GOVERNMENT OF PUERTO RICO

 Department of Education

 Auxiliary Secretariat of Federal Affairs

# **Restart Monitoring and Internal Control Plan**

**Amended rev. March- 2021**

# **Introduction**

The Bipartisan Budget Act (Division, B, Subdivision I, Title VIII of P.L. 115-123) (“the Bipartisan Budget Act of 2018) authorized five grant programs to assist school districts and schools in meeting the educational needs of students displaced by Hurricanes Harvey, Irma, and Maria, or wildfires in 2017 for which a major disaster or emergency has been declared, and to help schools that were closed as a result of the hurricanes or wildfires to reopen as quickly and effectively as possible. In enacting this legislation, Congress modified the provisions of the Hurricane Education Recovery Act, Public Law 109-148 (HERA), which was enacted after Hurricanes Katrina and Rita in 2006. The provisions of the K-12 programs in the modified authority are generally similar to those in the prior program legislation, except for references to eligible applicants, the names of the covered disasters and emergencies, and date-specific and timeframe references. Please see the redlined version of the HERA (P.L. 109-148) showing operational modifications made by the Bipartisan Budget Act of 2018 (P.L. 115-123) and the Consolidated Appropriations Act of 2018 (P.L. 115-141), which is referred to as the “modified Act” throughout this section[[1]](#footnote-2), available at https://www2.ed.gov/programs/restart/2018-hurricanerelief-pl109-148.docx. These K-12 programs are (1) the Immediate Aid to Restart School Operations (Restart) program (CFDA 84.938A), (2) the Assistance for Homeless Children and Youth (AHCY) program (CFDA 84.938B), and (3) the Temporary Emergency Impact Aid for Displaced Students (EIA) program (CFDA 84.938C). The Bipartisan Budget Act of 2018 also funded three programs for institutions of higher education to provide assistance for students attending institutions of higher education in areas affected by covered disasters. These programs are (1) the Emergency Assistance to Institutions of Higher Education (CFDA 84.938T), and (2) Defraying Costs of Enrolling Displaced Students (CFDA 84.938S). See Section IV, Other Information for an explanation on the use of alpha suffixes added to the CFDA number (CFDA 84.938A). The Restart program is designed to support the provision of immediate services or assistance to local educational agencies (LEAs) and non-public schools in areas where a major disaster or emergency was declared under sections 401 and 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 and 5190) related to the consequences of Hurricanes Harvey, Irma and/or Maria or the California wildfires in 2017 (“a covered disaster or emergency”). Funds will be used to assist school administrators and personnel in restarting school operations, re-opening schools, and re-enrolling students. This Document provides the internal controls only for the Immediate Aid to Restart School Operations (Restart) program (CFDA 84.938A).

Federal regulations and administrative procedures require that the Puerto Rico Department of Education (PRDE) monitors the implementation of program requirements and the expenditure of federal funds[[2]](#footnote-3). Monitoring and the establishment of internal controls are essential functions of the PRDE. Through this process, the PRDE works collaboratively with public and non-public schools by providing them with high-quality technical assistance for fiscal and programmatic planning and implementation of all services provided for students, teachers, and principals, on behalf of their federally funded programs. PRDE strives to provide effective and efficient monitoring processes that will demonstrate accountability and transparency for the purpose of maintaining integrity for all federal funded programs. This document describes the purpose, rationale, and process used by the Auxiliary Secretariat of Federal Affairs of the PRDE in monitoring the use of Restart funds in addition to the internal controls in place to facilitate that only allowable activities are carried out with this Grant.

On March 2018, the PRDE submitted an application to the United States Department of Education (USDE) seeking to participate in the Immediate Aid to Restart School Operations program (Restart). The Restart program provides funds to assist school administrators and personnel in restarting school operations, re-opening schools, and re-enrolling students. After appropriate evaluation, the USDE awarded PRDE with funds in the amount of $589.17M. With these Restart funds PRDE has an opportunity to restart operations in ways that stimulate, support and promote academic achievements on the Island, after the devastation caused by hurricanes Irma and Maria.

# **Restart Application Overview**

Hurricanes in September 2017 dramatically exacerbated already-challenging educational conditions in Puerto Rico causing student and teacher attrition, significant loss of school time by students, and damage to physical infrastructure, educational resources, equipment, and supplies in the system. To address the challenges created by the hurricanes, the USDE released the Restart program, among others, in order to award funding to disaster-impacted schools and systems. Recognizing the tremendous need Puerto Rico faces, PRDE was awarded with Restart funds in the spring of 2018 from this federal program for restarting school operations, as previously mentioned.

PRDE is mindful of, and does not intend, to use Restart funds for any expenditure that is covered under another source of available funding. PRDE is diligently working with its federal and local partners to utilize not only commercial insurance proceeds, but also the other federal disaster grant programs which are intended to fund the reconstruction of our buildings and resources. We understand very clearly that these funds must be used to supplement and not supplant any other funding source. Accordingly, the efforts are being coordinated with the Office of the Secretary of Education to assure that funds from other federal programs and/or insurance are not being used for the same initiatives. Additionally, all funds will be used for allowable Restart purposes to provide services or assistance to eligible public and private schools in Puerto Rico as outlined in PRDE’s Funding Plan (subject to USDE’s final approval).

# **Deployment of Restart Grant Funds**

The PRDE is a unitary system serving as both the state education agency (SEA) and a local education agency (LEA), which means PRDE oversees one island-wide education system. From the SEA perspective, PRDE’s Central Level develops policies and guidelines, provides materials and technical assistance, engages in oversight and monitoring and provides leadership to all schools, schools municipalities, and Regions. From the LEA perspective, PRDE provides direct services to schools and ensures the implementation of SEA level policies. Although PRDE uses the term “Regions,” these entities are not LEAs and do not have absolute autonomous decision-making authority, nor do they have fiscal independence.

In this context and given the grant conditions associated with the Restart funding, all goods and services will be procured and paid for by PRDE centrally utilizing the policies, procedures, and internal controls which are used for all of our federally funded activities; except for the ones related to the Restart School Plan (we will provide additional details on this within the following section: Central Level – Fiscal & Procurement Internal Controls, Policies, and Procedures).

For private schools, the assets and services purchased using Restart funds will also be allocated and distributed in accordance with these normal processes and guidelines. PRDE will retain title of all goods purchased and provided through the Restart program. PRDE has a process in place to sign agreements with each of the private schools that are participating from Restart program to document the retainment of title of goods purchased or reimbursed to the school.

