (coalitions), created pursuant to Section 411.01(5), Florida Statutes, are private, not-for-profit community agencies that implement and administer early learning programs at the county or regional level. During the audit period, 31 coalitions administered VPK Program services Statewide. Coalition VPK Program responsibilities included, but were not limited to, registering and paying both VPK private and public school providers and maintaining provider and student information.

The 2005-06 school year was the first VPK Program session and, for the 2005-06 fiscal year, State general revenue funds of \$387 million were appropriated to DOE for transfer to AWI for the VPK Program, with the

<sup>1</sup> Section 20.50, Florida Statutes.

<sup>2</sup> Article IX, Section 1(b) and (c) of the State Constitution.

<sup>3</sup> Chapter 2004-484, Laws of Florida.

<sup>4</sup> Sections 1002.51 through 1002.79, Florida Statutes.

<sup>5</sup> Sections 1002.55(2), 1002.61(2)(a), and 1002.63(2), Florida Statutes.

<sup>6</sup> Sections 1002.55, 1002.61, 1002.63, Florida Statutes.

<sup>7</sup> Sections 1002.73(1) and 1002.75(1) and (2), Florida Statutes.

base student allocation per full-time equivalent student totaling \$2,500.<sup>8</sup> Likewise, for the 2006-07 fiscal year, \$388 million was appropriated for the VPK Program, with the base student allocation per full-time equivalent student totaling \$2,560.<sup>9</sup> The VPK Program student enrollment and number of providers during the sessions included in the audit period are shown in Table 2.

**Table 2**  
**Student Enrollment and VPK Provider Count**

	2005-06 School Year	2006 Summer	2006-07 School Year
Number of Students	98,610	12,506	112,401
Number of Providers	4,186	597	4,573

Source: Enhanced Field System as of May 1, 2007.

Included in the number of providers shown in Table 2 are public school providers within most of the State’s public school districts. According to DOE management, 8 of the State’s 67 public school districts were ineligible to participate in the VPK Program during the 2005-06 school year and one was ineligible during the 2006-07 school year, based on the district’s failure to meet the class size reduction requirements established in law.<sup>10</sup> Additionally, according to the applicable coalitions and district school boards, during the 2005-06 and 2006-07 school years, 17 and 14 public school districts, respectively, elected not to participate in the VPK Program. Public school districts are required to participate in the VPK Program summer sessions;<sup>11</sup> however, according to DOE staff, 6 public school districts did not participate in the 2006 summer session because no children in those districts had enrolled.

As a part of our audit, we reviewed AWI’s efforts to establish, implement, and operate the VPK Program during the period July 2005 through February 2007, in accordance with law. Specifically, the law requires that AWI:

- Administer the operational requirements of the VPK Program at the State level (Section 1002.75(1), Florida Statutes).
- Adopt procedures governing the administration of the VPK Program by the coalitions and public school districts for: (Section 1002.75(2), Florida Statutes)
  - Enrolling children in and determining the eligibility of children for the VPK Program (Section 1002.75(2)(a), Florida Statutes).
  - Providing parents with profiles of VPK providers (Section 1002.75(2)(b), Florida Statutes).
  - Registering VPK providers (Section 1002.75(2)(c), Florida Statutes).
  - Determining VPK provider eligibility (Section 1002.75(2)(d), Florida Statutes).
  - Verifying VPK provider compliance (Section 1002.75(2)(e), Florida Statutes).
  - Paying VPK providers (Section 1002.75(2)(f), Florida Statutes).
  - Documenting and certifying student enrollment and attendance (Section 1002.75(2)(g), Florida Statutes).
  - Reconciling advance payments to actual amounts due as a result of actual student attendance in accordance with the uniform attendance policy (Section 1002.75(2)(h), Florida Statutes).

<sup>8</sup> Chapter 2005-70, Laws of Florida.

<sup>9</sup> Chapter 2006-25, Laws of Florida.

<sup>10</sup> Section 1002.63(4), Florida Statutes.

<sup>11</sup> Section 1002.61(1)(a), Florida Statutes.

- Reenrolling students dismissed by a VPK provider for noncompliance with the provider's attendance policy (Section 1002.75(2)(i), Florida Statutes).
- Monitor and evaluate the performance of each coalition's administration of the VPK Program (Section 411.01(4)(l), Florida Statutes).
- Adopt procedures for the distribution of funds to coalitions (Section 1002.75(4), Florida Statutes).

To accomplish our audit, we performed field work at AWI and selected six coalitions at which we tested the adequacy of AWI policies and procedures and evaluated the effectiveness of AWI's operational oversight of the VPK Program.



**FINDINGS AND RECOMMENDATIONS****AWI State-Level VPK Program Administration****Enhanced Field System**

To assist in managing the State's early learning programs, including the Voluntary Prekindergarten Education (VPK) Program, AWI utilized the Enhanced Field System (EFS). EFS is a distributed data system used at the State level by AWI and at the local level by the early learning coalitions. Each coalition recorded and maintained VPK provider (both private and public school provider) and student information in its EFS database, including the applicable VPK provider rates and the VPK class calendars, student enrollment, and attendance information used to calculate the payments to providers. AWI reviewed the data entered by the coalitions and combined the data for analysis and for reporting VPK Program information to decision makers.

**Finding No. 1: Data Accuracy and Analysis**

In response to audit inquiries regarding AWI's actions taken during the audit period to analyze and promote the accuracy and completeness of reported EFS VPK Program data, AWI management described the following efforts undertaken by AWI staff:

- AWI initiated a pilot study at the end of the 2005-06 school year, to analyze the EFS records of approximately 89,000 children served by the VPK Program through May 25, 2006. The pilot study analyses identified 2,812 EFS records with one or more errors. Errors noted by the study included EFS records showing children with negative cumulative classroom instructional hours, negative cumulative payments, hours in excess of the number allowed, payments in excess of the funding level, and VPK provider rates outside an acceptable range. According to AWI management, AWI provided the study's results to the affected coalitions and assisted the coalitions in taking corrective actions.
- Beginning in October 2006, AWI initiated the development of a process for creating a monthly EFS consolidated database of the 31 coalition EFS databases. In February 2007, all 31 coalition EFS databases were loaded into the EFS consolidated database for the first time. The EFS consolidated database was to be used to facilitate AWI analyses and reporting of VPK Program data to decision makers, as well as for other management purposes.
- In December 2006, AWI established the Performance and Accountability Eligibility Review Unit that, according to AWI management, has the responsibility "to ensure that the coalition has entered accurate and entered correct eligibility information; and has the necessary supporting documentation to support the EFS data."

We reviewed each of AWI's above-described efforts and noted the following deficiencies:

- The pilot study analyses were limited as AWI did not attempt to match data or check for duplicate enrollment across coalitions.
- Although AWI compiled the consolidated database from individual coalition EFS data, AWI had not developed procedures for analyzing the data across coalitions to determine whether the data showed that more than one VPK provider was paid for providing VPK services to the same child for the same dates of instruction, VPK providers were paid for amounts greater than the authorized funding level, or children who had substantially completed a VPK Program had been reenrolled in another VPK Program.
- AWI did not establish the Performance and Accountability Eligibility Review Unit until the middle of the second VPK Program school year. Prior to the establishment of the Unit, AWI conducted eligibility monitoring during triennial performance monitoring at only 4 of the 31 coalitions. (This is similarly noted in Finding No. 16, Performance Monitoring of Coalitions.) As part of our audit, we compared selected EFS records at February 28, 2007, to the related source documents to determine the accuracy of the EFS

VPK Program data available for analysis and reporting. Our comparison disclosed that the data was not always accurately entered into the coalitions' databases. Specifically, we noted:

- For 6 of 96 records reviewed, the child's social security number in EFS was incorrect.<sup>12</sup>
- For 4 of 90 records reviewed, the child's birth date in EFS did not match source document information.
- For 33 of 90 records reviewed, the child's care start date in EFS did not match source document information.
- For 3 of 90 records reviewed, provider information was missing from or did not match source document information.

Absent adequate procedures to reasonably ensure VPK Program data accuracy and completeness, AWI's assurance that reliable VPK Program data is available for and subject to analysis is reduced.

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**Recommendation:** We recommend that AWI enhance procedures to promote the accuracy and completeness of VPK Program data in EFS. In addition, AWI should continue to periodically perform analyses of the EFS consolidated database and expand the analyses to include comparisons of data across coalitions.

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## **Finding No. 2: EFS VPK Calendars**

Pursuant to VPK law,<sup>13</sup> each school year program must comprise at least 540 instructional hours and each summer program must comprise at least 300 instructional hours. For funding purposes, a full-time equivalent (FTE) student is calculated as 540 instructional hours for a school year program and 300 instructional hours for a summer program.<sup>14</sup>

To facilitate VPK provider reporting of how the required number of instructional hours would be provided, AWI developed the *Voluntary Prekindergarten Education Program Class Registration Application* (Form AWI-VPK 11). A completed Form AWI-VPK 11 was to include the VPK program class schedule start date, end date, days per week, hours per day, and noninstructional dates. If changes to the class schedule were needed to bring the schedule into compliance with the required number of instructional hours, coalition staff stated that they contacted and worked with the provider to adjust the class schedule. Once the coalition approved the established class schedule, the coalition assigned or created for each provider's class an EFS VPK calendar. The calendar provided the dates of VPK Program instruction and the number of hours of instruction per day and was used by EFS to calculate the payments due to providers.

Our comparison of the EFS VPK calendar and Form AWI-VPK 11 for 60 providers, 10 at each of the 6 coalitions selected for testing, disclosed that:

- For 22 providers, the EFS VPK calendar did not contain the required number of hours and did not agree with the dates on the provider's Form AWI-VPK 11. Coalition management confirmed that these providers' school year calendars did not contain the required number of hours and indicated that procedures were not in place during the audit period to ensure and document that providers were properly paid.

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<sup>12</sup> Although a child's social security number is not required to be reported to receive VPK Program services, when collected and recorded in EFS, the social security number serves as a unique child identifier and provides a mechanism for verifying that the child was not receiving VPK services through more than one coalition or VPK provider. (See Finding No. 15, VPK Provider Overpayments.)

<sup>13</sup> Sections 1002.55(2), 1002.61(2)(a), and 1002.63(2), Florida Statutes.

<sup>14</sup> Section 1002.71(2), Florida Statutes.

- For 7 providers, although the EFS VPK calendar contained the required number of hours, the EFS VPK calendar did not agree with dates on the provider's Form AWI-VPK 11. According to coalition management, the differences between the EFS VPK calendars and Forms AWI-VPK 11 were discussed with applicable VPK providers and, although changes to the EFS VPK calendars were agreed to by the providers, such agreements were not always documented.
- For 3 providers, although the EFS VPK calendar agreed with the dates on the provider's Form AWI-VPK 11, the EFS VPK calendar did not contain the required number of hours. One provider's calendar contained an extra hour while the other 2 providers' calendars did not contain enough hours. In response to audit inquiry, coalition management indicated that payment was not made for the excess hour on the calendar and provided explanations for two providers indicating that, although the EFS VPK calendars did not contain the required number of hours, the required number of instructional hours was actually provided.

