

Eastern Suffolk BOCES
Internal Audit Report on Detailed Testing –
Grant Administration
August 20, 2025



**INTERNAL AUDIT REPORT ON DETAILED TESTING –
GRANT ADMINISTRATION**

To the Board of Education and Audit Committee
Eastern Suffolk BOCES
Patchogue, New York

We have prepared this report as the result of our detailed testing, as further described, which was agreed upon by the Board of Cooperative Educational Services First Supervisory District of Suffolk County (ESBOCES), on grant administration (excluding Graham Leach Bliley Act) for the period July 1, 2023, through March 31, 2025.

ESBOCES' management is responsible for administering this area.

This engagement is in accordance with auditing standards generally accepted in the United States of America and the applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States, or the *International Standards for the Professional Practice of Internal Audit* issued by the Institute for Internal Auditors. The sufficiency of the procedures is solely the responsibility of ESBOCES. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the following pages.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on ESBOCES' grant administration. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to express our appreciation for the cooperation and assistance that we received from ESBOCES' administration and other employees during our engagement.

This report is intended solely for the use and information of the Board of Education (Board), Audit Committee, and the management of the ESBOCES, and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Danowski, LLP

Port Jefferson Station, NY
August 20, 2025

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Introduction:

This report is organized by four sections consisting of:

- Background information
- Procedures performed during our detailed testwork
- Findings resulting from our review
- Recommendations to enhance internal controls or improve operational efficiency

Some of the recommendations may require a reassignment of personnel duties within ESBOCES and/or a financial investment. However, any improvement of controls should be done after a careful cost-benefit analysis.

Corrective Action Plan:

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan (CAP), approved by the Board, must be filed within 90 days of issuance with the New York State Education Department (NYSED).

ESBOCES should submit the CAP along with the respective Internal Audit Report via the NYSED Portal.

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GRANT ADMINISTRATION

Background:

The administration of federal and state grants is an important responsibility of any New York State school district and BOCES. In accordance with the requirements set forth by the United States Office of Management and Budget (OMB), New York State school districts or BOCES that receive federal funding are required to administer grants in compliance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200), commonly referred to as Uniform Guidance. This regulatory framework establishes consistent administrative rules and cost principles for managing federal awards and aims to reduce administrative burden while strengthening oversight and accountability.

ESBOCES is responsible for developing and maintaining a comprehensive grant administration framework to ensure the effective and proper use of federal funds. This includes establishing internal controls, financial management systems, procurement practices, and monitoring procedures that align with Uniform Guidance standards. These controls should ensure the completeness, timeliness, and accuracy of grants-related activities (e.g., filing forms, processing expenditures, meeting compliance requirements, supporting salaries, preparing final cost reports, etc.), with specific focus areas including allowable costs, time and effort reporting, procurement methods, inventory management, and records retention.

The Specially Aided Department of Business Services is responsible for overseeing the financial activities of the grants. This includes the tracking, filing, and reporting of grants activities. The Specially Aided Department is overseen by the Director of Business Services, and the day-to-day operations of the financial activities of the grants are managed by the Department's Principal Accountant who is assisted by an accountant and two principal account clerks. There are grant administrators who are responsible for the application and monitoring of their respective grants. The Specially Aided Department works collaboratively with the grant administrators to ensure that the grants are filed appropriately and timely, as required. The Specially Aided Department also maintains an Excel spreadsheet that provides summary data of the grants including information related to the type of reports and report due dates for each grant. For example, grants with a report type listed as "Book Closing" are not filed using an initial budget application form (i.e., FS-10). In order to receive funds for these grants, ESBOCES must file vouchers as the funds are expended. Based on the amount of funds expended, the Specially Aided Department submits the appropriate forms to request reimbursements during the grant year (i.e., FS-25) and to request reimbursements at the end of the grant year (i.e., FS-10F) from the applicable funding source (i.e., federal or state).