Non-profit private schools and their principals completed a need’s assessment/application. Based on the need’s assessment/application submitted to PRDE by each of the participant private schools, the Agency provides the assistance needed, after a thorough evaluation. It is important to point out that, for private schools, PRDE would use Restart funds to reimburse a non-public school for secular, neutral and non-ideological allowable services or activities following the program guidance and having all necessary supporting documentation.

# **Federal Regulations Overview**

## Internal controls[[3]](#footnote-4)

Recipients of Federal funds should be familiar with the internal control requirements detailed in Title 2 of the Code of Federal Regulations, or CFR Part 200, which outlines the uniform administrative requirements, cost principles, and audit requirements. In addition, recipients should look for grant guidance in Title 34 of the CFR, Parts 75 through 79, Parts 81 through 84, Part 86, and Parts 97 through 99. Title 2 of the CFR Part 200, which applies to all grants made on or after December 26, 2014, elevates the role of internal controls in grants management. Specifically, 2 CFR 200.303(a) requires grantees to "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the **'Internal Control - Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO[[4]](#footnote-5)."** Internal controls are monitored by the awarding agency and by auditors, through the single audit and program audit requirements.

The New **EDGAR and Internal Controls 2 CFR 200.303, and the ‘Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards’ (2 C.F.R §200)** requires grantees to implement internal controls for the administration of federal grants. Grantees must establish and maintain effective internal control over federal grants and provide reasonable assurance that they comply with all laws, regulations and requirements related to the grants they receive.

Additionally, grantees must:

* Evaluate and monitor their own compliance with grant requirements.
* Quickly address any noncompliance identified, including any found in audit or monitoring findings.
* Take reasonable measures to protect sensitive or personally identifiable information (in accordance with laws regarding privacy and confidentiality).

An effective system of internal control provides **reasonable** assurance of achievement of an agency’s objectives. Internal controls are the first line of defense and the best mechanism an agency must safeguard its assets and resources, even though they can provide only reasonable – not absolute assurance. An effective system of internal control reduces, to an acceptable level, the risk of not achieving an objective.

It requires that:

* Each of the **five components** of internal control and relevant principles is present and functioning
* The five components are operating together in an integrated manner.

## Compliance requirements for RESTART Funds:

Each year, the Office of Management and Budget (OMB) issues a [**2 CFR Part 200, Appendix XI Compliance Supplement (Compliance Supplement[[5]](#footnote-6))**](https://www.whitehouse.gov/wp-content/uploads/2019/07/2-CFR_Part-200_Appendix-XI_Compliance-Supplement_2019_FINAL_07.01.19.pdf). The Compliance Supplement provides a road map monitors and auditors should follow when performing a Single Audit (established under the Single Audit Act of 1984) and explains how to test the various applicable compliance requirements.

Each year the Compliance Supplement is updated by both the OMB and the related federal agencies which issue funds that fall under Single Audits. In 2018, the OMB released a skinny version of the Compliance Supplement which included only changes to the supplement. Thus, auditors had to use the 2017 and 2018 Compliance Supplements in conjunction when performing audits.

The 2019 Compliance Supplement, released in July 2019, returned to the full stand-alone supplement, highlighting key changes within. Some of the more significant changes include the requirement for federal agencies to reduce the applicable compliance areas from 12 down to 6, and the re-addition of internal controls. This supplement applies for fiscal years beginning after June 30, 2018. It supersedes the previous Compliance Supplements.

In developing the audit procedures to test compliance with the requirements for this Federal program, the compliance monitor must determine, from Part 2, “Matrix of Compliance Requirements” of the Compliance Supplement, which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the Federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. The compliance officer is not expected to test requirements that have been noted with an “N.”



# **Central Level – Policies, and Procedures**

To comply with 2 CFR200.303, PRDE adopted the Committee of Sponsoring Organizations of the Treadway Commission, or COSO standards and principles as a guidance for its internal control system (Figure 1). COSO’s Internal Control—Integrated Framework identifies five components of internal control that encompass the different steps you must take in order to establish a system of internal controls for our entire organization. The GAO Green Book supports these five components and considers them to be the standards for internal control in the federal government. As a recipient of federal grant funds, the Restart grant personnel are required to establish internal controls. Although Restart grant personnel is not required to use the framework developed by COSO and supported by GAO, the federal government considers the framework to be a “best practice” for internal controls.



Figure 1

## Control Environment

The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the agency. Restart Team will demonstrate a positive attitude toward compliance, an attitude that is modeled from the top of the organization. The Restart grant administration personnel must make sure that all the Restart staff understands the goals, objectives and how every part of the organization is connected to the other parts. Additionally, all staff should have access to detailed job descriptions, so that they are aware of the role that they play in the organization and they are able to accurately communicate their job duties to auditors and monitors.

### Individual grant roles and responsibilities: Grant personnel roles and responsibilities are described in the table below:[[6]](#footnote-7)

| **Name** | **Position** | **% Effort (estimated)** | **Responsibilities** |
| --- | --- | --- | --- |
| Miguel A. Negrón | Auxiliary Secretary | 16% | Overseer of the Auxiliary Secretariat of Federal Affairs. He is in charge of supervising all personnel that is working with the Restart Funds, all other federal programs under Restart and other programs under other regulations, through which funds are authorized to the PRDE. |
| Edgar Delgado | Coordinator | 60% | Lead of the Office of Disaster Recovery and Special Programs ascribed to Federal Affairs. He is responsible of all administrative tasks, of the review of applications, approvals, certifying the availability of funds, making sure that requisitions are being processed and of the distribution of tasks among the personnel of the office. He also provides assistance to the different initiatives and follow up with the initiative’s directors. Reviews documents, work plans, petitions and other similar documents.  |
| Vacant | Program Officer | 100% | This program officer will provide assistance to the coordinator with his responsibilities, will follow up to initiatives, will be overseeing the processes of procuring goods and services; will assist with trainings and orientations; and will provide technical assistance to the different initiative’s leads, among other administrative tasks related to the Restart program.  |
| Vacant | Compliance Lead | 60% | He is the lead of the monitoring efforts and is in charge of program compliance with applicable rules, regulations and requirements.  |
| Héctor Díaz | Fiscal Officer | 60% | As a fiscal officer, this is the person in charge of preparing budgets, invoice interventions, requisitions review, transfer of funds and all other financial transactions.  |
| Ana López | Administrative Assistant III | 60% | She is in charge of the follow up of the different initiatives, gathering and review of required documents and the provision of technical assistance when it is requested by the leads of the initiatives. In addition, she works with the preparation of reports and the appropriate management of the program documentation.  |
| Vacant | Administrative Assistant II | 60% | The person in charge of providing assistance to Mrs. López in all administrative tasks and the preparation of reports. Supports the appropriate management of the program documentation and communications.  |
| Denise Mattei | Equitable Services for private schools Coordinator | 9% | Mrs. Mattei is in charge of overseeing the implementation of all federal programs from which the private schools determine to participate, after a meaningful consultation process, including Restart. She is responsible for receiving the applications, the evaluation process and technical assistance.  |

**Note**: The changes in administration and other reasons have delayed the program in hiring a new compliance lead, since the former one retired. Since the retirement of the compliance lead, Mr. Delgado has been in charge of compliance and related activities and will continue to be until we have a new appointed person to work with this part of the program.