For the 32 providers discussed above, the cumulative number of VPK instructional hours included in the providers' EFS VPK calendars varied by 4 hours less than required to 1,350 more than required. Accordingly, the EFS VPK calendars did not demonstrate that the required number of instructional hours were scheduled and, as a result, the coalitions could not rely on the calendars to ensure that EFS properly calculated provider payments. (See Finding No. 14, VPK Provider Payment Procedures and Documentation, and Finding No. 15, VPK Provider Overpayments, regarding the impact of incorrect EFS VPK calendars on payments to VPK providers.)

Subsequent to the second (2006-07) VPK school year, AWI addressed the impact of incorrect calendars and how to establish VPK calendars in EFS.<sup>15</sup> According to AWI instructions to the coalitions, "VPK calendars define the service period for reimbursement purposes. Incorrect calendars have resulted in provider underpayments, overpayments, and children receiving the inappropriate number of VPK program hours. These errors have resulted in coalitions and their contractors dedicating many staff hours to correcting payment and hour calculations in the Enhanced Field System (EFS)."

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**Recommendation:** To ensure that the required number of VPK instructional hours is scheduled to be provided and that VPK provider payments are made in accordance with VPK law, we recommend that AWI continue to provide technical assistance to the coalitions regarding EFS VPK calendar accuracy.

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**Finding No. 3: AWI Reconciliation of EFS and FLAIR**

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AWI had not adopted formal procedures providing for monthly reconciliations of the VPK Program data maintained in EFS to AWI financial records. However, in December 2006, AWI compared for all 31 coalitions the 2005-06 fiscal year information in EFS relating to coalition payments due to VPK providers with that in the Florida Accounting Information Resource Subsystem (FLAIR) relating to AWI payments actually made to coalitions and noted differences for 23 of the 31 coalitions. Specifically, AWI noted that, for 10 coalitions, payments in FLAIR exceeded those shown as due in EFS by a total of \$85,256.93 and, conversely, for 13 coalitions, payments shown as due in EFS exceeded those shown as paid in FLAIR by a total of \$126,306.12. In January 2007, AWI began making inquiries of the coalitions regarding the differences; however, some inquiries were not made until May 2007, eleven months after the 2005-06 fiscal year-end. In response to audit inquiry, AWI management indicated that, as of April 10, 2008, differences noted during the comparison for 21 of the 23 coalitions had been resolved and that a process had been established to require monthly reconciliations that include a review of adjustments to prior periods.

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<sup>15</sup> AWI Early Learning – Data Quality Instruction No. 07.05, dated June 2007.

Absent timely reconciliation of the EFS and FLAIR data, AWI cannot be assured that the financial records related to the VPK Program are accurate, that AWI was timely and properly reimbursed for any overpayments to the coalitions, or that VPK providers were properly paid all amounts due.

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**Recommendation:** We recommend that AWI continue to resolve any outstanding differences noted in the comparison between EFS and FLAIR for the 2005-06 fiscal year. AWI should also formally adopt procedures that require a monthly reconciliation of the EFS and FLAIR data. Any differences noted during the reconciliation should be timely investigated and resolved.

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<b>AWI Procedures for Coalition and School District VPK Program Administration</b>
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### Standard Contract Language

#### Finding No. 4: VPK Program Records Transfer

During the audit period, 28 of the 31 coalitions used contract service providers to assist in carrying out the coalitions' local or regional VPK Program administrative responsibilities. Pursuant to AWI rules,<sup>16</sup> when a contract service provider is used, the coalition is ultimately responsible for ensuring that the contractor performs its duties in accordance with applicable laws, rules, and AWI procedures. The types of services provided by the contractors included, for example, determining child eligibility, entering parent application information into EFS, entering VPK provider application information into EFS, and making payments to VPK providers.

Our review of contracts between coalitions and contract service providers disclosed that, although some contracts between the coalitions and their contract service providers contained language that addressed the transition of services and records should the contract be terminated for any reason, other contracts did not. In response to audit inquiry, AWI management stated that they had "not issued policy or communication to the early learning coalitions regarding maintenance of VPK Program records once a relationship between a coalition and a service provider ceases to exist." The effect of this lack of guidance was apparent when, in response to our requests for documentation, management at one coalition indicated that when a contract service provider ceased operations in December 2005, the records maintained by the contractor were not made available to the coalition. This contract service provider performed a variety of services including, for example, child eligibility determinations, EFS data entry, and VPK provider payments. Absent documentation, the coalition was unable to fully demonstrate that the VPK Program was properly administered in compliance with VPK law during the period the coalition was under contract with that service provider. (Also see Finding No. 14, VPK Provider Payment Procedures and Documentation.)

In addition, although AWI had developed a standard *Statewide Provider Agreement* (Form AWI-VPK 20) that coalitions were required by AWI policy and rule to use,<sup>17</sup> the agreement developed for the 2005-06 and 2006-07 program years did not contain a clause providing for the transfer of VPK Program records in the event the agreement between the VPK provider and coalition was terminated for any reason. In response to audit inquiry, AWI management stated, "The Agency is in the process of revising Form AWI-VPK 20 (Statewide Provider Agreement) to create procedures for providers to turn over or maintain records when a VPK agreement is terminated." While we agree VPK records should be turned over to a coalition upon provider agreement

<sup>16</sup> AWI Rule 60BB-8.100(7), Florida Administrative Code.

<sup>17</sup> AWI Policy No. OEL-PI-0021-05 (File No. 508.04), issued July 7, 2005, and effective through August 16, 2006, and AWI Rule 60BB-8.301(1)(a), Florida Administrative Code, effective August 17, 2006.

termination, requiring a provider to maintain VPK records after agreement termination does not give AWI assurance that VPK records will be properly secured and available for future review.

VPK Program records include the individual records of children enrolled in the VPK Program and may contain assessment data, health data, records of teacher observations, and personal identifying information of a child and his or her parent. Pursuant to VPK law,<sup>18</sup> these records, whether held by coalitions, AWI, contract service providers, or VPK providers are confidential and exempt from public inspection. Accordingly, it is critical that these records be properly maintained and secured. Absent contract language requiring the prompt transfer of VPK Program records to the coalitions upon the termination of a service provider contract or VPK provider agreement, the coalitions' and AWI's assurances regarding records security and availability is diminished.

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**Recommendation:** We recommend that, AWI develop procedures requiring that all VPK records be promptly and securely returned to coalitions should a service provider contract terminate for any reason. In addition, we recommend that AWI include a similar provision in the revised *Statewide Provider Agreement*.

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### Child Enrollment and Eligibility

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#### Finding No. 5: VPK Provider Profile Format

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VPK law<sup>19</sup> requires that a coalition provide each parent enrolling a child in the VPK Program with a profile of every private provider and public school delivering the VPK Program within the coalition's county or multi-county region. The profiles are to be provided to the parents in a format prescribed by AWI and must include the following information about each VPK provider and school: the services provided, curriculum, instructor credentials, and instructor-to-student ratio. Such information is necessary for the parent to make an informed decision related to their child's placement.

In response to audit inquiry, AWI staff indicated that written guidance regarding VPK provider profiles was provided to the coalitions in the *Early Learning Coalition Plan Guidance and Instruction Workbook (Workbook)*. We noted that, in the *Workbook*, AWI established a criterion requiring coalitions to indicate in the coalition plan if the coalition used the VPK administrative portal on the Department of Children and Family Services (DCFS) Child Care Information Web site to provide VPK provider profiles and, if not, to describe how the coalition was meeting the requirement to provide parents with VPK provider profiles. However, the *Workbook* did not specifically prescribe a profile format or require the coalitions to submit an example of a VPK provider profile for AWI approval. Further, our review of the VPK provider profiles on the DCFS Child Care Information Web site disclosed that, while the profiles showed the VPK provider's services, curriculum, teacher credentials, and capacity, the instructor-to-student ratio was not included and the ratio was not always readily computable as the number of instructors was often not listed.

To determine whether parents were receiving the required provider information, in the absence of an AWI-prescribed provider profile format, we requested copies of the VPK provider profiles prepared and distributed to parents during the audit period by the six coalitions included in our testing. Each coalition provided copies of VPK provider profiles for our review and indicated that the profiles had been provided to parents. As shown in Table 3, none of the provider profiles prepared by the six coalitions contained all the information required by law.

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<sup>18</sup> Section 1002.72(1), Florida Statutes.

<sup>19</sup> Section 1002.53(5), Florida Statutes.

**Table 3  
Provider Profile Content  
Provided to Parents by Six Selected Coalitions**

Required Information	Number of Coalitions Providing Information		
	2005-06 School Year	2006 Summer	2006-07 School Year
Services	1	-	1
Curriculum	3	5	5
Instructor Credentials	-	1	3
Instructor-to-Student Ratio	2	4	3

**Recommendation:** To ensure that parents are provided all the information required to make an informed decision regarding their child’s placement with a VPK provider and to comply with the statutory requirements related to VPK provider profiles, we recommend that AWI prescribe a VPK provider profile format that addresses all the required information. AWI should require that any coalition desiring to deviate from the prescribed format submit an example profile for AWI approval prior to use. In addition, AWI should monitor the distribution of the VPK provider profiles by the coalitions to ensure that the profiles are made available to parents at the time of enrollment.

**Finding No. 6: Parental Certifications**

Pursuant to VPK law,<sup>20</sup> each parent enrolling a child in the VPK Program must complete and submit an application to a coalition. The application forms must include a certification that the parent has chosen a private VPK provider or public school and has directed that payments be made to that provider or school. In response to audit inquiry related to what processes or forms were used to document the statutorily required certification, AWI management indicated that Form AWI-VPK 02 (originally titled *Certificate of Eligibility* and later revised and renamed *Child Eligibility and Enrollment Certificate*) was required to complete a child’s enrollment.

Our review of the AWI design and coalition use of Form AWI-VPK 02 disclosed that, although AWI procedures required that upon determination of a child’s VPK Program eligibility, a Form AWI-VPK 02 be completed,<sup>21</sup> the form, as originally designed by AWI and provided to the coalitions for use for 2005-06 school year enrollment, did not provide for the parental certification required by law. AWI revised the form in January 2006, after the 2005-06 school year had begun, to provide for the required parental certification.

We requested and reviewed documents, including Form AWI-VPK 02, related to 90 enrollments: 41 for the 2005-06 school year, 7 for the 2006 summer session, and 42 for the 2006-07 school year. As shown in Table 4, a signed parental certification, obtained during the application process to document the parent’s choice of a particular private VPK provider or public school and to direct that payments be made to that VPK provider or school, was not available for any of the 41 2005-06 school year enrollments tested. Due to AWI revision of Form AWI-VPK 02 in January 2006, the required parental certification was obtained for a greater number of enrollments for subsequent VPK Program periods; however, as also shown in Table 4, signed parental certifications were often not available for the 2006 summer session or the 2006-07 school year.

<sup>20</sup> Section 1002.53(4), Florida Statutes.

<sup>21</sup> AWI Policy No. OEL-PI-0014-05 (File No. 510.02), issued May 16, 2005.

**Table 4**  
**Parental Certifications Available for Review**

	2005-06 School Year	2006 Summer	2006-07 School Year	Totals
Number of enrollments tested.	41	7	42	90
Number of signed parental certifications provided for review.	-	5	22	27

AWI management indicated that parents were also required to certify parental choice and attendance on Forms AWI-VPK 03S or AWI-VPK 03L. However, our review disclosed that those forms did not meet the statutory parental certification requirement as they were not completed during the application process and were not routinely obtained by the coalitions. Rather, the VPK provider and parent were to complete the forms on a monthly basis to certify attendance for the respective month and the VPK provider, not the coalition, was required to maintain the forms.