ESBOCES utilizes the WinCap financial system (WinCap) to facilitate the recording and reporting of grants activities. This includes setting up the budget, entering POs, and posting expenditures to the grants. All federal grants expenditures go through ESBOCES normal purchasing procedures. The allowable cost control is that the grant administrators as well as the Specially Aided Department are part of the approval process and oversee all of the expenditures under the grants. WinCap has budgetary controls set up at the account code level to prevent over expenditures in any specific code. All grant filings are also properly certified by the required ESBOCES administrators. In addition, there are procedures at year-end where the Specially Aided Department discusses the funding status of each grant with the respective grant administrators and takes any necessary action based on the balances in the grants.

As per our engagement letter, we selected and reviewed 10 grants from the period July 1, 2023 through March 31, 2025: 21st Century Community Learning Center (CoSer 914), Employment Preparation Education (CoSer 984), Workforce Innovation and Opportunity Act (WIOA) Title II - Adult Basic Education & Literary Services (CoSer 918), WIOA Title II - Integrated English Literacy & Civics Education (CoSer 930), Learning Technology (CoSer 903), Long Island Regional Bilingual Education Resource Network (CoSer 958), Long Island

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Metro Migrant Education Tutorial Services (CoSer 931), Perkins V Title I Secondary Basic Formula (CoSer 915), Perkins Vocational Post-Secondary Career and Technical Education (CoSer 919), and Long Island Title III Part A Consortium (CoSer 976). We also met with the administrators and staff responsible for these grants to discuss key activities including the following items:

- The administrators' and staff understanding of the grant and how the funds are used by ESBOCES.
- Systems for establishing the grant budgets and processing expenditures under the grants.
- Each applicable compliance requirement under the grants and how they affect the respective grant.

Title of Grant	Program/Division	CoSer	Program Dates	Grant Amount
21st Century Community Learning Center	ENL and Bilingual Education	814	7/1/24 - 6/30/25	\$ 1,200,000
		914	7/1/23 - 6/30/24	1,200,000
Employment Preparation Education	Career, Technical, and Adult Education	884	7/1/24 - 6/30/25	2,402,872
		984	7/1/23 - 6/30/24	2,598,707
WIOA Title II - Adult Basic Education & Literary Services	Career, Technical, and Adult Education	818	7/1/24 - 6/30/25	650,000
		918	7/1/23 - 6/30/24	650,000
WIOA Title II – Integrated English Literacy & Civics Education	Career, Technical, and Adult Education	830	7/1/24 - 6/30/25	299,126
		930	7/1/23 - 6/30/24	300,000
Learning Technology	Curriculum and Assessment Services	803	7/1/24 - 6/30/25	200,000
		903	7/1/23 - 6/30/24	152,783
Long Island Regional Bilingual Education Resource Network	ENL and Bilingual Education	858	7/1/24 - 6/30/25	1,908,579
		958	7/1/23 - 6/30/24	1,855,304
Long Island Metro Migrant Education Tutorial Services	Family Education Outreach Programs	831	9/1/24 - 8/31/25	890,419
		931	9/1/23 - 8/31/24	890,419
Perkins V Title I Secondary Basic Formula	Career, Technical, and Adult Education	815	7/1/24 - 6/30/25	740,871
		915	7/1/23 - 6/30/24	1,109,715
Perkins V Title I Post-Secondary Career and Technical Education	Career, Technical, and Adult Education	819	7/1/24 - 6/30/25	189,142
		919	7/1/23 - 6/30/24	289,327
Long Island Title III Part A Consortium	ENL and Bilingual Education	876	9/1/24 - 8/31/25	309,072
		976	9/1/23 - 8/31/24	465,219
				\$ 18,301,555

21st Century Community Learning Center

The 21st Century Community Learning Center grant provides federal funding to local education agencies (LEAs) through Title IV, Part B of the Every Student Succeeds Act (ESSA) to support before-school, after-school, and summer learning programs that improve academic achievement for students in high-poverty and low-performing schools. The amount awarded to ESBOCES is calculated based on a competitive application process that is evaluated by proposal quality, alignment with program goals, and applicant needs.