Table 2

To comply with these criteria, the PRDE established the following:

|  |  |  |
| --- | --- | --- |
| Type of control | Definition | Activity |
| Tone at a top | Commitment to the organization’s integrity and ethical values | Directives (emails, memos). Policies. (Ethic law compliance)Lead by exampleStaff meetings (Evidenced by minutes) |
| Oversight | Oversight body who oversees management’s design, implementation, and operation of the organization internal control system | Compliance Officer (Evidence by Screening Evaluation for each Initiative. Internal control assessments)) |
| Commitment | Expectations of competence on recruiting, developing, and retaining personnel | Position description (DE-16 form)Required skills and certification (Job description) |
| Accountability | Staff responsibilities | Day to day decision making (Workplans)Roles and responsibilities (DE-16)Lines of authority (Organigram) |
|  |  |  |

## Risk Assessment

This component entails assessing the risks involved in our organization as they relate to the operation of federal grant programs, financial reporting, and federal program compliance.

Initiatives and schools receiving significant amounts of funds should be preliminarily assessed to determine the level of monitoring that should be performed in order to observe if there is accounting for and expending of USDE grant funds in accordance with applicable federal laws, regulations and guidelines.

Prior to initiative implementation and fiscal activity, initiatives and/or schools must obtain PRDE approval to proceed. In the case of the initiatives, PRDE submitted a state spending plan for USDE review and record of the initiatives that PRDE planned to implement. PRDE with support from their contractors, will act as monitors. Monitors will reference the USDE-approved Restart Funding Plan which guides initiative implementation. Similarly, monitors will reference the PRDE-approved justification memorandum(s) in addition to workplans and relevant source documentation. Additionally, the program has a Fiscal Guide that provides the step by step for the different applicable procurement processes, based on type of services/purchases needed and the estimated thresholds.

Reference documentation must align with the USDE-approved Restart Funding Plan and must be submitted to the PRDE Office of Federal Affairs (OFA) for approval prior to project implementation.

Risk comes in all forms, but here are some general categories of risk of which we are aware.

* **Programmatic risks** include the failure to achieve the intended program goals; follow laws or regulations or organizational policies and procedures; adequately monitor the organization's programs; provide reliable information for decision making; prevent violations of safety regulations; and prevent the mishandling of sensitive or classified information.
* **Personnel risks** include the failure to staff positions with employees with the appropriate experience; effectively recruit employees; and meet the training demands required.
* **Financial risks** include the failure to prevent price fixing, fraud, bribes, and other forms of corruption, such as kickbacks from consultants, contractors, and employees. PRDE will avoid improper payments, such as overpayment, duplicate payments, payments for services not received, and payments to ineligible recipients. Financial risk awareness also includes prevention or minimization of waste, as well as effective project and resource management.

These activities develop the appropriate responses to risks identified. It is critical to develop risk assessment policies and practices in an effort to prevent instances of noncompliance.

Risk considerations include an evaluation of both the magnitude of potential noncompliance and the probability that noncompliance will occur. Initiatives and schools will be selected for monitoring based on characteristics below (list is not exhaustive):

* History of audit issues (OIG, Internal audit and monitoring reports) and Compliance with external state and federal parties (Single audits, OIG Reports, monitoring reports)
* Changes in laws/regulations (Act 73-2019). The regulation according to Act 73 of 2019, was issued after the selection of the schools for monitoring. By the time of the risk assessment all procedures were carried out under existing laws and regulations. Appropriately, this risk factor was considered but not applied.
* Level of impact of 2017 hurricanes
* Size of awarded funding
* Size of student enrollment in respective school
* Further natural events (Earthquakes, Sahara dust, Volcanic eruptions in Lesser Antilles, 2020 Atlantic Storm Season). It is important to note that by the time of the school selection for monitoring, no further natural disaster had happened. After the selection was performed, Puerto Rico experienced earthquakes and a global COVID19 pandemic.
* Management override (Administrative and Financial overrides probability), due to lack of experience, for example.

### Risk Assessment Prioritization Process

The PRDE has in place a consolidated risk assessment procedure to determine the schools and regions that require the most attention and is based on past and current performance of meeting the federal programs requirements. The PRDE Monitoring Unit of the ASFA uses the risk assessment to identify and monitor the progress of each school receiving federal funds.

The overall level of risk identified should dictate the frequency and depth of monitoring practices, including how to mitigate identified risks, for example, providing additional training and technical assistance, or increasing the frequency of monitoring.

The focus of monitoring may be different based on the implementation stage of each individual initiative/school:

Formulation – At the formulation stage, each initiative is being developed. The focus at this stage may be on understanding the initiative/school’s capacity to manage grant funding through the risk assessment process; understanding how the work will be undertaken, including whether the initiative/school will use procurement (by whom and on what timeline); analysis of grant documentation (as applicable); or walkthroughs of financial/accounting processes.

Procurement – At this stage of each initiative, procurement is being implemented by the initiative/school. Analysis of the documentation that will form the basis of procurement may be ongoing or completed during this phase and will be cross-referenced in monitoring visits to determine whether procurement was consistent with EDGAR, 2 CFR 200 requirements, the grant required documentation and other applicable laws and regulations.

Execution – During the execution phase, the broadest scope of monitoring may be initiated as actual expenditures can be observed against budgets, in addition to evaluating how the corresponding supporting documentation is organized and maintained. At this stage, drawdowns of federal funding are also likely being requested. Throughout the execution phase, there remain opportunities for the initiative/school to improve their performance in the areas observed.

