



OEL Updates to Providers – Statewide Provider Portal Impacts on 2018-19 Financial Statement Audits

The Office of Early Learning (OEL) presented a webinar on September 10, 2019, to share information about FY2018-19 EFS Mod-related difficulties with CPA/audit firms for early learning coalitions (ELC) and Redlands Christian Migrant Association (RCMA). Copies of the webinar slides and instructions released by OEL during FY2018-19 are also available now for SR program providers with FY2018-19 financial statement audits underway. **Please note, the statewide Provider Portal is a component of the statewide system collectively known as EFS Modernization (EFS Mod).**

Some key takeaways –

Two types of audit issues/findings related to EFS Mod are expected for FY2018-19.

1. Problems with EFS Mod system stability, functionality and data accuracy, which are system-related circumstances beyond the control of the ELCs/RCMA and School Readiness (SR) providers; and/or
2. Local level processing of attendance records and provider payments, which represent activities within the control of ELCs/RCMA and SR providers.

Even with these potential audit exceptions/issues pending, there are several other key points to remember –

- All providers have been paid for FY2018-19 program services.
- The described FY2018-19 EFS Mod-related difficulties do not represent fraud*, mismanagement* or misuse* of program funds or resources.
- Efforts by OEL, ELCs, RCMA and others across the state are ongoing to avoid any disruptions in program services for children.

** References to these terms by OEL are for audit-related discussion purposes only.*

The schedule for your planning and audit testing tasks may be impacted, so what happens now?

There's still some time left for SR providers to make corrections and complete their routine EFS Mod reconciliation tasks/processes and if this occurs for each ELC/RCMA and SR provider, potential audit issues/findings should be minimized. OEL had a chance to speak individually to a few audit firms that estimate their audit teams can still perform a large portion of FY2018-19 audit work within normal October/November timelines, while ELC staff have final EFS Mod-related corrections underway.

OEL has some additional instructions for FY2018-19 audit firms -

OEL's goal is to assist your audit teams, the ELCs, RCMA and SR providers with sharing this message about FY2018-19 EFS Mod-related difficulties. For SR providers, OEL suggests contacting your audit firm to request they perform and document the following tasks.

1. Contact your entity's governing board/finance committee to make sure they are properly informed of the issues and potential impacts to the audit. We recommend a phone or in-person meeting with a follow-up email, if needed.
2. Communicate the need to continue the reconciliation process now to minimize any potential issues/variances once the EFS Mod system is fully operational.
3. Address what the potential outcomes could be related to the audit -
 - A. Potential findings related to compliance/internal controls for failure to start (or finish) the corrections and reconciliation processes for child attendance records and provider payments.
 - B. Worst case potential scope limitation issues if EFS Mod is not functional by the required completion date for your audit.

We hope the attached support files are helpful, and we welcome any questions or comments. You can submit any questions to OEL.Questions@oel.myflorida.com.