Absent documentation obtained at the time of application, AWI cannot demonstrate compliance with the law or show that parents, prior to their child’s attendance, selected a VPK provider and directed that payment be made to the selected VPK provider. AWI’s revision of Form AWI-VPK 02 in January 2006 provided a means for the timely parental certification; however, not all the coalitions timely implemented use of the form or maintained copies signed by the parents.

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**Recommendation: We recommend that AWI take appropriate actions to ensure that coalitions timely obtain and properly retain documentation of the required parental certification.**

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**Registration of VPK Providers**

Pursuant to VPK law,<sup>22</sup> each provider interested in delivering the VPK program must register with a coalition on forms prescribed by AWI. AWI developed the *Voluntary Prekindergarten Education Program Statewide Provider Registration Application* (Form AWI-VPK 10) and the *Voluntary Prekindergarten Education Program Class Registration Application* (Form AWI-VPK 11) for interested providers to complete and submit to the coalitions. A separate Form AWI-VPK 10 was required for every site the provider was interested in registering for the VPK Program and a separate Form AWI-VPK 11 was required for every class. If determined eligible, VPK providers were not required to resubmit a Form AWI-VPK 10 unless the submitted information changed; however, providers were to resubmit Form AWI-VPK 11 annually for every class. AWI also developed the *Statewide Provider Agreement* (Form AWI-VPK 20) to finalize the registration process. The *Statewide Provider Agreement* was to be signed annually by the VPK provider and the coalition, or its designee, and served to document the provider’s eligibility to deliver the VPK Program and the provider’s agreement to provide VPK Program services in accordance with VPK law.

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**Finding No. 7: Verification of VPK Program Provider Registration Information**

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Both Forms AWI-VPK 10 and AWI-VPK 11 included instructions for providers, but AWI did not provide instructions for the coalitions to use when verifying the registration information and the supporting documentation, determining whether the provider was eligible to deliver the VPK Program, or documenting the verification and eligibility determination process. Forms AWI-VPK 10 and AWI-VPK 11 do contain

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<sup>22</sup> Sections 1002.55(3)(g), 1002.61(7)(a), and 1002.63(8)(a), Florida Statutes.

“OFFICIAL USE ONLY” boxes that coalitions can use to document the verification of the provider’s license or accreditation, instructors’ credentials and training, instructors’ good moral character and Level 2 screening results, and director’s credentials. Forms AWI-VPK 10 and AWI-VPK 11 also provide signature lines where a coalition process agent can document his or her verification and approval and a coalition process manager can document his or her review. However, the forms did not include instructions for coalitions to follow when completing the “OFFICIAL USE ONLY” boxes and signature lines.

The absence of instructions may have contributed to the significant number of instances in which the coalitions could not demonstrate that they had verified provider and class registration information. Our test of provider and class registration applications for 44 private providers and 16 public school providers, disclosed instances in which the coalitions did not document the timely verification of VPK provider eligibility, instructor eligibility, or class information. Specifically, as shown in Tables 5 and 6, for the 60 provider registration applications and 60 class registration applications tested, the coalitions did not document one or more aspect of the verification process.

**Table 5**

**Verification of Provider Registration Not Documented on Form AWI-VPK 10**

	2005-06 School Year	2006 Summer	2006-07 School Year	Totals
Number of Forms AWI-VPK 10 reviewed.	26	7	27	60
Number of Forms AWI-VPK 10 on which the coalition did not properly document one or more aspect of verification.	17	5	20	42
Specifically, the coalition:				
Did not utilize the "OFFICIAL USE ONLY" boxes on the form.	4	-	6	10
Process agent did not sign and date the form.	5	3	5	13
Process manager did not sign and date the form.	13	4	12	29
Process agent signed and dated the form after the VPK start date.	6	1	3	10
Process manager signed and dated the form after the VPK start date.	4	1	6	11

**Table 6**

**Verification of Class Registration Not Documented on Form AWI-VPK 11**

	2005-06 School Year	2006 Summer	2006-07 School Year	Totals
Number of Forms AWI-VPK 11 reviewed.	26	7	27	60
Number of Forms AWI-VPK 11 on which the coalition did not properly document one or more aspect of verification.	18	7	21	46
Specifically, the coalition:				
Did not utilize the "OFFICIAL USE ONLY" boxes on the form.	4	4	8	16
Process agent did not sign and date the form.	7	4	7	18
Process manager did not sign and date the form.	13	5	10	28
Process agent signed and dated the form after the VPK start date.	6	1	7	14
Process manager signed and dated the form after the VPK start date.	4	1	6	11
Did not provide the form for review, or the form was not legible or the provider did not submit all the required information.	2	1	4	7



In response to audit inquiry, coalition management indicated that there was no specific requirement that the “OFFICIAL USE ONLY” boxes and signature lines on the forms be used and that, for public school providers, the documentation supporting eligibility was maintained by the district school boards. Absent clear instructions to the coalitions on their responsibilities for documenting the verification of provider eligibility, instructor eligibility, and class information, assurance that VPK providers have met all the requirements to deliver the VPK program is reduced.

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**Recommendation: We recommend that AWI establish procedures to assist coalitions in timely information verification and use of Forms AWI-VPK 10 and AWI-VPK 11. We also recommend that providers not be permitted to conduct VPK classes until all information is received and reviewed for compliance with VPK law.**

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### VPK Provider Eligibility

To be eligible to deliver the VPK Program, each private provider or public school must meet specific requirements outlined in VPK law.<sup>23</sup> Among other requirements, private providers and public schools must have:

- At least one instructor for each VPK class who holds specific minimum educational credentials and has successfully completed a DOE-approved emergent literacy training course<sup>24</sup> (unless the instructor holds one of the alternative educational credentials listed in VPK law<sup>25</sup>).
- VPK instructors who are of good moral character.
- VPK instructors who have been screened before employment using level 2 screening standards<sup>26</sup> and who are rescreened at least once every 5 years under the same standards as the initial screenings.
- If a private provider, a current child care facility license, a current Gold Seal Quality Care<sup>27</sup> designation, or accreditation by an accrediting association designated in VPK law.<sup>28</sup>

To determine whether provider and instructor eligibility was established in compliance with VPK law, we used the day before the VPK start date (i.e., the day before the first day of VPK class instruction) as the last date by which coalitions could receive and verify provider information.

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### Finding No. 8: VPK Provider Notification

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Effective January 19, 2006, AWI adopted into rule<sup>29</sup> the requirement for providers interested in delivering the VPK program to complete Form AWI-VPK 10 and submit the required supporting information to the applicable coalition. The coalition was to notify the provider if the provider was provisionally eligible to deliver the VPK program, or if any additional information was necessary, within 30 days after receipt of the completed Form AWI-VPK 10. Once the provider had submitted all of the required information, including a completed Form AWI-VPK 11, the coalition was required to notify the provider in writing whether the provider was eligible to deliver the VPK Program.

<sup>23</sup> Sections 1002.55, 1002.61, and 1002.63, Florida Statutes.

<sup>24</sup> Section 1002.59, Florida Statutes.

<sup>25</sup> Section 1002.55(4), Florida Statutes.

<sup>26</sup> Pursuant to Section 435.04, Florida Statutes, level 2 screening standards involve security background investigations including, but not limited to, fingerprinting, Statewide criminal and juvenile records checks, Federal criminal records checks, and may include local criminal records checks for a variety of offenses enumerated in that section.

<sup>27</sup> The Gold Seal Quality Care designation indicates that the provider’s level of care exceeds the minimum child care licensing standards established by Florida Statutes and the Florida Administrative Code. Pursuant to Section 402.281, Florida Statutes, by meeting the higher standards of approved accrediting agencies and receiving accreditation by one or more of those approved agencies, providers are issued a Gold Seal certificate by DCFS recognizing their achievement.

<sup>28</sup> Section 1002.55(3)(a) and (b), Florida Statutes.

<sup>29</sup> AWI Rule 60BB-8.300, Florida Administrative Code.

Our test of 34 VPK provider applications disclosed that the coalitions did not always document compliance with the AWI provider eligibility notification rule. Specifically, for the 34 provider applications reviewed, the coalitions did not document:

- For 21 applications, the date the Form AWI-VPK 10 was received.
- For 22 applications, the date the provider was asked for additional information or notified of provisional eligibility.
- For 17 applications, the date the provider was notified of eligibility to deliver the VPK Program.

In addition, as shown in Table 7, when documentation was available to show the eligibility notification dates, the documentation did not demonstrate that the coalitions timely notified the providers of provisional eligibility (or requested additional information, if needed) or notified the providers that they were eligible to deliver the VPK Program prior to the VPK start date.

**Table 7**  
**VPK Providers Not Timely Notified of Eligibility Status**

	2006 Summer	2006-07 School Year
Number of Forms AWI-VPK 10 reviewed.	7	27
Coalition did not notify the VPK Provider of provisional eligibility (or request additional information, if needed) within 30 days of receipt of Form AWI-VPK 10. (Number of days late ranged from 35 to 63 days.)	-	4
Coalition did not notify the VPK Provider of VPK eligibility prior to VPK start date. (Number of days after VPK start date ranged from 7 to 127 days.)	1	7

Coalition management indicated that, although the dates were not documented, providers were notified by telephone or by an undated certification. Coalition management also indicated that the execution of the *Statewide Provider Agreement* served as the final VPK provider approval.

On May 24, 2007, AWI revised the rule,<sup>30</sup> removing the requirement for coalitions to notify the provider of eligibility to deliver the VPK program. While a timely executed *Statewide Provider Agreement* may serve as the VPK provider notification of final approval, absent an established timeframe that coalitions must recognize when requesting additional information from a VPK provider, delays in the determination of provider eligibility may occur. As a result, VPK providers may not be timely informed of their eligibility to deliver the VPK Program.

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**Recommendation:** To ensure that VPK providers are timely informed of their eligibility status in advance of their planned VPK start dates, we recommend that AWI require the coalitions to adopt internal processing benchmarks that establish the timeframes within which different steps in the application review process must be completed.

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**Finding No. 9: Private Providers – VPK Instructor Requirements**

Pursuant to VPK law,<sup>31</sup> each coalition is responsible for verifying that each private VPK provider is delivering the VPK Program in compliance with VPK law and each district school board is responsible for verifying that each public school is delivering the VPK Program in compliance with VPK law. VPK law<sup>32</sup> requires AWI to adopt

<sup>30</sup> AWI Rule 60BB-8.300, Florida Administrative Code.

<sup>31</sup> Section 1002.67(3)(a), Florida Statutes.

<sup>32</sup> Section 1002.75(2)(d) and (e), Florida Statutes.

procedures for both coalitions and district school boards to follow when determining VPK provider eligibility and verifying VPK provider compliance. During the audit period, AWI had not established procedures to be followed by coalitions and district school boards in evaluating instructor credentials, affidavits of good moral character, and level 2 screenings. In the absence of AWI procedures, we selected one classroom each for 44 private providers to determine whether the coalitions verified that instructors met the requirements in VPK law.

