

## **Department of Education & Early Development (DEED) Grant Oversight**

Grant oversight within the Department of Education is covered under a variety of areas such as: monitoring (both program and financial), internal audit, sub-recipient monitoring, Legislative Audit, and federal reviews. Each of these areas is addressed briefly below.

### **Monitoring (program and financial) –**

The department conducts monitoring on our federal grants through the review of both program and financial documents. This monitoring is conducted by the Division of Teaching and Learning Support (TLS). Monitoring is conducted on a regular cycle and begins with TLS reviewing grantee applications for funding under the different federal programs, such as the NCLB Consolidated Federal Programs Grant Application, the Special Education Title VI-B and Section 619 Grant Application, and the 21<sup>st</sup> Century Community Learning Center Competitive Grant. Part of the application review includes looking at the grantees' budget and budget narrative to ensure they are spending the funds on allowable costs and costs principles. Additional monitoring includes reviewing program specific reports, including quarterly, periodic, and final/year-end reports. Some examples of program specific reports reviewed by TLS include the LEA Consolidated Performance Report, the Title I Report of Comparability, Education Technology Plans, quarterly requests for reimbursements, etc. With the quarterly requests for reimbursements, TLS' Grants Administrators do a check of the grantees supporting documentation to ensure the grantees are spending their grant funds in accordance with the federal laws and regulations. Furthermore, TLS conducts both desk and on-site monitoring's of grantees on a rotating basis (i.e.: every 5 years for NCLB grants and every 4 years for Special Education grants), or more often if determined necessary.

### **Internal Audit –**

The department also conducts grant oversight through our Internal Audit section. This section works with the state and federal auditors when they come into the department for an on-site review or when performing a desk-review. The Internal Audit section reviews various aspects of the department's grants management to ensure compliance with federal laws and regulations, including processes and program reports, and ensures that the department is maintaining proper internal controls throughout each division. In addition, the Internal Audit section reviews documents and reports to assure grant recipients and/or school districts are in compliance with statutes and regulations as well as the parameters of generally accepted accounting practices.

### **Sub-recipient monitoring –**

Per AS 14.14.050(b), all school districts are required to submit an annual independent audit to the department by November 15 each year. Furthermore, grantees are required under OMB Circular A-133 to submit a federal single audit if they expended \$500,000 or more in federal funds during their fiscal year. Additionally, grantees are required under the State Single Audit regulation 4 AAC 45.010 to submit a state single audit if they expended \$500,000 or more in state funds during their fiscal year. Currently, all of Alaska's 53 school districts submitted an annual independent audit for FY2013, all but nine were required to submit a federal single audit for FY2013, and all but one had a state single audit for FY2013.

All independent audits are sent to and processed through the Single Audit Coordinator within the Department of Administration, Division of Finance. All independent audits that show funds being passed through from the Alaska Department of Education are forwarded to the department's Single Audit Representative. All audits are reviewed and findings and recommendations are followed up on with the grantee within the six month time frame per federal regulations. Follow-up consists of written and verbal communication and collecting documents regarding a grantees finding and corrective action plan. In addition, the department performs a separate review of all school district audits with federal pass through funds that were not required to have a federal single audit.

#### Legislative Audit –

The department undergoes an annual financial statement audit alongside an annual federal and state single audit. The Division of Legislative Audit (DLA) conducts the fieldwork and testing for our annual audit. Each year, DLA determines the major federal programs they will audit. For testing and fieldwork of the major federal programs, DLA follows the OMB Circular A-133 Compliance Supplement correlating to that federal program. Areas of the federal grant in which DLA reviews include: Program Objectives, Program Procedures, and Compliance Requirements. The Compliance Requirements cover the following items: Activities Allowed and Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Reporting; and Special Tests and Provisions. DLA reviews grant files, financial status reports, program reports, monitoring documents, time and effort documents, weekly federal draw-downs, etc. in order to determine if the department is operating the federal programs in accordance with federal laws and regulations.

#### Federal Reviews –

Various USDOE and USDA program offices actively monitor the state's administration of most federal programs that flow through the department. For instance, the following programs have been reviewed by USDOE or USDA at least once within the last five years: Title I-A; Title I-C Migrant Education; Title I-D Neglected & Delinquent; Title II-A Improving Teacher Quality; Title II-D Enhancing Education Through Technology; Title III; Title V-A Innovative Programs; Title X-C McKinney-Vento/Homeless; Even Start; Special Education; 21<sup>st</sup> Century Community Learning Centers; Child Nutrition Programs (National School Lunch Program, School Breakfast, After School Snack, Summer Food Service Program, and Child and Adult Care Food Program); State Fiscal Stabilization Funds; and Education Jobs Funds. Federal agencies monitor the department for both programmatic and fiscal aspects of the programs. They ensure that we are achieving program goals and objectives and are in compliance with federal laws and regulations. They have performed these reviews both through desk reviews and on-site reviews.