The 21st Century Community Learning Center grant is a five-year grant that runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit the FS-10 form by May 15th for the upcoming year, and the FS-10F form is due by September 30th of the following year. The Program Administrator of English as a New Language (ENL) and Bilingual Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

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Employment Preparation Education (EPE)

The EPE program provides state aid to public school districts and BOCES that offer educational programs for adults leading to a high school diploma or a high school equivalency diploma. Students must be 21 years of age or older without a United States high school diploma for districts or BOCES to be eligible to receive EPE aid. The amount of aid is based on contact hours, which is the time spent educating the adults and ESBOCES is required to maintain appropriate records to support the amount of these contact hours. ESBOCES submits an EPE Comprehensive Plan of Service Continuation Application each year to the Adult Career and Continuing Education Services (ACCES) division of the NYSED for review.

The EPE program runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit an interim projection in January based on the first half of the fiscal year (July through December) and the final report is due by September 1st. The Divisional Administrator of Career, Technical, and Adult Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

WIOA Title II - Adult Basic Education & Literary Services (ABE)

The WIOA Title II ABE program provides federal funding to local education agencies (LEAs) to support adult education programs that provide instruction in reading, mathematics, oral and written communication, and computer skills. The amount awarded to ESBOCES is calculated based on a competitive request for proposal (RFP) process that considers population data, unemployment rates, poverty levels, student enrollment, as well as other factors including performance based on measurable skills gains.

The WIOA Title II ABE program runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit the FS-10 form by May 15th for the upcoming year and the FS-10F form is due by September 30th of the following year. The Divisional Administrator of Career, Technical, and Adult Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

WIOA Title II – Integrated English Literacy and Civics Education (IELCE)

The WIOA Title II IELCE program provides federal funding to LEAs to support adult education programs that aim to help adult English language learners improve their English proficiency and civic knowledge. The amount awarded to ESBOCES is calculated based on a competitive RFP process that considers population data, unemployment rates, poverty levels, student enrollment, as well as other factors including performance based on measurable skills gains.

The WIOA Title II IELCE program runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit the FS-10 form by May 15th for the upcoming year and the FS-10F form is due by September 30th of the following year. The Divisional Administrator of Career, Technical, and Adult Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Learning Technology

The Learning Technology grant provides state aid to public school districts and BOCES to support collaborative K-12 initiatives that integrate learning technology through professional training, structured implementation, and resource sharing with a focus of targeting districts that serve diverse and underserved

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student populations. The amount awarded to ESBOCES is calculated based on a competitive application process that is evaluated by proposal quality, alignment with program goals, and applicant needs.

The Learning Technology grant is a three-year grant that runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit the FS-10 form in June for the upcoming year, and the FS-10F form is due by July 31st of the following year. The Program Administrator of Curriculum and Assessment Services reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Long Island Regional Bilingual Education Resource Network (L.I. RBERN)

The L.I. RBERN program provides state aid to ESBOCES to support English Language Learner (ELL) education to Long Island school districts. This state-funded support network offers resources, training, program consultation, and family engagement support at no cost to the districts. The amount awarded to ESBOCES is calculated based on a competitive bid and evaluation process managed by the NYSED's Office of Bilingual Education and World Languages.

The L.I. RBERN program is based on a 5-year contract that runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit quarterly expenditure reports within 30 days of each quarter's end. In addition, ESBOCES is also required to submit an annual action plan and expenditure report in August along with the final end of year data certification. The Program Administrator of ENL and Bilingual Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Long Island Metro Migrant Education Tutorial Services (METS)

The METS grant provides federal funding to LEAs to support the implementation of educational and support services for migratory children and their families. The amount awarded to ESBOCES is calculated based on a combination of federal and state formulas that consider the average number of eligible migrant children, educational need, and average per-pupil expenditure. Additionally, ESBOCES may also reserve portions of the allocation for certain administrative costs.