Instructor Credentials and Training Courses

Pursuant to VPK law,<sup>33</sup> for school year VPK programs, whether delivered by private providers or public schools, each VPK class must have at least one instructor who holds a current child development associate (CDA) credential, or DCFS-approved CDA equivalent credential, and who has successfully completed a DOE-approved emergent literacy training course,<sup>34</sup> unless the instructor holds one of the educational credentials listed in VPK law.<sup>35</sup> For summer VPK programs, each VPK class must have at least one instructor who is a certified teacher or holds one of the educational credentials specified in VPK law. In addition, if a provider’s VPK instructor is a certified teacher, the instructor must not be ineligible to teach in a public school because his or her educator certificate is suspended or revoked.<sup>36</sup>

As shown in Table 8, for 19 of 44 private provider classrooms tested, the coalitions could not demonstrate that the instructor’s credentials had been properly verified prior to the VPK start date.

**Table 8  
Instructor Credentials Not Properly Verified Prior to VPK Start Date**

	2005-06 School Year	2006 Summer	2006-07 School Year	Totals
Number of Classrooms Tested per Session.	22	1	21	44
Instructor credentials current but not timely verified by coalition or coalition verification was not documented.	5	-	4	9
Instructor credentials effective date indeterminable from coalition records.	4	-	2	6
Instructor credentials not acceptable under VPK law.	1	-	3	4
<b>Totals</b>	<b>10</b>	<b>-</b>	<b>9</b>	<b>19</b>

In addition, the coalitions could not demonstrate that for 16 applicable instructors, the required literacy training courses had been completed and verified prior to the VPK start date. Also, although for 4 of the 44 private providers’ classrooms selected for testing, the lead instructors were certified teachers, documentation demonstrating that the coalition verified the status of the instructor’s educator certificate prior to the VPK start date was available for only 1 instructor.

Good Moral Character

Pursuant to VPK law,<sup>37</sup> VPK instructors must be of good moral character. DCFS rule<sup>38</sup> requires child care instructors (including those who deliver VPK Program instruction) to annually complete an *Affidavit of Good Moral Character*. According to AWI management, to demonstrate compliance with VPK law regarding an instructor’s good moral character, the coalition could either access the DCFS Web site or obtain a copy of a signed *Affidavit of*

<sup>33</sup> Sections 1002.55(3)(c), 1002.61(4), and 1002.63(5), Florida Statutes.

<sup>34</sup> Section 1002.59, Florida Statutes.

<sup>35</sup> Section 1002.55(4), Florida Statutes.

<sup>36</sup> Sections 1002.55(3)(d) and 1002.63(6), Florida Statutes.

<sup>37</sup> Sections 1002.55(3)(d) and 1002.63(6), Florida Statutes.

<sup>38</sup> DCFS Rule 65C-22.006(5)(d), Florida Administrative Code, effective September 12, 2004; amended and relocated to DCFS Rule 65C-22.006(4)(d)1.c., Florida Administrative Code, effective April 12, 2007.

*Good Moral Character.* However, AWI had not established formal procedures to that effect and our audit disclosed that for 4 of the 44 private provider classrooms selected for testing, coalitions had not maintained documentation evidencing that the VPK instructors had signed a current *Affidavit of Good Moral Character*.

Level 2 Screenings

VPK law<sup>39</sup> requires all VPK instructors to have a level 2 screening. For the 2005-06 school year and 2006 summer session, the level 2 screenings required for a VPK instructor, as a condition of employment and continued employment, were Federal criminal records checks through the Federal Bureau of Investigations (FBI) and Statewide criminal and juvenile records checks through the Florida Department of Law Enforcement (FDLE).

- Effective July 2006, AWI incorporated into the level 2 screenings the requirement for local criminal records checks through local law enforcement agencies and revised the *Statewide Provider Agreement* to reflect this requirement. However, as the requirement for the local criminal records checks is only stated in the *Statewide Provider Agreement* and the *Agreement* is to be signed after the coalition has determined the VPK provider eligible to deliver the VPK Program, there may not be sufficient time to obtain the local criminal records checks before the VPK start date.
- As shown in Table 9, for 32 of the 44 private provider classrooms selected for testing, coalitions did not obtain, prior to the VPK start date, the necessary documentation to verify that all the VPK instructors' level 2 screening results were current.

**Table 9**  
**Verification of Level 2 Screening Results**  
**Not Properly Documented Prior to VPK Start Date**

	2005-06 School Year	2006 Summer	2006-07 School Year	Totals
<b>Number of Classrooms Tested per Session.</b>	22	1	21	44
Coalition did not verify level 2 screening results prior to the VPK start date.	5	1	7	13
Level 2 screening results were not current.	7	-	3	10
Coalition did not document the verification of level 2 screening results.	7	-	2	9
<b>Totals</b>	<b>19</b>	<b>1</b>	<b>12</b>	<b>32</b>

- DCFS is responsible for licensing and regulating child care providers, including those that provide VPK Program services. Coalition management indicated that they had received instruction from AWI that the DCFS Web site could be used to obtain necessary screening results. However, the child care provider information listed on the DCFS Web site may not be sufficient to verify the results of VPK instructors' level 2 screenings as the information listed pertains to child care personnel requirements and VPK instructor requirements are different. For example, the minimum standards, pursuant to State law,<sup>40</sup> that child care personnel must meet include the level 2 screenings set forth in State law.<sup>41</sup> In connection with this requirement, DCFS requires that, by the tenth day after employment, fingerprint cards be submitted to the FBI and FDLE and local criminal records checks be placed in the employee's personnel file. Also, under DCFS requirements, FBI checks are not required during the rescreening of child care providers. This differs from the VPK instructor screening requirements in that the results of all criminal records checks must be received prior to the employment of a VPK instructor and FBI checks are required every five years as part of the rescreening process.

<sup>39</sup> Sections 1002.55, 1002.61, and 1002.63, Florida Statutes.

<sup>40</sup> Sections 402.302(3), 402.305(1) and (2)(a), 402.313(1) and (3), 402.3131 (1) and (2), 402.3025(2)(d), and 402.316(1), Florida Statutes.

<sup>41</sup> Chapter 435, *Employment Screening*, Florida Statutes.

Absent procedures requiring the proper receipt and verification of current information regarding instructor credentials, literacy training, good moral character, and level 2 screening results, AWI cannot demonstrate compliance with VPK law or provide assurances that, from the VPK start date, VPK students receive instruction in a safe environment from qualified teachers.

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**Recommendation: We recommend that AWI, in consultation with DOE and DCFS, establish procedures and provide technical assistance to the coalitions regarding acceptable documentation for and review of VPK instructor credentials, literacy training, good moral character, and level 2 screenings. We also recommend that AWI incorporate the requirement for local criminal records checks into the procedures.**

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#### **Finding No. 10: Public Schools – VPK Instructor Requirements**

According to VPK law,<sup>42</sup> the VPK instructor requirements for public schools are the same as those for private providers, except when the employment requirements for instructional personnel in public schools are more stringent than the requirements in VPK law. Accordingly, when the VPK instructor requirements are more stringent than the public school instructor requirements, the VPK requirements apply.

In some ways, the public school instructor level 2 screening requirements set forth in law<sup>43</sup> are less stringent than the VPK requirements. For example, public school instructors are screened upon employment and VPK instructors must be screened before employment. In addition, local criminal records checks are not required for the level 2 screenings for public school instructors but, beginning with the 2006-07 school year, are required for VPK instructors.

Pursuant to VPK law,<sup>44</sup> each public school delivering the VPK Program must register with the applicable coalition and, each district school board is responsible for verifying that each public school is delivering the VPK Program in compliance with VPK law. Although coalitions are responsible for registering public schools and maintaining information related to public school VPK classes, AWI did not provide guidance to the coalitions for assuring that, during the registration process, public school VPK instructors met the VPK requirements, nor did AWI provide instructions to the coalitions or district school boards regarding how to handle the more stringent VPK requirement for local criminal records checks.

As public schools fall under the purview of the district school boards, the coalitions relied on verifications performed by the applicable district school boards. To document this verification, three of the six coalitions included in our testing obtained from the applicable district school boards clearance letters that indicated, at a minimum, that background checks had been conducted. The other three coalitions did not obtain any documentation from the district school boards that evidenced verification of VPK instructor requirements.

Regarding the district school board clearance letters obtained by three coalitions, we noted that:

- For the 2005-06 school year, the district school board clearance letters were received 29, 132, and 221 days after the VPK start date. For the 2006-07 school year, the district school board clearance letters were received 2, 42, and 56 days after the VPK start date.
- One coalition relied on the 2005-06 school year district school board clearance letter for the 2006 summer session.

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<sup>42</sup> Sections 1002.61 and 1002.63(5), Florida Statutes.

<sup>43</sup> Section 1012.32(2), Florida Statutes.

<sup>44</sup> Sections 1002.63(8) and 1002.67(3)(a), Florida Statutes.

Absent guidance from AWI regarding the verification of public school VPK instructor requirements, there is reduced assurance that the public school VPK instructors met all the VPK Program requirements and that the district school boards timely verified level 2 screenings that included local criminal records checks prior to the public school VPK instructor’s employment.

**Recommendation:** We recommend that AWI, in consultation with DOE, provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented prior to the delivery of VPK Program instruction by the public school.

**Finding No. 11: Private Providers – License or Proof of Accreditation**

As previously stated, to be eligible to deliver the VPK program, a private provider must have a current child care facility license, hold a current Gold Seal Quality Care designation, or be accredited by an accrediting association designated in VPK law.<sup>45</sup> According to AWI management, to verify a private provider’s child care facility license, the coalition could either access the DCFS Web site or obtain a copy of the license from the provider. For those providers exempt from licensure, AWI included instructions on the provider application (Form AWI-VPK 10) to require that a copy of the official State of Florida Gold Seal certificate issued by DCFS or other documentation of accreditation be submitted with the completed Form AWI-VPK 10. Although applicable AWI forms provided instructions to providers, AWI had not adopted procedures requiring the coalitions to document the verification of the status of provider licensure or accreditation.

As shown in Table 10, for 14 (12 licensed and 2 exempt from licensure) of the 44 private providers selected, our tests disclosed instances in which the provider license was not in effect at the VPK start date, the coalition did not document verification of the provider license or accreditations, or the coalition failed to verify a provider’s accreditation.

**Table 10**  
**Verification of Provider License or Accreditation**  
**Not Properly Documented Prior to VPK Start Date**

	2005-06 School Year	2006 Summer	2006-07 School Year	Totals
Number of Providers Tested per Session.	22	1	21	44
Provider license effective after VPK start date.	5	-	1	6
Provider license expired prior to the VPK start date.	1	-	-	1
Coalition asserted that the DCFS Web site was used to verify provider license, but documentation was not maintained.	3	-	1	4
Coalition did not provide documentation of verification.	3	-	-	3
<b>Totals</b>	<b>12</b>	<b>-</b>	<b>2</b>	<b>14</b>

The licensing or accreditation of VPK providers is essential to ensure a healthy, safe, and effective learning environment for VPK students. Absent procedures guiding coalitions through the process of verifying provider licenses and accreditations and requiring that the verification process be documented, AWI has reduced assurance that the coalitions are properly considering provider licenses and accreditations when determining whether a provider is eligible to deliver the VPK Program.

<sup>45</sup> Section 1002.55(3)(a) and (b), Florida Statutes.

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**Recommendation:** We recommend that AWI, in consultation with DCFS and DOE, develop procedures and provide technical assistance to the coalitions regarding verification of providers' licenses or accreditations prior to the VPK start date. Any such procedures should require that provider licenses be in effect on the planned VPK start date and should also require coalitions to document the actions taken to verify the licenses and accreditations.