Closeout – During closeout, detailed analyses of documentation and expenses may be finalized. This stage encompasses fund and inventory reconciliation, as well as final reporting of project progress (milestones, objectives, etc.). Deficiencies can be noted for the initiative/school to mitigate, if possible.

Under the Restart program, PRDE will use the following factors to assess risks and prioritize monitoring efforts:

1. Schools and initiatives receiving the largest amount of aid are prioritized for monitoring purposes as a first step in the risk assessment process. Comprehensive tracking of purchases of goods and services made and distributed to schools will be kept at the Central Level in the Inventory Module within SIFDE (Financial Information System). Additionally, the program projects to have a second and more detailed inventory tracking system as part of one of the initiatives of the Restart program, but that was not in place at the time of the selection of schools. The reporting will allow for simplified sorting and filtering of the amount of aid provided by school.
2. Next, the selection of schools to be monitored will be a statistical representative sample of public schools that will also consider:
	1. Sample across elementary, middle, and secondary schools
	2. Enrollment/Size
	3. Level of impact of hurricanes
	4. Tenure of leadership
	5. Other elements as PRDE understands appropriate

Schools receiving the largest amount of aid, and those recommended for visit were selected by Region. *\*Refer to attached “PRDE Monitoring Schools Analysis” document, which outlines basis of monitoring selection process.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Region | Code | School | Level | Funds |
| Are | 17558 | 1. SUPERIOR VOCACIONAL
 | SECONDARY | 304,661.41 |
| 13912 | 1. BRIGIDA ALVAREZ RODRIGZ
 | ALL | 286,521.97 |
| 14241 | 1. TRINA PADILLA DE SANZ
 | ALL | 262,920.06 |
| Bay | 71381 | 1. NICOLAS SEVILLA
 | SECONDARY | 251,691.16 |
| 78857 | 1. RUBEN RODRIGZ FIGUEROA
 | SECONDARY | 233,815.28 |
| 70813 | 1. FRANCISCO OLLER
 | SECONDARY | 228,348.13 |
| Cag | 57281 | 1. EUGENIO GUERRA CRUZ
 | SECONDARY | 266,910.05 |
| 28571 | 1. SUPERIOR URBANA
 | SECONDARY | 239,022.87 |
| 20255 | 1. RAFAEL PONT FLORES
 | SECONDARY | 226,221.40 |
| 26021 | 1. LUIS MUÑOZ MARIN
 | SECONDARY | 226,079.65 |
| Hum | 34785 | 1. JOSE COLLAZO COLON
 | SECONDARY | 251,714.87 |
| 30973 | 1. RAMON POWER Y GIRALT
 | SECONDARY | 243,775.28 |
| 30167 | 1. CROEC
 | SECONDARY | 241,815.24 |
| 35972 | 1. JORGE ROSARIO DEL VALLE
 | SECONDARY | 241,017.36 |
| 31583 | 1. LUTGARDA RIVERA REYES
 | PRIMARY | 115,740.25 |
| 36335 | 1. NUEVA SUPERIOR DE LOIZA
 | SECONDARY | 172,217.59 |
| 33308 | 1. RUFINO VIGO
 | PRIMARY | 104,824.64 |
| May | 45310 | 1. CENTRO VOC. ESPECIAL
 | ALL | 114,699.92 |
| 43406 | 1. LAURA MERCADO
 | ALL | 201,735.26 |
| 44560 | 1. CROEM
 | SECUNDARIA | 280,332.16 |
| Pon | 52555 | 1. RAMON MARIN
 | ALL | 119,966.29 |
| 51763 | 1. LUIS MUÑOZ MARIN
 | ALL | 140,263.78 |
| 52696 | 1. BERNARDINO CORDERO
 | SECONDARY | 233,117.54 |
| 55244 | 1. SUP. OCUP Y TECN DE YAUCO
 | SECONDARY | 225,274.94 |
| SJuan | 62901 | 1. INES MARIA MENDOZA
 | SECONDARY | 279,300.59 |
| 69930 | 1. G. CONCEPCION DE GRACIA
 | SECONDARY | 274,530.60 |
| 62893 | 1. JUAN ANTONIO CORRETJER
 | ALL | 249,323.51 |
| 61663 | 1. DR JOSE CELSO BARBOSA
 | SECONDARY | 233,186.14 |
| 54288 | 1. SANTA ROSA II
 | ALL | 115,947.57 |
| 64527 | 1. GUSTAVO A BECQUER
 | PRIMARY | 93,543,14 |

1. The risk assessment process will also be undertaken including a sample of the schools at the Regions to ensure a representative sample of schools from each will be monitored.
2. Non-public schools:

For the non-public schools, the Equitable Services Division (ESD) in collaboration with the Restart Program performed a Risk Assessment after the virtual federal monitoring process took place. PRDE has selected a group of schools that will be monitored emphasizing on the top quarter of the schools with the highest budget as of September 2020, along with those with the greatest diversity of approved spending objects (2-6 objects), plus those that were “supported” by a firm of attorneys and submitted the exact same applications originally. The sample also includes a random selection of schools that presented complaints related to the Restart Program to the PRDE Ombudsman. This sample comprehend 27 schools. (attached please find the list of schools and factors taken into consideration for the risk assessment performed, with a step by step process).

The list of selected schools was provided to the external vendor and due to COVID19 social distancing and other health measures, PRDE and the monitoring firm agreed on desk monitoring the 27 selected schools. Desk monitoring was the best option to make sure that we continue with monitoring activities during the pandemic, since a lot of non-publics schools remain closed, partially closed or providing distance education (with no in person visits from outsiders allowed as caution and social distance measures). After the selection of the schools, the external vendor in charge of monitoring met with the ESD to discuss the procedures carried out in the case of non-publics for the documentation and monitoring planning stage; and collected all information and documents needed. PRDE has been scanning non-public schools’ files and providing them to the monitoring team for them to be able to keep monitoring works.

In the case of non-publics, the external vendor understands that it can complete monitoring efforts and provide a letter with findings at the end of July 2021, if PRDE provides all files, accesses and documentation on a timely manner. PRDE will immediately start to work with any lack of information, missing documents, deficiency or noncompliance noted and will respond on or before one-month to the external monitor for their consideration, and final written communication.