The METS grant runs on a fiscal year from September 1 through August 31. ESBOCES is required to submit the FS-10 form by August 31st for the upcoming year, and the FS-10F form is due by November 30th of the following year. The Program Administrator of Family Education Outreach Programs (FEOP) reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Perkins V Secondary Career and Technical Education, Title I Basic Formula (Perkins V Secondary)

The Perkins V Secondary grant provides federal funding to LEAs to support secondary career and technical education (CTE) programs that integrate academic and technical fields of study to prepare students for high-skill, high-wage, or in-demand careers. The amount awarded to ESBOCES is calculated based on a combination of federal and state formulas that consider poverty levels, population data, graduation rates, postsecondary credential attainment rates, as well as other factors including minimum allocation thresholds and hold-harmless provisions, which prevent sharp year-to-year funding losses. Additionally, the ESBOCES may also reserve portions of the allocation for certain administrative costs.

The Perkins V Secondary grant runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit the FS-10 form in June for the upcoming year, and the FS-10F form is due by September 30th of the

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following year. ESBOCES is also required to submit a Perkins Local Application as well as complete a Comprehensive Local Needs Assessment (CLNA) biannually in June to ensure the program aligns with labor market demand, promotes equity and access, and addresses the needs of special populations (e.g., students with disabilities, low-income students, etc.) The Program Administrator of Career, Technical, and Adult Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Perkins V Post-Secondary Career and Technical Education, Title I Basic Formula (Perkins V Post-Secondary)

The Perkins V Post-Secondary grant provides federal funding to LEAs to support post-secondary CTE programs that integrate academic and technical fields of study to prepare students for high-skill, high-wage, or in-demand careers. The amount awarded to ESBOCES is calculated based on a combination of federal and state formulas that consider poverty levels, population data, as well as other factors including minimum allocation thresholds and hold-harmless provisions, which prevent sharp year-to-year funding losses. Additionally, the ESBOCES may also reserve portions of the allocation for certain administrative costs.

The Perkins V Post-Secondary runs on a fiscal year from July 1 through June 30. ESBOCES is required to submit the FS-10 form in June for the upcoming year, and the FS-10F form is due by September 30th of the following year. In addition, ESBOCES is also required to submit a Perkins Local Application as well as complete a CLNA biannually in June to ensure the program aligns with labor market demand, promotes equity and access, and addresses the needs of special populations (e.g., students with disabilities, low-income students, etc.) The Divisional Administrator of Career, Technical, and Adult Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Long Island Title III Part A Consortium

The Long Island Title III Part A Consortium grant provides federal funding to LEAs to support ENL programs that incorporate computer technology and software applications to enhance the instruction of students in grades K-12. The amount awarded to ESBOCES is calculated based on a combination of federal and state formulas that consider the total number of English Learners and immigrant students, as well as other factors including minimum allocation thresholds, which prevent sharp year-to-year funding losses. Additionally, the ESBOCES may also reserve portions of the allocation for certain administrative costs.

The Long Island Title III Part A Consortium grant runs on a fiscal year from September 1 through August 31. ESBOCES is required to submit the FS-10 form by August 31st for the upcoming year, and the FS-10F form is due by November 30th of the following year. The Program Administrator of ENL and Bilingual Education reviews the reports, compares the data with supporting records, and signs off prior to submission to the Chief Operating Officer for review and approval before submitting the reports to the NYSED.

Procedures:

Our procedures, in accordance with our engagement letter dated March 11, 2025, were as follows:

- Review Board policies and ESBOCES procedures related to grant administration between the programs and Business Office.
- Interview staff within the programs and in the Business Office with grant administration duties regarding policies, procedures, and systems in effect related to application, monitoring, filing, funding, expending, and reporting of the grant activities.