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#### **Finding No. 12: VPK Accreditation Manual**

During the 2005-06 fiscal year, AWI delegated to the coalitions the responsibility for determining the acceptable accreditations private VPK providers must possess to be eligible to deliver VPK Program services. AWI management stated that "verbal guidance was given as coalitions began raising questions about multiple levels of membership within certain associations under the three accrediting entities named in the [VPK law]." AWI management also indicated that reliance on the judgment of each coalition for eligibility determinations based on accreditation resulted in different interpretations and applications of VPK law. On June 8, 2006, AWI management issued an information memorandum<sup>46</sup> stating that "AWI has contracted with a consultant to prepare a VPK accreditation manual" and until the publication of the manual, the coalitions "shall continue to have responsibility for eligibility determination of private providers based on accreditation."

Although the licensing of child care facilities and establishing Gold Seal Quality Care standards are, pursuant to State law,<sup>47</sup> a responsibility of DCFS (with DOE consultation), AWI management stated that DCFS and DOE were not consulted on the development of the accreditation manual. Instead, under the terms of an existing contract between AWI and the University of North Florida Board of Trustees (UNF) for staffing and employment services (including consultant agreements), UNF entered into a service agreement with a consultant for the development of the VPK provider accreditation manual.

According to AWI management, as of May 23, 2007, the draft accreditation manual was substantially complete but had not been approved for issuance and coalition use. With respect to the manual, AWI's Legal Counsel determined that AWI did not have the authority to determine which "multiple-levels of accreditation issued by the associations" would satisfy the requirements in VPK law and that "a change in legislation around the accreditation issue was needed to deviate from [AWI's] original guidance to coalitions. Therefore, to pursue the project any further was not necessary at this time."

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**Recommendation:** To provide AWI and the coalitions with the guidance necessary to consistently and equitably determine the eligibility of potential VPK providers, we recommend that AWI seek Legislative clarification regarding acceptable accreditations.

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#### **Verification of Provider Compliance**

Pursuant to VPK law,<sup>48</sup> coalitions are required to verify that each private VPK provider delivering the VPK Program complies with VPK Program requirements and, to minimize interagency duplication of monitoring activities, the coalitions, AWI, and DOE shall coordinate the monitoring of private VPK providers with DCFS. Similarly, each district school board is to verify the compliance of each public school delivering the VPK Program within the school district. In addition, VPK law<sup>49</sup> requires AWI to adopt procedures governing the verification of VPK provider (both private provider and public school) compliance with VPK law. VPK law<sup>50</sup> also requires

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<sup>46</sup> AWI Policy No. OEL-IM-0037-06 (File No. 508.03), issued June 8, 2006, and subsequently rescinded August 17, 2007.

<sup>47</sup> Sections 402.281 and 402.305(1), Florida Statutes.

<sup>48</sup> Section 1002.67(3)(a) and (d), Florida Statutes.

<sup>49</sup> Section 1002.75(2)(d) and (e), Florida Statutes.

<sup>50</sup> Section 1002.71(6)(b)3., Florida Statutes.

AWI to establish procedures for coalitions and school districts to use when reviewing VPK student attendance records.

### **Finding No. 13: Procedures for Verifying VPK Provider Compliance**

As of April 10, 2008, AWI had not developed procedures for coalitions and district school boards to use when reviewing student attendance records and verifying VPK provider compliance with VPK law. In response to audit inquiry, AWI management stated that AWI, in consultation with DOE, “will issue guidance for the [coalitions] and school districts outlining procedures for verifying compliance, this guidance will provide solutions for [coalitions] that coordinate monitoring with the school district, as well as those who maintain [the] monitoring function internally.” DOE management stated that district school boards and coalitions work collaboratively to determine instructor eligibility and to monitor public school programs for VPK Program compliance. On November 5, 2007, DOE management stated that DOE “will begin rule promulgation activities to specify the local school districts’ responsibilities regarding monitoring of VPK requirements.”

As AWI had not developed procedures, we inquired about any VPK provider monitoring guidance provided by AWI to the coalitions. AWI management responded that:

- For the 2005-06 fiscal year, the VPK Program Notice of Award “grant terms and conditions require all early learning coalitions to follow Chapter 1002, Florida Statutes, VPK Act. No additional guidance was provided. During our first year of the VPK Program, we made guidance and rule development a priority.”
- For the 2006-07 fiscal year, “[AWI] directed coalitions through the Coalition Plan Guidance and Instruction Workbook, effective July 2006” and “each coalition plan is reviewed and subject to approval.” According to the *Early Learning Coalition Plan Guidance and Instruction Workbook (Workbook)*, the *Workbook* was a guidance document to provide coalitions direction in developing an Early Learning Plan (Plan). The *Workbook* included objectives for coalitions to address in the Plan, including the development of a monitoring process to verify that providers were maintaining required documentation, fulfilling provider agreement obligations, and implementing VPK Programs. According to the *Workbook* this process should include:
  - A VPK provider monitoring schedule.
  - Verification that the VPK provider allows the monitor reasonable access to records.
  - Documentation that the VPK provider is aware of the monitoring findings and is given an opportunity to respond and take corrective action.
  - Monitoring reports that include findings and recommendations to ensure compliance and timely improvement of program effectiveness.

In addition, the *Workbook* required that, if the coalition had a monitoring process for all VPK providers, the coalition provide a sample of the monitoring process as an attachment to the Plan. If the coalition did not have a monitoring tool or process, the *Workbook* required the coalition to describe how it would conform to the monitoring requirement.

Our audit disclosed that the VPK Program Notice of Award provided no monitoring guidance for the 2005-06 fiscal year and, while the *Workbook* provided the general requirement for the 2006-07 fiscal year that coalitions have a process in place for monitoring VPK providers, each coalition had the latitude to develop its own monitoring processes and the *Workbook* did not prescribe criteria for coalition consideration during monitoring.

Notwithstanding the absence of specific guidance from AWI, during the audit period, five of the six coalitions included in our testing did perform some monitoring activities of selected VPK providers. Each of the five



coalitions had established its own monitoring policies and tools and performed monitoring in varying scopes. For example, two of the five coalitions monitored public school VPK providers in addition to private VPK providers. Four of the five coalitions performed limited monitoring activities for the 2005-06 and 2006-07 fiscal years. The fifth coalition performed limited monitoring only during the 2006-07 fiscal year because, according to management at that coalition, for the 2005-06 fiscal year, “Coalitions were verbally instructed by AWI to hold off on VPK monitoring until further clarification or areas to be monitored was determined.” In addition, the VPK monitoring procedures established by the five coalitions that performed monitoring activities were deficient as one or more critical activity was not addressed. For example, the coalitions did not always verify that:

- VPK providers remained properly licensed in accordance with State laws.
- VPK providers maintained the required student to VPK instructor ratio.
- VPK provider instructors in the VPK classroom were the VPK instructors on record with and approved by the coalition.
- VPK instructors had current credentials, had completed the required training courses, had signed an annual affidavit of good moral character, and had been screened using Level 2 screening standards.
- VPK directors held the required credentials (effective for the 2006-07 school year).
- VPK providers delivered a VPK Program comprising 540 instructional hours (300 instructional hours for a summer session).
- VPK providers were paid in accordance with AWI’s Uniform Attendance Policy.

The five coalitions also employed varied methods to communicate and address the results of the monitoring activities. One coalition noted during monitoring that payments to three VPK providers, totaling \$2,817.44, and one payment of \$3,212.26 to one VPK provider for the 2005-06 and 2006-07 fiscal years, respectively, were not properly supported by attendance records; however, the coalition did not attempt to recover the payments from the VPK providers.

Coalition management at the coalition that did not perform any monitoring activities stated, in response to audit inquiry, that “it is the Coalition’s position that in the 2005-06 State fiscal year we did not have the authority to develop a programmatic monitoring plan and procedures.” This coalition began monitoring VPK providers in April 2007.

Absent established procedures for coalition and district school board VPK Program monitoring activities, AWI cannot demonstrate compliance with VPK law or provide assurances that adequate VPK Program oversight was provided to promote administration of the VPK Program in accordance with Legislative intent.

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**Recommendation:** We recommend that, as the agency responsible for administration of the operational requirements of the VPK Program, AWI develop procedures for reviewing student attendance records and verifying provider compliance. In addition, so that interagency duplication of monitoring activities is minimized or prevented, AWI should ensure that the procedures for monitoring VPK providers require coordination between the coalitions, AWI, DOE, and DCFS.

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#### **Finding No. 14: VPK Provider Payment Procedures and Documentation**

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VPK law<sup>51</sup> requires AWI to adopt procedures for paying VPK providers. AWI management indicated that the VPK Program Notice of Award Terms and Conditions, as well as e-mails and training presentations, provided

<sup>51</sup> Section 1002.75(2)(f), Florida Statutes.

payment instructions to coalitions. However, AWI did not formally establish procedures until June 23, 2006,<sup>52</sup> subsequent to the first VPK Program school year, and these procedures did not provide clear guidance to coalitions regarding monthly payments to VPK providers. Had AWI timely established procedures, some of the payment errors noted below may have been prevented or timely detected and corrected.

For the six coalitions selected, we tested 51 initial advance payments and 138 monthly payments made to VPK providers. We noted that payments were not always adequately supported and that AWI procedures were not always followed.

#### Initial Advance Payments

Coalitions make initial advance payments to VPK providers prior to the VPK start date based on the provider's class EFS VPK calendar and student enrollment. AWI procedures<sup>53</sup> require that a VPK provider have at least four VPK students enrolled for each class in order to receive an initial advance payment (prepayment). For 4 of the 51 initial advance payments reviewed (7.84 percent), documentation was not available to demonstrate that the VPK providers had a least four VPK children enrolled in each VPK class prior to receiving the payment. These four payments totaled \$17,216.68. In response to audit inquiry, coalition staff indicated that their contract service provider made the initial advance payment for the 2005-06 school year. However, the contract service provider ceased operations in December 2005 and, when the coalition assumed the operations, there was "no way to determine what methodology [the contract service provider] used to assure that documentation was reviewed and the provider had at least four children enrolled in the VPK Program." (Also, see Finding No. 4, VPK Program Records Transfer.)

#### Monthly Payments

Coalitions make recurring monthly payments to VPK providers based on the EFS VPK calendar as adjusted for actual student attendance for each respective month. AWI procedures<sup>54</sup> instruct VPK providers to document and certify student attendance by recording VPK students' daily attendance and submitting monthly attendance rosters to the coalition.

For 12 of the 138 monthly payments reviewed (8.7 percent), coalitions made payments that were not properly supported or were not made in accordance with AWI-adopted procedures. Specifically,

- For two payments, totaling \$184.13, documentation was not available to demonstrate that the selected children attended the VPK Program.
- Nine payments (4 overpayments totaling \$147.33 and 5 underpayments totaling \$196.47) were not based on the certified student attendance records and in accordance with the instructional hours provided by the VPK provider on Form AWI-VPK 11. Instead, the coalitions paid the VPK providers based on daily VPK instructional hours per the EFS VPK calendars. These payments resulted in a total net underpayment of \$49.14. (Also, see Finding No. 2, EFS VPK Calendars.)
- For one VPK provider payment, the coalition did not pay the correct number of days for the child's attendance based on the uniform attendance policy, resulting in an underpayment of \$13.71.