1.  As another way to identify risk, PRDE created an email address: frauderestart@de.pr.gov and published it in its website for reporting of fraud, waste and abuse, to provide anyone with the opportunity to let PRDE know of activities that concern them. Any information obtained through this email will be considered in the risk assessment. In addition, a poster is posted in the walls of several offices of AFSA

### Control Activities

Control Activities constitute the third internal control component. Control activities are the actions an organization takes to mitigate the risks that have been identified (COSO, 2014[[7]](#footnote-8), GAO 2002[[8]](#footnote-9)). Control activities are PRDE documented actions established to serve as gatekeepers to assure that objectives are achieved. Control activities occur at all levels and functions. They include a wide range of diverse activities such as training, approvals, authorizations, verifications, reconciliations, performance reviews, segregated duties, security measures, and the creation and maintenance of appropriate documentation. These activities include implementing policies, procedures, and mechanisms to mitigate the risks that threaten an organization's success.

The following are some of the key takeaways in which PRDE controls were established:

* Segregating responsibilities so that one employee does not have full control or carry out all fiscal duties (Organization chart. Fiscal Procedures Guide).
* Performance reviews
* Documenting necessary transactions (Documentation in SIFDE, physical records, Documents in the cloud)
* Ensuring that proper security is in place for systems and records, such as requiring passwords and restricted authorizations (Passwords, Security Protocols for Information Systems, Physical records on secured area)
* Keeping equipment and other assets secured (secured area)
* Maintaining clear documentation of all procedures, including approvals and record retention (Initiative records)
* Due to the rapid changes in information technology, management over an organization's information systems must keep pace to remain effective (Passwords, Security Protocols for Information Systems)

#### Types of Controls Activities

The goal of any internal control system is to reduce the risk of fraud, waste, or abuse. In order to do this, different types of controls must be in place. Three general types of internal controls are preventative, detective, and corrective.

| Types of controls | What it does | Activities |
| --- | --- | --- |
| Preventive | Prevents errors or irregularities from occurring | * Segregating staff duties (DE-16, flowchart)
* Proper authorization (Authorization memos)
* Adequate documentation (Record)
* Requiring approvals, authorizations, and verifications
* Securing assets, such as cash and equipment
* Maintaining and regularly reviewing inventories and records (Self-assessments)
 |
| Detective | Identifies errors or irregularities after they have occurred | * Reviewing performance objectives, forecasts, or other benchmarks to identify unexpected or unusual results
* Variance analysis (Data analysis)
* Reconciling different sets of data to investigate irregularities
* Conducting physical inventories of assets
* Audits and desk monitoring
 |
| Corrective | Identifies ways to react to the risk after the error has occurred. | * Monitoring active grant programs to identify noncompliance or weakness in controls (Monitoring reports)
* Using automated systems with built-in checks that reject nonconforming or unallowable processes.
 |

Restart Unit Management will continuously describe their evaluation of those control activities. The evaluations may change, just as the risks and controls may change over time. The goal of the description is to convey the most recent actions management took to ensure the control activities associated with each business process are: (1) effectively designed, (2) operating as intended, and (3) effectively mitigating the applicable risks. If the evaluation reveals that the control activities for a particular process do not satisfy one or more of these three conditions, management should describe the severity of the problem and the action steps being undertaken to resolve the issue(s).

#### Financial Information System of the Department of Education, SIFDE controls

As PRDE oversees all aspects of administering the funds to provide the necessary Restart assistance and services required to address all public and private schools’ needs, the funding accountability system that will apply is the same system that is used for other federal funding[[9]](#footnote-10).

Over the years, PRDE has implemented a series of measures to improve the accounting and recordkeeping of cash receipts and disbursements of federal and state funds. Among the measures implemented, PRDE changed its financial system and launched the “Financial Information System of the Department of Education” (SIFDE, for its acronym in Spanish). The Finance Division developed a procedures manual where it specified the critical steps to properly record PRDE’s accounting transactions.

SIFDE is designed to maintain an appropriate audit trail of the PRDE accounting transactions and, therefore, is able to comply with **2 CFR 200.302** which requires a tracing of funds to a level of expenditures adequate to establish that such funds have been used according to federal statutes, regulations, and the terms and conditions of the federal award. The system allows PRDE to track obligations at all levels within the period of availability, (i.e. community schools, municipalities and regions, and non-public schools).

Additionally, the system stores professional services contracts (including amendments, change orders, and purchase orders), invoices uploaded by the vendors, along with their supporting documentation. PRDE has designated a staff member that leads the development of each Restart initiative, this person is responsible of revising the invoices, along with the supporting documentation, and then certifies that the service provided is in accordance with the contract or purchase order. Afterwards, the Fiscal Units (ASFA) analyzes the supporting documentation and verifies that said documentation complies with local and federal regulations. Subsequently, the Program coordinator or authorized representative approves the documentation. It is important to note that the system keeps track of the sequence of tasks and procedures regarding payments of obligations.

SIFDE allows the PRDE to download any kind of financial reports and queries to oversight activities at all levels. Accordingly, ASFA will monitor Restart transactions by reviewing queries of expenditures and spot-checking for any irregularities. Moreover, the SIFDE is also implementing the upload of the physical inventories of equipment located at the public schools. This data is gathered electronically for private schools as well. This feature helps PRDE track the location of equipment purchased with Restart funds and other information regarding said equipment.

SIFDE system provides the capacity to budget funds granted from a micro to a macro level (i.e. state or federal funds). Funds can be budgeted at specific level of expenditure object, school code, vendor number, availability period and spending account for both public and private schools. This type of features from SIFDE allows the Restart Program and/or Area to limit spending strictly to what was approved in the budget of the Work Plans and/or Projects for public and private schools. In addition, SIFDE is designed to improve the management of funds at the school level, specifically, to reduce the time that elapses between disbursement and the request for funds reimbursement to the Federal Government. The SIFDE system allows the accounting staff to perform accounting checks, to validate the data recorded in the system. It also enables PRDE to keep track and supervise the expenses incurred, by spot checking the purchases, among other information that could help us identify areas of risk.

On the other hand, **PRDE’s Contracts Unit** retains in electronic form key documentation, including documentation from the pre-award process. This Unit collects and retains the following documentation: Professional Services request forms, the procurement process that was followed and the finalized contracts. Furthermore, we are working on creating a space within PRDE’s cloud to store all essential information and documents related to the implementation of this federal program to have it readily available for any auditor and/or monitor.

#### Public schools

As previously mentioned, for public schools, purchases are made centrally except for the Restart School Plan, Back2School, Career Technical Education Equipment and Special Education Equipment and Materials for the Classrooms initiatives. For these initiatives, school principals submit a needs assessment and an assistance application. As part of following the Restart Program, the schools need to demonstrate that the requested goods and/or services are a result of the disaster and justify that it’s an allowable activity. ASFA evaluates the needs assessment and assistance application. If necessary, ASFA will reach out to the USDE with any questions or concerns. If the requested items are approved, then:

* For materials, the regions will make the purchase.
* For equipment and other supplies, the purchase will be made centrally by PRDE’s Central Procurement Unit.