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- Review the current protocols related to grant administration and identify the strengths, any weaknesses, and key control attributes for testing.
- Work collaboratively with ESBOCES staff to establish standard and consistent practices related to grant administration to reduce the potential for account code corrections and delays with processing transactions (e.g., payments, filings, etc.). This includes developing written, formal procedures related to these activities to enhance the processes between the programs and Business Office.
- Select 10 grants during the period and perform the following:
 - Review applications and filings to ensure completeness, timeliness, and accuracy of the grant.
 - Compare the expenditures charged to the grant for appropriateness and compare grant spending to the approved grant budget.
 - Review supporting documentation, on a test basis, related to expenditures to determine if the supporting documentation is adequate and charged to the correct account codes.
 - Compare the amounts claimed under the grant to actual expenditures and investigate any unusual variances.
 - Review the funding activity to ensure the timeliness, accuracy, appropriate documentation, and proper approvals of these transactions.
- Select an additional 50 disbursements from other grants to ensure that the expenditures were allowable costs, properly approved, processed timely, and charged to the appropriate account code.

Findings:

Review of Board policies, ESBOCES procedures, and interviews with staff within the programs and in the Business Office related to grant administration found:

- ESBOCES has Board policies, formal procedures, and designated employees to properly manage, track, monitor, and report the grant activities of the agency.
- ESBOCES has a written, formal Uniform Grant Guidance Manual detailing the key processes performed by the employees. However, we found that this document has not been revised since July 2022. ESBOCES should periodically review and update these procedures because these documents are immensely helpful in the event of employee separations or absences.

Review of the current protocols and working collaboratively with ESBOCES staff to establish standard and consistent practices related to grant administration noted:

- There are formal processes, standard forms, and written documentation related to the grant activities to ensure compliance with state laws and appropriately account for instructional contact hours as required.
- ESBOCES requires a Personnel Activity Report (PAR) to be completed by individuals for each pay cycle. We found that ESBOCES processes related to the PAR comply with the federal government's Uniform Guidance (UG) requirements that include:
 - *Total Activity*: the PAR supports the payroll charges and must account for the employee's entire compensated time, ensuring that charges to federal awards are properly allocated.
 - *Compliance*: the PAR must comply with the non-Federal entity's established accounting policies and practices.

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- *Signatures*: the employee or a supervisory official with firsthand knowledge must sign and date the PAR.
- *Frequency*: the PAR must be prepared at least monthly and align with pay periods. ESBOCES requires the grant administrators and staff with salaries charged to grant codes prepare a PAR for each payroll cycle. There is opportunity to improve operational efficiency by changing the procedures to require the completion of PAR forms monthly instead of each payroll cycle.

Review of the selected 10 grants and the supporting documentation found:

- There are proper procedures in place related to the application and administration of the grants. In addition, the costs related to these grants were within the requirements of each grant.
- ESBOCES was compliant with required processes for internal reviews and approvals of these grants.
- There were no errors or exceptions noted during the review of the supporting documentation related to the selected grants.

Review of the selected 50 disbursements from other grants to ensure that the expenditures were allowable costs, properly approved, processed timely, and charged to the appropriate account code noted:

- There were no exceptions or errors noted; there was proper supporting documentation for each disbursement, the expenditures were allowable costs, the payment amounts were correct and properly approved, the vendors were paid timely, and the amounts were charged to the appropriate account code.

Recommendations:

We recommend that ESBOCES consider implementing the following to further improve internal controls and operational efficiencies related to grant administration:

1. Uniform Grant Guidance Manual – Continue with efforts to review and update the Uniform Grant Guidance Manual to ensure the procedures align with the current requirements regarding the key processes performed by the employees. In addition, establish procedures to perform periodic reviews of the Uniform Grant Guidance Manual going forward to ensure the procedure manual is up to date.
2. Personnel Activity Report (PAR) – Consider revising procedures to require the time and effort of reporting these forms to be completed by staff whose personnel costs are charged to a grant on a monthly basis aligned with pay periods rather than the current process requiring these to be submitted each payroll cycle.