Absent clear guidance from AWI and proper support for VPK provider payments, there was reduced assurance that State funds were properly used for the VPK Program or that the payments were for services provided in accordance with VPK laws, rules, and procedures.

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<sup>52</sup> AWI Policy No. OEL-PI-0038-06 (File No. 240.01), issued June 23, 2006.

<sup>53</sup> AWI Policy No. OEL-PI-0020-05 (File No. 520.01), issued June 29, 2005; and subsequently replaced by AWI Rule 60BB-8.400, Florida Administrative Code, effective August 17, 2006.

<sup>54</sup> AWI Policy No. OEL-PI-0030-05 (File No. 510.04), issued September 21, 2005.

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**Recommendation:** We recommend that AWI provide technical assistance to the coalitions to ensure that coalitions comply with AWI-adopted procedures for VPK provider payments and for the maintenance of records. In addition, AWI should enhance procedures to provide detailed instructions to coalitions for paying VPK providers.

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#### **Finding No. 15: VPK Provider Overpayments**

As previously discussed, AWI utilizes EFS to assist in managing the VPK Program. On a monthly basis, AWI copies each coalition's EFS database and consolidates the data. Our analysis of the EFS consolidated data for the audit period identified 7,544 unique identification numbers (i.e., children's social security numbers or system-generated unique identification numbers) for which payments appeared to exceed the funding level established by VPK law.<sup>55</sup> As there are legitimate circumstances that may result in payments exceeding the funding level (e.g., reenrollments due to prior withdrawals for good cause or extreme hardship<sup>56</sup>), we selected payments recorded in EFS for 11 of these identification numbers for further analysis. (Also, see Finding No. 1, Data Accuracy and Analysis.) We noted that, for 5 of these 11 identification numbers (45.45 percent), the VPK provider appeared to have been significantly overpaid. Specifically,

- EFS data showed that in three instances, children were served by two different VPK providers at two different coalitions for the same dates of instruction. Payments to the VPK providers for these children totaled \$6,339.45. On November 1, 2007, we referred these instances to AWI, Office of the Inspector General. In response to audit inquiry, AWI management indicated that the instances had been referred to FDLE for further investigation.
- In two instances, children in two different coalitions were allowed to enroll in the VPK 2006 summer session after the children had substantially completed the 2005-06 school year. AWI procedures<sup>57</sup> require that, once a child has attended 60 percent of the VPK Program's instructional hours, the child is considered to have substantially completed the VPK Program and is not eligible to participate in another VPK Program. Payments to the VPK 2006 summer session providers for these children totaled \$4,176.10. In response to audit inquiry, AWI management stated that "in June 2006, the Agency provided a summer dual enrollment report indicating each child who received VPK services and was also receiving VPKS [summer] services. ...Coalitions were directed to dis-enroll any child who was not eligible to receive summer services." One of the children in these two instances was identified on the report AWI provided to the coalition.

Since each coalition independently maintained VPK Program data in EFS, no automated checks between coalition databases occurred to detect whether children were enrolled with more than one coalition or VPK provider. Although AWI compiled a consolidated database from individual coalition EFS data, AWI had not developed procedures for analyzing the data across coalitions to determine whether the data showed that more than one VPK provider was paid for providing VPK services to the same child for the same dates of instruction, VPK providers were paid for amounts greater than the authorized funding level, or children who had substantially completed a VPK Program had been reenrolled in another VPK Program. (Also, see Finding No. 2, EFS VPK Calendars.)

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**Recommendation:** We recommend that AWI implement procedures to analyze the consolidated EFS data and adopt formal procedures requiring coalitions to periodically review EFS data for errors and potential fraud.

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<sup>55</sup> Section 1002.71(3), Florida Statutes.

<sup>56</sup> Section 1002.71(4)(a) and (b), Florida Statutes.

<sup>57</sup> AWI Policy No. OEL-PI-0035-06 (File No. 510.029), issued January 23, 2006.

**AWI Monitoring of VPK Program Local Administration****Finding No. 16: Performance Monitoring of Coalitions**

Pursuant to State law,<sup>58</sup> AWI shall monitor and evaluate the performance of each coalition's administration of the VPK Program. During the 2006-07 fiscal year, AWI established a triennial schedule to perform VPK Program on-site performance monitoring at all 31 coalitions. The performance monitoring included client eligibility determinations, VPK provider verification, governance and operations, child care resource and referrals, community partnerships and collaboration, grant award and contract management, and educational service delivery. In accordance with the triennial schedule, AWI performed on-site visits at 4 coalitions during the period July 2006 through February 2007. During the monitoring visits, AWI performed a review of the 2005-06 fiscal year activities at all 4 coalitions and monitored activities for the 2006-07 fiscal year at 3 of the 4 coalitions.

Our review of AWI monitoring activities disclosed that:

- During the 2005-06 fiscal year, AWI did not perform any coalition-specific performance monitoring for VPK Program compliance.
- The VPK Program monitoring instrument developed and utilized by AWI included criteria for most significant AWI procedures; however, the instrument did not include criteria to verify coalition compliance with the following AWI procedures:
  - For delayed enrollments, the coalition obtained an *Informed Parental Consent* (Form AWI-VPK 04), signed by a parent or guardian.<sup>59</sup>
  - For re-enrollments, the coalition obtained a *Re-enrollment Application* (Form AWI-VPK 05), completed by the parent or guardian.<sup>60</sup>
  - Prior to receiving the first payment, the coalition demonstrated the enrollment of the minimum number of children.<sup>61</sup>
- AWI staff did not establish a separate eligibility monitoring team (Performance and Accountability Eligibility Review Unit) to conduct annual child and VPK provider eligibility monitoring until December 2006 and, it was not until the third quarter of the 2006-07 fiscal year that AWI staff developed an eligibility monitoring instrument and monitoring schedule. According to the eligibility monitoring schedule, the Performance and Accountability Eligibility Review Unit performed on-site eligibility monitoring visits at 9 coalitions during the period February 2007 through June 2007. The Unit performed eligibility monitoring at 18 additional coalitions during the period July 2007 through February 2008.

Absent monitoring during the VPK Program year, AWI may not timely detect instances of noncompliance and the coalitions' ability to timely correct any noted deficiencies, including those that may affect the final payment of VPK Providers, is diminished. Additionally, absent a monitoring tool that addresses all significant VPK Program laws, rules, and adopted procedures, AWI can not be assured that the coalitions materially comply with those laws, rules, and procedures. AWI management indicated that part of the reason for the delay in establishing a performance monitoring process was that, during the 2005-06 fiscal year, many of the VPK Program rules and procedures were under development.

<sup>58</sup> Section 411.01(4)(l), Florida Statutes.

<sup>59</sup> AWI Policy No. OEL-PI-0031-05 (File No. 510.027), issued September 21, 2005.

<sup>60</sup> AWI Policy No. OEL-PI-0035-06 (File No. 510.029), issued January 23, 2006, superseded by AWI Rule 60BB-8.400, Florida Administrative Code, effective August 17, 2006.

<sup>61</sup> AWI Policy No. OEL-PI-0020-05 (File No. 520.01), issued June 29, 2005, superseded by AWI Rule 60BB-8.400, Florida Administrative Code, effective August 17, 2006.

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**Recommendation:** We recommend that AWI continue to enhance its VPK Program annual eligibility and triennial performance monitoring processes to ensure that all coalitions have timely on-site monitoring performed. We also recommend that AWI ensure that all significant VPK Program requirements are included in the monitoring instruments.

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**Finding No. 17: Monitoring of District School Boards**

Pursuant to VPK law,<sup>62</sup> AWI is responsible for administering the operational requirements of the VPK Program at the State level and for adopting procedures governing the local VPK Program operational requirements of the coalitions and district school boards. In addition, VPK law<sup>63</sup> requires that each district school board administer the VPK Program at the district level for students enrolled in a program delivered by a public school and that the district school board verify each public school's compliance with VPK law. DOE is to require that the district school boards remove any public school from eligibility to deliver the VPK Program if the school fails or refuses to comply with VPK law.<sup>64</sup> Pursuant to State law,<sup>65</sup> the State Board of Education is responsible for district school board oversight.

In response to audit inquiry requesting clarification of the entity responsible for and evidence of the monitoring of district school board VPK Program compliance, AWI management sought input from DOE management. While both AWI and DOE management provided responses regarding the collaboration of coalitions and district school boards to ensure that public schools were monitored for VPK Program compliance, neither AWI nor DOE management addressed the processes used to verify that district school boards were administering the VPK Program in compliance with VPK law nor was any evidence provided to support that any such verification had occurred during the audit period.

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**Recommendation:** As AWI is responsible for administering the operational requirements of the VPK Program, we recommend that AWI, in consultation with DOE, develop policies and procedures to be used to verify public school provider and district school board compliance with the operational requirements of the VPK law.

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<sup>62</sup> Sections 1002.75(1), (2) and 1002.79(2), Florida Statutes.

<sup>63</sup> Sections 1002.61(1)(a), 1002.63(1), and 1002.67(3)(a), Florida Statutes.

<sup>64</sup> Section 1002.67(3)(b), Florida Statutes.

<sup>65</sup> Section 1008.32 Florida Statutes.

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**AUTHORITY**

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Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA  
Auditor General

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**MANAGEMENT RESPONSE**

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In a letter dated July 11, 2008, the Director of the Agency for Workforce Innovation provided responses to our preliminary and tentative findings. The letter is included at the end of this report as **APPENDIX A**.

**APPENDIX A  
MANAGEMENT RESPONSE**



**Charlie Crist**  
*Governor*  
**Monesia T. Brown**  
*Director*

July 11, 2008

Mr. David W. Martin  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, we have prepared the attached written response to the preliminary and tentative findings which may be included in your final report on the Agency for Workforce Innovation's Voluntary Prekindergarten Education Program. Your audit covered the period of July 1, 2005, through February 28, 2007, and selected actions taken through February 2008.

We appreciate the in-depth work performed by your staff and their efforts to provide a comprehensive evaluation of the Voluntary Pre-Kindergarten Education Program. I will ensure that the Agency's actions in response to the report will be given priority in order to guarantee the utmost responsiveness and timely corrective action.

We are pleased to offer this response and hope that it satisfies your expectations and all requirements that are statutorily mandated. If you have any questions or require additional information, please contact James F. Mathews, Inspector General, at (850) 245-7141.

Sincerely,  
  
for Monesia T. Brown

MTB/jmm

Enclosure

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**APPENDIX A  
MANAGEMENT RESPONSE  
(CONTINUED)**

**Agency for Workforce Innovation (AWI)  
Response to Auditor's Preliminary and Tentative Findings  
Voluntary Prekindergarten Program (VPK)**

**Finding No. 1: Data Accuracy and Analysis**

**Finding:** AWI should enhance procedures to promote the accuracy and completeness of the VPK Program data maintained in the Enhanced Field System (EFS).

**Auditor's Recommendation:** We recommend that AWI enhance procedures to promote the accuracy and completeness of VPK Program data in EFS. In addition, AWI should continue to periodically perform analyses of the EFS consolidated database and expand the analyses to include comparisons of data across coalitions.