#### Nonpublic schools

For private schools, they submit their needs assessment/application, to the Equitable Services Division (ESD). The ESD is responsible for evaluating the requests and taking a determination on whether to approve it or not. PRDE has reached out to the USDE for technical assistance in order to make sure that the determinations are appropriate. Accordingly, the purchases will be made by the Central Procurement Unit, following all PRDE regulations.

## Information and Communication

For an internal control system to be successful throughout an organization, the oversight body and management need to ensure that information is communicated effectively to all staff. Activities for internal control as related to the Information and Communication standard include:

* seeking and receiving feedback from others on the usefulness of the information provided (Questionnaires)
* making sure that the information reported to others is timely and accurate (Trimestral and semester reports).
* ensuring that updated guidance is received from central oversight agencies, followed by management communicating these new requirements to the operational staff. (USDE-PRDE reports and phone calls. Previous authorizations for amendments to the Funding Plan)
* operational staff must communicate with the information systems staff to direct them to extract the necessary data (Previous authorization to retrieve metadata).

## Monitoring

After implementing internal controls, PRDE monitors their effectiveness periodically. Monitoring activities should be comprised of both regular ongoing processes as well as specific separate evaluations in response to deficiencies. Examples of ongoing monitoring of the effectiveness of internal controls include employee feedback on the effectiveness of controls and follow-up on anonymous reporting hotlines. Ongoing monitoring also includes the periodic review of control activities, self-assessments, and training for program and operation managers on their responsibility for internal control. Examples of separate monitoring of the effectiveness of internal controls include specific external reviews of the design of internal controls used by the organization.

The PRDE developed additional monitoring instruments or amend the existing ones, in order to validate if the PRDE followed all Procurement and Professional Service Contracts procedures. Additionally, the PRDE developed an internal guidance to follow up specifically for the Restart program. Orientations regarding this manual will be provided to PRDE’s staff in order to offer guidance on Restart program requirements and procedures that must be followed to participate.[[10]](#footnote-11)

|  |  |
| --- | --- |
| Types of controls | Activity |
| Ongoing monitoring | * DASHBOARD updates
* Regular comparisons and reviews
 |
| Separate evaluations | * Internal/external audits
* Periodic self-assessment based on risk (control testing and evaluations)
 |
| Control deficiency | * A potential or actual internal control issue or an opportunity to strength the internal control system
 |
| Corrective action | * Action item planned by management to remediate identified internal control deficiencies in a specific time frame
 |

#### Monitoring Structure & Resources

In order to oversee the utilization and physical control of the goods and services procured under the Restart program, PRDE implements a targeted monitoring program. ASFA will have the following key personnel leading the management of the Restart grant:

### Individual grant roles and responsibilities: In the following chart we breakdown the program personnel and their main responsibilities.

| **Name** | **Position** |
| --- | --- |
| Miguel A. Negrón | Auxiliary Secretary |
| Edgar Delgado | Coordinator |
| Vacant | Program Officer |
| Vacant | Compliance Lead |
| Héctor Díaz | Fiscal Officer |
| Ana López | Administrative Assistant III |
| Vacant | Administrative Assistant II |
| Denise Mattei | Equitable Services Coordinator |

It is important to point out that all 837 public schools will be applying for Restart funds through the school plan and Back2School Initiative (this number does not include the 19 schools that have shared students). PRDE, through the PRDE Monitoring Unit of the ASFA, will monitor all schools to oversee the implementation of the school plan and will validate through an independent contractor a representative sample of schools. A monitoring calendar was developed for each region on a quarterly basis to ensure that these schools are receiving the support they need to meet the needs of their students and that they are being good stewards of the federal funding.

As a preliminary monitoring timeline, the PRDE has developed the following schedule, that is subject to our possibilities with the COVID19 pandemic challenges:

|  |
| --- |
| **Preliminary Monitoring Timeline** |
|  |  |
|  |
|  |
| First Semester 2020-2021 School Year | Caguas Region |
| Humacao Region |
| San Juan Region |
| Ponce Region |

|  |
| --- |
| Preliminary Initiative Monitoring Timeline[[11]](#footnote-12) |
| Second Semester 2020 - 2021 | Central Level Initiatives |
| RESTART Office (Compliance monitoring) |

The official dates and areas that will be monitored are subject to the implementation of the initiatives included in the Restart Funding Plan.

#### Non-public Schools

Monitoring of private schools will take place utilizing the desk monitoring method for the 27 selected schools. Desk monitoring was the best option to make sure that we continue with monitoring activities during the pandemic, since a lot of non-publics schools remain closed, partially closed or providing distance education (with no in person visits from outsiders allowed as caution). The external vendor modified the forms that are used for public schools to customize them for the non-public schools’ processes. The procedure began with the review and validation of the needs assessment to ensure the data is accurate and no other funds have been claimed or received to/from insurances and/or other federal emergency assistance programs. For this reason, PRDE is asking that any request for goods and services to be supported by fully completed forms and evidence of the damages that occurred within the private schools (e.g., photos, sworn statements, etc.). The private schools had to certify that they haven’t received any of the requested goods and services by any other means (for further details on the private school Restart process on requesting services, please refer to Appendix B - Restart Flowchart Request Process for Private Schools).

PRDE created an email address for all private school communications related to the Restart program to provide continuous support and technical assistance mattei\_d@de.pr.gov**.** Additionally, PRDE has held several consultation meetings during 2019 and 2020 where private school leaders had the opportunity to bring up any concerns while filling out the Restart request forms. PRDE has set February 28, 2019 as a preliminary date for private schools to apply for Restart assistance to ensure that PRDE can provide it for this school year. However, a new window was open for private schools to request Restart funds, documentation must be sent by January 22, 2020. PRDE took affirmative steps for the provision of services to non-public schools, in order for them to have equitable access to this federal program aid while restarting their operations.

ESD assisted the designated monitoring team (independent contractor hired by PRDE) in undertaking a monitoring plan which includes private schools. During the risk assessment established to select the sample of schools to be monitored, ESD provided valuable input based on their previous interactions with private schools and data collected from the processes carried out that were previously discussed. A detailed private school monitoring rubric was created and has been in use for several months as we continue virtual and distance monitoring activities of private schools. Documents in file are being analyzed by the external monitor and continuous calls and meetings have been held to clarify questions and information that was handed. Monitors could communicate with Restart office to clarify any information that they may need.