**AWI Response:** The Agency concurs with the Auditor General's recommendation to enhance procedures to promote the accuracy and completeness of VPK Program data in EFS. The EFS is a distributed system and while sufficient for the School Readiness program, such a system could not meet some of the new requirements imposed by the VPK program. Specifically, EFS could not track children across coalitions. Recognizing this, AWI created a consolidated database and initiated several processes to improve statewide VPK program data accuracy, completeness, and uniformity. These processes include guidance documents, edit reports, data verification procedures and system enhancements. These improvements have increased the Agency's oversight of the statewide program since inception of the VPK Program. The Agency will continue to strengthen these processes and develop additional ones to address the Auditor General's findings.

The Agency understands that information systems are critical to the quality of services, accountability, statewide collaboration and overall program development. In addition to enhancing procedures to promote the accuracy and completeness of the program data maintained in the Enhanced Field System (EFS), the most significant way to improve the administration of Florida's early learning programs would be the development and implementation of a modern early learning information system. The current decentralized data system was developed in the 1980s when the School Readiness program was contracted out to Child Care Central Agencies. Chapter 411 and its requirements, Early Learning Coalitions, and Voluntary Prekindergarten did not exist when this current system was developed. It is both technologically and programmatically outdated.

A modern system would provide a wide-range of benefits including increased accountability, enhanced communication and cost savings. To this end, the Agency for Workforce Innovation has initiated the development of the Early Learning Information System (ELIS). Over the past year, system requirements have been identified and it was determined that the new information system will streamline administrative processes including attendance tracking, eligibility determination, and provider payments. It will provide parents with easy on-line access to child care resource and referral information along with a wealth of child development and early education information. Additionally, a new system will enhance data sharing capabilities enabling meaningful data exchange between and among agencies that provide services to the



**APPENDIX A  
MANAGEMENT RESPONSE  
(CONTINUED)**

**Agency for Workforce Innovation (AWI)  
Response to Auditor's Preliminary and Tentative Findings  
Voluntary Prekindergarten Program (VPK)**

same children and families. Finally, it will result in cost savings due to enhanced efficiencies in program operations.

**Finding No. 2: EFS VPK Calendars**

**Finding:** AWI should continue to provide technical assistance to the coalitions regarding the establishment of VPK provider calendars in EFS. Such assistance is needed to ensure that the calendars contain the required number of instructional hours and that VPK provider payments are properly made.

**Auditor's Recommendation:** To ensure that the required number of VPK instructional hours is scheduled to be provided and that VPK provider payments are made in accordance with VPK law, we recommend that AWI continue to provide technical assistance to the coalitions regarding EFS VPK calendar accuracy.

**AWI Response:** The Agency concurs with the Auditor's recommendation and has substantially completed improvements in this area. The Agency has provided technical assistance to the coalitions regarding calendar accuracy in the EFS through multiple venues and different forms, including:

- The 2007 Data Conference partnered the Agency with EFS users and program managers to promote data quality, share best practices, identify areas of concern, and refine data management and reporting techniques.
- Technical improvements to EFS guarantee increased accuracy. Detailed guidance documents provide instructions that allow coalitions to improve accuracy and experience in using the improved EFS calendar features.
- Instructions and guidance to coalitions on the use of other EFS data management tools to ensure payment and accuracy allow coalitions flexibility in managing their own processes.

**2007 Data Conference**

The first Agency data conference brought together almost 200 participants from AWI-OEL, DOE-OEL, early learning coalitions, and early learning contracted service providers. Participants represented all facets of the early learning service delivery community, from front-line workers, fiscal agents, information technology system administrators, to early learning coalition executive directors. The two-day conference focused on how to use data for program planning, management, and accountability. Presentations provided detailed information on SR and VPK eligibility procedures, Kindergarten Readiness Rate and low performing providers, using and supporting the Enhanced Field System (EFS), common data problems, using data to support program decisions, and current and future demands for program-related data.

**APPENDIX A  
MANAGEMENT RESPONSE  
(CONTINUED)**

**Agency for Workforce Innovation (AWI)  
Response to Auditor's Preliminary and Tentative Findings  
Voluntary Prekindergarten Program (VPK)**

**EFS VPK Calendar Enhancements, Instructions, and Reports**

EFS has been enhanced so that a user cannot change a calendar once a provider on that calendar has been paid. The Agency released a VPK calendar instruction explaining how to accurately set up a VPK calendar and deal with provider scheduling issues. The instruction also describes reports available in EFS for tracking provider calendars and child payments, promoting accurate payments. The Agency releases the quarterly VPK Calendar Edit report, which identifies each calendar that does not equal the required program hours.

**Guiding Data Management**

- In addition to payment errors resulting from the set-up and mismanagement of VPK calendars in EFS, errors also occur due to provider scheduling issues, child transfers, and provider schedule changes. Instruction documents related to these topics address how a coalition may manage these situations to ensure providers are paid accurately; however, the flexibility of the VPK program and the current data system require coalitions to be inventive when creating provider calendars. This sometimes results in calendars not equaling the required program hours. The Agency has instructed coalitions on the use of other EFS data management tools to ensure payment and program accuracy.

**Finding No. 3: AWI Reconciliation of EFS and FLAIR**

**Finding:** AWI should adopt procedures that require monthly reconciliations of the EFS and AWI financial records. To ensure the accuracy of the financial records, any differences noted during the reconciliation process should be timely investigated and resolved.

**Auditor's Recommendation:** We recommend that AWI continue to resolve any outstanding differences noted in the comparison between EFS and FLAIR for the 2005-06 fiscal year. AWI should also formally adopt procedures that require a monthly reconciliation of the EFS and FLAIR data. Any differences noted during the reconciliation should be timely investigated and resolved.

**AWI Response:**—The Agency will continue to work with the Early Learning Coalitions to identify, explain, and resolve the remaining outstanding differences between EFS and FLAIR for the 2005-06 fiscal year. The Agency would like to note that during the 2005-06 fiscal year, EFS system changes were made in implementing the VPK Program. As each coalition updated their EFS system an interim reconciliation was conducted between December 2005 and March 2006. The reconciliation inquiries that began in January 2007 also included the first 6 months of the 2006-07 fiscal year. For the remainder of the 2006-07 fiscal year reconciliations were completed quarterly. Effective July 2007, the Agency implemented a monthly EFS-to-FLAIR reconciliation process to increase the timeliness of our inquiries and resolution. All staff

**APPENDIX A  
MANAGEMENT RESPONSE  
(CONTINUED)**

**Agency for Workforce Innovation (AWI)  
Response to Auditor's Preliminary and Tentative Findings  
Voluntary Prekindergarten Program (VPK)**

members completing the reconciliations received training. The Agency will develop formal written internal procedures to enhance this process.

**Finding No. 4: VPK Program Records Transfer**

**Finding:** AWI should develop procedures requiring that all VPK records be promptly and securely returned by the provider to the coalition should the provider's contract be terminated for any reason.

**Auditor's Recommendation:** We recommend that, AWI develop procedures requiring that all VPK records be promptly and securely returned to coalitions should a service provider contract terminate for any reason. In addition, we recommend that AWI include a similar provision in the revised Statewide Provider Agreement.

**AWI Response:** The Agency will provide guidance to the coalitions to recommend that they include a provision in their contracts with their service providers clarifying that VPK records are the property of the coalition and that requires the records to be promptly and securely returned to coalitions should a service provider contract terminate for any reason. The Agency has recently notified coalitions of this recommendation. The Agency has also added the following provision to the AWI-VPK 20 Statewide Provider Agreement to address records retained at the VPK provider:

*The PROVIDER agrees that it must notify the COALITION of any plans or decision to close the business prior to the closure of the business. Prior to the PROVIDER ceasing to do business it must transfer all VPK records provided for in Paragraphs 30 and 51 to the COALITION in a manner and form to be determined by the COALITION. Additionally, the PROVIDER understands that it must retain all VPK records provided for in Paragraphs 30 and 51 for 2 years, regardless of whether the PROVIDER continues to offer a VPK program.*

**Finding No. 5: VPK Provider Profile Format**

**Finding:** As required by VPK law, AWI should prescribe a provider profile format for coalition use and ensure that statutorily required information is included in the profiles and that the profiles are timely provided to parents.

**Auditor's Recommendation:** To ensure that parents are provided all the information required to make an informed decision regarding their child's placement with a VPK provider and to

**APPENDIX A  
MANAGEMENT RESPONSE  
(CONTINUED)**

**Agency for Workforce Innovation (AWI)  
Response to Auditor's Preliminary and Tentative Findings  
Voluntary Prekindergarten Program (VPK)**

comply with the statutory requirements related to VPK provider profiles, we recommend that AWI prescribe a VPK provider profile format that addresses all the required information. AWI should require that any coalition desiring to deviate from the prescribed format submit an example profile for AWI approval prior to use. In addition, AWI should monitor the distribution of the VPK provider profiles by the coalitions to ensure that the profiles are made available to parents at the time of enrollment.

**AWI Response:** The Agency is working with the Department of Children & Families (DCF) to utilize their Child Care Information System as the prescribed format for all coalitions to use related to VPK provider profiles. DCF is currently making enhancements to their system to ensure that each VPK Provider Profile contains all of the statutorily required elements as well as adding reporting and print capabilities so that coalitions can ensure that VPK provider profiles are made available to parents at the time of enrollment. This will ensure consistent profiles across the state. The Agency monitored for the minimum elements of the VPK Provider Profile as part of the eligibility monitoring, this criteria was added in April 2007.

**Finding No. 6: Parental Certifications**

**Finding:** AWI should take appropriate actions to ensure that coalitions timely obtain and properly retain the required parental certification naming the selected provider and directing that payments be made to that provider.

**Auditor's Recommendation:** We recommend that AWI take appropriate actions to ensure that coalitions timely obtain and properly retain documentation of the required parental certification.

**AWI Response:** The Agency currently reviews the parental certification as part of the annual eligibility monitoring. The Agency will continue to monitor for the appropriate documentation and the timeliness of the certification; during monitoring visits Agency staff will continue to provide technical assistance as appropriate.

**Finding No. 7: Verification of VPK Program Provider Registration Information**

**Finding:** AWI should establish procedures to assist coalitions in the verification of provider eligibility. In addition, AWI procedures should require that the coalitions document the provider's eligibility before the provider is allowed to deliver VPK Program services.

**Auditor's Recommendation:** We recommend that AWI establish procedures to assist coalitions in timely information verification and use of Forms AWI-VPK 10 and AWI-VPK 11. We also recommend that providers not be permitted to conduct VPK classes until all information is received and reviewed for compliance with VPK law.

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**AWI Response:** The Agency concurs with the Auditor's recommendation and will establish procedures and provide instructions to the coalitions on their responsibilities for documenting the eligibility of VPK providers. The Agency agrees that providers should not be permitted to conduct VPK classes until all information is received and reviewed for compliance with VPK law.

**Finding No. 8: VPK Provider Notification**

**Finding:** To ensure that VPK providers are timely informed of their eligibility status in advance of their planned VPK start dates, AWI should require that coalitions adopt internal processing benchmarks that establish the timeframes within which the steps in the VPK provider application review process must be completed.

**Auditor's Recommendation:** To ensure that VPK providers are timely informed of their eligibility status in advance of their planned VPK start dates, we recommend that AWI require the coalitions to adopt internal processing benchmarks that establish the timeframes within which different steps in the application review process must be completed.