##### Independent provider

PRDE has procured an independent contractor specifically to assist with the Restart grant. The contractor will assist PRDE with:

* Performing assessments and providing observations regarding policies and procedures as they relate to Federal requirements for grant funding
* Developing monitoring tools for validation purposes to be implemented by the contractor
* Supporting the implementation of the monitoring program
* Attending a sample of monitoring visits
* Gathering and reviewing monitoring reports
* Summarizing data to be reported to the USDE

The validation process for private schools will be developed and implemented by the contractor and will include instruments to be utilized. The independent contractor will assist the ESD with the following:

* If necessary, revising the procedures established for the provision of the services
* Monitoring that the supporting documentation is being maintained. Attending a sample of monitoring visits

#### Sampling methodology

For the nonpublic schools, PRDE established the representative sample, and the external vendor developed the instruments. The use of statistical sampling approaches generally results in stronger evidence than that obtained from nonstatistical techniques. To determine the sample size, the program uses judgment to determine three factors: the confidence level, the tolerable rate (maximum rate of deviations from the prescribed control that the auditor/monitor is willing to accept without altering the preliminary assessment of control effectiveness), and the expected population deviation rate (expected error rate). Once the officer used software (such as EXCEL or SPSS) tables to determine sample size and to determine how many deviations the monitor may find without having to change the control risk assessment.

#### General monitoring process

PRDE’s monitoring process consists of two major components: desk and on-site reviews. The data is collected during the desk and/or on-site reviews to determine compliance with the monitoring indicators. Desk reviews include documents in the PRDE one drive storage system, finance system and program files.

Each school/initiative lead/ selected for desk or on-site review receives the following items:

* Initial monitoring notification letter/communication
* Monitoring tool containing required documentation checklist
* In the case of non-public schools’ desk review, PRDE and the external vendor are continuously communicating to proceed to next steps

Desk reviews include an examination of specific program compliance. In conducting the desk review, the school, office or initiative lead is required to collect, organize and submit monitoring documents to the Restart office. In the case of non-public schools, PRDE created a file for each school which includes supporting documentation. The desk analysis can commence upon receipt of electronic copies of the supporting documentation along with records that may appear in PRDE’s financial system (SIFDE), and any other documentation requested by the monitors.

The monitor performs a detailed analysis of submitted monitoring documents. Documents are analyzed in alignment with Restart indicators are the model for accountability and transparency. If monitoring documents are found not to meet standards, some form of corrective action is required.

In this case, school/initiative lead/office are informed of the necessary actions they must take, and they are required to submit evidence of compliance according to the established communication with PRDE Restart office coordinator.

If requested, technical assistance is offered by the PRDE and/or external monitor, as needed, to the entities being monitored. On other cases, PRDE Central Level needs to compile information and documents to provide to the external monitoring team and reach out to the initiatives’ leads for any additional clarification.

The external monitoring team is assigned to conduct on-site reviews. The number of resources assigned to perform the site visit will vary depending on the size of the school and issues identified during the desk analysis. On-site monitoring might take anywhere from a few hours to multiple days as needed to appropriately monitor and meet all applicable program requirements, in a case-by-case basis. To prepare for an on-site review, the school must collect and organize all program specific documentation requested in the monitoring notification letter and ensure that the school principal or authorized representative is available during the monitoring process to clarify any information needed to fasten up the procedure.

The monitor will review all appropriate documentation including information requested in the monitoring notification letter and may meet school staff, principals, teachers, both individually and in groups, as appropriate. This strategy allows the monitor to gather information from a variety of perspectives and better evaluate the impact of the administration and implementation of the Restart program.

The monitor will close with an exit conference to discuss preliminary observations. The monitor will provide a formal monitoring report to the Restart office which will then follow up with the school/initiative lead/office to provide corrective action requirements.

The school/initiative lead should respond to any findings by submitting any additional supporting documentation to the Restart office director. Additional supporting documentation will be analyzed by the monitor to identify if the additional documentation clarifies the observations that appear within the monitoring report.

After the school/initiative lead has submitted all the required monitoring documents, and PRDE has determined the sub-recipient has reached compliance status, PRDE will send the following documentation to the initiative lead, school’s principal or the authorized representative:

* Formal compliance letter
* Monitoring tool indicating all areas have met requirements

If it is determined that the school has not reached compliant status at the end of the above explained process, the school is subject to a request for additional information/documents in order to close or resolve any exceptions noted. Due to COVID19 pandemic, in person activities are not recommended until the population has been vaccinated and/or the health risks are demised.

As a preliminary schedule for school monitoring, the monitor has developed the following schedule:

|  |
| --- |
| **Sample School/Office/Initiative Lead/Program Visit Schedule\*** |
| **8:00-8:15am** | Entrance Meeting |
| **8:15-9:00am** | Interviews with School Administration Personnel |
| **9:00-10:00am** | Classroom Observations & Student Interviews (if applicable) |
| **10:00-11:00am** | Documentation Review, including the validation of the equipment and materials purchased with RESTART funds. |
| **11:00-11:30am** | Teacher Interviews |
| **11:30-12:00pm** | Wrap up with School Administrator |

\*This visit schedule is subject to changes based on the needs of the entity/office/school/program that is being monitored and due to COVID19 pandemic arising challenges. Constant communication between parties will be required to address any outstanding issues.

For the non-publics, due to COVID19, desk monitoring it’s being performed by the external vendor and findings will be delivered to the PRDE staff, since PRDE is responsible for complying with all applicable rules and regulations in these cases.

#### Monitoring Tools

PRDE will be monitoring the two main areas of each initiative: procurement processes and implementation processes. Procurement process consists analysis of documentation available at Central Level.

The following table will be used to evaluate each initiative:

The implementation processes of each initiative will be evaluated at the school visit. During each monitoring visit, the monitor will use the following table to evaluate the implementation of the Restart Activities, as applicable to the specific school:

 

The monitors use a monitoring instrument that will address all the above-mentioned items, and any other, as deemed necessary. Items are evaluated by the monitors and a final score will be assigned to each subject to measure the implementation stage at which the school is at. The monitoring instrument will be further developed once the required evidence to be evaluated is determined for each subject-matter and will be available for review as requested. Also, monitoring rubrics were developed to monitor the procedures that happen at the regional and central level, in order to validate that all procedures are following internal controls and applicable regulations. All monitoring instruments were developed by the external contractor hired for monitoring and oversight purposes and revised by PRDE.