**AWI Response:** The Agency agrees that it is critical for VPK providers to be informed timely of their eligibility status. As part of the annual eligibility monitoring, the Agency will ensure that coalitions review and approve provider applications prior to the start of class. Agency staff also provides onsite technical assistance during the monitoring review, as needed.

**Finding No. 9: Private Providers – VPK Instructor Requirements**

**Finding:** AWI, in consultation with the Department of Education (DOE) and the Department of Children and Family Services (DCFS), should establish procedures and provide technical assistance to the coalitions regarding acceptable documentation for and review of private provider VPK instructor eligibility.

**Auditor's Recommendation:** We recommend that AWI, in consultation with DOE and DCFS, establish procedures and provide technical assistance to the coalitions regarding acceptable documentation for and review of VPK instructor credentials, literacy training, good moral character, and level 2 screenings. We also recommend that AWI incorporate the requirement for local criminal records checks into the procedures.

**AWI Response:** The Agency is working with the Department of Children & Families (DCF) to receive a certified file from the Child Care Information System of every VPK instructor in the state who meets the background screening requirements and the VPK instructor credentials as

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required by statute. We will also provide program guidance on what is acceptable documentation that would suffice for VPK instructor eligibility should they not have any information registered through the DCF. Agency staff included review for the accuracy and completeness of the instructor files in the eligibility monitoring since inception within the triennial performance review in December 2006 and in the annual eligibility review effective March 2007.

**Finding No. 10: Public Schools – VPK Instructor Requirements**

**Finding:** AWI, in consultation with DOE, should provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented.

**Auditor's Recommendation:** We recommend that AWI, in consultation with DOE, provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented prior to the delivery of VPK Program instruction by the public school.

**AWI Response:** The Agency concurs with the Auditor's recommendation and will continue to work with the DOE to provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented. The DOE developed a checklist for teacher qualifications in January 2007. Eligibility criteria included in the triennial performance review, effective December 2006, and in the annual eligibility review, effective March 2007, require that each instructor's file is reviewed for accuracy and completeness.

**Finding No. 11: Private Providers – License or Proof of Accreditation**

**Finding:** AWI, in consultation with DCFS and DOE, should develop procedures and provide technical assistance to coalitions regarding timely verification of private VPK provider licenses or accreditations.

**Auditor's Recommendation:** We recommend that AWI, in consultation with DCFS and DOE, develop procedures and provide technical assistance to the coalitions regarding verification of providers' licenses or accreditations prior to the VPK start date. Any such procedures should require that provider licenses be in effect on the planned VPK start date and should also require coalitions to document the actions taken to verify the licenses and accreditations.

**AWI Response:** The Agency will work with the Department of Children and Families to provide guidance to coalitions regarding timely verification of private VPK provider licenses or accreditations. This guidance will include instructions requiring that a VPK provider's license and accreditations are in effect prior to the provider's planned VPK start date. Effective

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December 2006 eligibility criteria within the triennial performance review included review of licensing; criteria for accreditation was added to the annual eligibility review in June 2007.

**Finding No. 12: VPK Accreditation Manual**

**Finding:** To provide AWI and the coalitions with the guidance necessary to consistently and equitably determine the eligibility of potential VPK providers, AWI should seek legislative clarification regarding acceptable accreditations.

**Auditor's Recommendation:** To provide AWI and the coalitions with the guidance necessary to consistently and equitably determine the eligibility of potential VPK providers, we recommend that AWI seek Legislative clarification regarding acceptable accreditations.

**AWI Response:** The Agency will work on providing guidance to the coalitions about accreditation to ensure that a VPK provider's eligibility is consistently and equitably determined. On June 17, 2008 the Governor signed HB 879 into legislation which provides that an accredited VPK provider must:

1. Be accredited by an accrediting association that is a member of the National Council for Private School Accreditation, the Commission on International and Trans-Regional Accreditation, or the Florida Association of Academic Nonpublic Schools and have written accreditation standards that meet or exceed the state's licensing requirements under s. 402.305, s.402.313, or s. 402.3131 and require at least one on-site visit to the provider or school before accreditation is granted;

This new language will help the agency more definitively define what accreditation means and what entities can provide accreditation under the VPK law.

**Finding No. 13: Procedures for Verifying VPK Provider Compliance**

**Finding:** As the State agency responsible for administration of the operational requirements of the VPK Program, AWI should develop procedures for reviewing student attendance records and verifying provider compliance. So that interagency duplication of monitoring activities is minimized, AWI should ensure that the procedures require coordination between the coalitions, AWI, DOE, and DCF.

**Auditor's Recommendation:** We recommend that, as the agency responsible for administration of the operational requirements of the VPK Program, AWI develop procedures for reviewing student attendance records and verifying provider compliance. In addition, so that interagency duplication of monitoring activities is minimized or prevented, AWI should ensure that the

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procedures for monitoring VPK providers require coordination between the coalitions, AWI, DOE, and DCFS.

**AWI Response:** The Agency is currently developing a standard statewide eligibility monitoring tool for use in 2008-09; this tool will include review of student attendance records and verification of provider compliance. The tool includes procedures to determine if each criterion is met. The Agency will work with DCFS and DOE to ensure that procedures for monitoring VPK providers are coordinated.

As part of our annual eligibility monitoring, technical assistance is provided in areas where observations are noted. Review of VPK attendance in accordance with the uniform attendance policy was incorporated in the annual eligibility monitoring tool in September 2007. Provider compliance has been reviewed since December 2006. The Coalition Performance Review includes criteria to determine if the coalition has a monitoring process in place in accordance with the Coalition Plan.

The audit reports indicate that one coalition stated that they were verbally instructed by AWI to hold off on VPK monitoring. No member of the Agency's current administration has knowledge of this statement. Coalitions have been made aware of monitoring requirements since the inception of VPK.

**Finding No. 14: VPK Provider Payment Procedures and Documentation**

**Finding:** AWI should provide technical assistance to the coalitions to ensure that the coalitions comply with AWI-adopted procedures for VPK provider payments and for the maintenance of records. In addition, AWI should enhance procedures to provide detailed instructions to the coalitions for paying VPK providers.

**Auditor's Recommendation:** We recommend that AWI provide technical assistance to the coalitions to ensure that coalitions comply with AWI-adopted procedures for VPK provider payments and for the maintenance of records. In addition, AWI should enhance procedures to provide detailed instructions to coalitions for paying VPK providers.

**AWI Response:** The Agency concurs that additional technical assistance should be provided to coalitions related to VPK provider payments and maintenance of records. The Agency's staff is currently providing technical assistance during onsite monitoring visits; this has been in effect since March 2007. Additionally the Agency developed Rule 60BB-8.305, Florida Administrative Code in May 2007, this Rule rescinded OEL-PI-0030-05 (referenced by the Auditor General) and expanded the payment procedures to instruct coalitions to withhold the next month's payment to the provider until the coalition receives a certified attendance for each child. The Rule also added a requirement for verification of the annual cumulative attendance before final payment is made.



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The audit finding indicated that a lack of formal procedures contributed to the errors identified in the finding. The Agency would like to address the errors noted in the finding:

- **Initial Advance Payment:** the errors noted were due to lack of documentation to support that a minimum of 4 children were enrolled prior to the prepayment being provided to the provider. As stated in the finding procedures were adopted in June 2005 providing that to receive the initial advance payment for a VPK class, at least four VPK students must be enrolled for the class. The Agency also developed the VPK Class Check report (CC036) that identifies classes that have less than 4 or more than 18 enrollments at the request of the coalitions. This report was made available to the coalitions at the end of October 2005. A coalition would need to run the report before making the first prepayment to a new class to verify the class meets the minimum 4 child requirement.
- **Monthly Payments:** The procedures, adopted in September 2005, which are referenced in the finding, address documentation and certification of student attendance. Additionally, the original uniform attendance policy was adopted in June 2005; providers should be paid in accordance with the effective attendance policy. Effective September 2007, the annual eligibility monitoring tool includes payment validation of VPK client attendance sheets. Technical assistance is provided on site as needed.

The Agency maintains that procedures were in place for coalitions to make prepayments and pay in accordance with the uniform attendance policy; however, the Agency does agree that on-going technical assistance should continue.

**Finding No. 15: VPK Provider Overpayments**

**Finding:** AWI should implement procedures to analyze consolidated EFS data. In addition, AWI should adopt procedures requiring coalitions to periodically review EFS data for errors and potential fraud.

**Auditor's Recommendation:** We recommend that AWI implement procedures to analyze the consolidated EFS data and adopt formal procedures requiring coalitions to periodically review EFS data for errors and potential fraud.

**AWI Response:** The Agency has developed an edit report process that includes: identifying potential data errors, creating and distributing data edit reports, informing coalitions of potential data errors, requesting coalitions to review and correct data errors, and publishing support documentation and instructions with each data edit report. The instruction documents provide best practices for fixing any data errors and preventing data errors in the future. The Agency will continue to improve this process to ensure that potential errors are reviewed and addressed.

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**Finding No. 16: Performance Monitoring of Coalitions**

**Finding:** AWI should continue to enhance its VPK Program annual eligibility and triennial performance monitoring processes.

**Auditor's Recommendation:** We recommend that AWI continue to enhance its VPK Program annual eligibility and triennial performance monitoring processes to ensure that all coalitions have timely on-site monitoring performed. We also recommend that AWI ensure that all significant VPK Program requirements are included in the monitoring instruments.

**AWI Response:** The Agency concurs with the recommendation and has developed comprehensive monitoring of the VPK Program. However, the Agency would like it noted that an implementation study of the VPK program was completed in the fall of 2005, which included eligibility file monitoring and child care provider site visits for the VPK program in seven coalition areas to provide feedback and technical assistance to the coalitions. This study helped the agency identify areas for monitoring and guidance.

Additionally, the report states that the eligibility monitoring instrument and schedule was not developed until the third quarter of 2006-2007. Although the eligibility was on a three year monitoring schedule with the triennial reviews, there was a schedule already published and a tool had been developed. The tool and schedule were modified during the third quarter to fit the new annual review process. The eligibility monitoring tool currently includes but is not limited to procedures for delayed enrollment, re-enrollments and class size.

**Finding No. 17: Monitoring of District School Boards**

**Finding:** AWI, in consultation with DOE, should develop policies and procedures describing the process to be used to verify public school provider and district school board compliance with the operational requirements of the VPK law.

**Auditor's Recommendation:** As AWI is responsible for administering the operational requirements of the VPK Program, we recommend that AWI, in consultation with DOE, develop policies and procedures to be used to verify public school provider and district school board compliance with the operational requirements of the VPK law.

**AWI Response:** The Agency concurs with Auditor's recommendation and has created a Statewide VPK School District Agreement and added clarifying language for the Coalition and the School District to agree upon the monitoring responsibility. While the Coalition

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Performance Monitoring Tool, implemented in 2006, reviews compliance with monitoring of contractors, including school districts, the Agency agrees that additional instruction should be provided to verify compliance with the operational requirements of VPK law. Currently, the annual eligibility team reviews the evidence demonstrating that VPK instructors with the school system were in compliance with the law when they entered the classroom. Additionally, the Agency is issuing a new Statewide Eligibility Monitoring tool which will provide instructions on determining compliance of VPK providers and child eligibility. DOE is also committed to promulgating a rule which will define the responsibility for monitoring public school VPK programs. These procedures, defined in the proposed rule, will provide local flexibility and consistent monitoring requirements. The Agency will work with DOE to determine criteria for monitoring.