After each visit, the monitors will send a monitoring visit memorandum to the PRDE Restart office which includes not only the numerical scores, but also the observations from the monitor. The Restart office will then contact the schools/lead of initiative/office to develop any necessary corrective action plans, according to the findings noted. Personnel from the Central Office and Regions will also be responsible for reviewing the results of the monitoring to be able to resolve any exceptions/discrepancies noted, if needed. Additionally, the information gathered through the monitoring memorandum will be used to provide technical assistance and follow up.

Currently, if findings of program noncompliance are identified, schools and regions are required to provide evidence of corrective action. Schools and regions must respond to findings by submitting evidence of compliance including but not limited to work plans, individualized student plans, teachers planning, examples of students’ schoolwork and activities, portfolios, test results, parental notification and any of the programs’ forms. When school-level compliance issues are identified, the regions must submit a corrective action plan that outlines strategies and activities to provide additional support to schools. The template for developing a summary of the results of such monitoring visits/reports is provided below:

 

Before the COVID19 pandemic, the program projected that schools could be revisited within 3 months in order to track the progress in implementation and use of the additional resources during the school year. This type of regular monitoring could enable the PRDE to identify trends and develop recommendations for implementation that can be documented and disseminated to all schools as part of technical assistance to be provided. However, the Restart Program had to implement alternate procedures to complete this task because it was not possible to visit in person. Restart office will request to schools/leads of initiatives/offices the documentation or information not available at the time of monitoring through electronic methods to comply with protocols and safeguard the personnel at the schools and at the central level, including consultants.

For the non-publics, the external vendor developed a rubric and it’s being applied by them with the files that contain all documents for each of the participant schools in the sample of 27 during the desk monitoring activities (see below)



## PRDE Technical Assistance

The Central office of PRDE will be overseeing the overall management of the Restart grant. As mentioned, they will be in charge of all aspects of administering the funds to provide the necessary assistance for all public and private school needs.

PRDE has provided orientations on various topics related to the Restart Program to monitors and other PRDE staff. As this activity is an on-going one, PRDE will continue efforts to provide more trainings to the key personnel working with this federal program.

PRDE is also developing a training for individuals at the regional level who will support the roll out of Restart funded programs and to the Central Procurement Unit staff. This training focuses on the following content:

* Purpose of Restart Program and requirements
* Data on distribution of funds and resources
* PRDE expectations for implementation and allowable use of Restart funds
* Lead Monitor Roles and Responsibilities
* Regional Reporting Documents, Templates and Timelines (under development)
* School Reporting Documents and Timelines (under development)

In order to train the appropriate staff, PRDE will use the information included in the guides (FAQ) published by the USDE. PRDE will also ensure they provide access to online resources including tool kits, templates and documentation to provide Regional Technical Assistants with the necessary support. The topics will prioritize allowable activities, reasonability of costs, procurement procedures and supplement not supplant, among others.

## Regional Technical Assistants

Based on the before mentioned training provided by PRDE, Regional Technical Assistants (Regional Coordinators of Federal Affairs Program and the regionals monitors), will provide guidance to their schools on policies and procedures for Restart funds.

Regional Technical Assistants will also use the information gathered from the monitoring visits to support the schools in any performance and implementation challenges. The data collected during the risk assessment and monitoring will be used by Regional Technical Assistants to identify topics requiring further guidance and corrective action. Regional Technical Assistants will also be a key part of implementing any corrective actions identified during monitoring.

## Program Evaluation

The program coordinator will conduct a Program Evaluation until the new compliance officer is hired, to evaluate that the program complies with the objective established in USDE regulations.

# Summary of Internal Controls

The list below summarizes the Internal controls established by PRDE Restart office:

1. Segregating responsibilities so that one employee does not have full control or carry out all fiscal duties (refer to organization chart and Fiscal Procedures Guide). Each position has specific responsibilities to avoid duplication of efforts and or conflict of interest.
2. Segregation of duties within the Financial System of the PRDE (SIFDE). There will be various steps of approval for each fiscal transaction (examples: the person responsible of making the requisitions on SIFDE, the person in charge of approving the requisitions on SIFDE, the person in charge of receiving the invoices and processing the payments, etc.)
3. Performance Reviews
4. PRDE have an external monitoring contractor which provides technical assistance, support implementation of Restart initiatives and oversee a monitoring approach that assesses PRDE’s compliance with the terms of the grant management.
5. Documenting and maintaining clear documentation of all procedures and necessary transactions (Initiatives records, documentation in the Financial System of the PRDE (SIFDE), physical records, documents in the cloud) to be prepared with all supporting documentation and the recording of all transactions for the monitoring or audit process.
* The Restart Program has created a space/file in the official PRDE cloud where the program personnel are uploading all required administrative forms and documents for all initiatives.
1. The Restart Program staff provides on-going technical assistance to initiative leads and non-public schools. The Restart Program staff continuously follow up with the different areas of the PRDE to make sure that initiatives are being implemented in order and as they should.
2. The PRDE have manuals and guides for all federal programs, including Restart. The Restart Program is well trained on these regulations and guidelines in order to comply with all federal and local requirements for the Restart Program.
3. Establishments of timelines and department-wide project planning.
4. Ensuring that proper security is in place for systems and records, such as requiring passwords and restricted authorizations (Passwords, Security Protocols for Information Systems, Physical records on secured area).
5. On- going reporting to program officers with accurate data, as it is required.
6. Provide an email address available for the public to report any suspicious activity, fraud, waste or abuse of federal dollars.
7. On-going meetings with non-public schools’ leaders and initiatives leads.
8. Due to the rapid changes in information technology, management over an organization's information systems must keep pace to remain effective (Passwords, Security Protocols for Information Systems)

# Conclusion

An Internal control is any policy, procedure, practice, or mechanism designed to provide reasonable assurance that the organization's objectives will be achieved. This includes controls designed to safeguard assets, ensure the timeliness, accuracy and reliability of financial and management reporting and to promote operational efficiency, effectiveness and compliance with all applicable laws, regulations, policies and procedures. **Internal controls** are the basic components of an **internal control system**, the sum of all internal controls and policies within an organization that protect assets and data.

This document is aligned with Federal regulations and provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Although our system does not prevent all loss from occurring, but it will significantly reduce the risk of loss and increase the chance of identifying the responsible party. This document aims to ensure the integrity of assets, allows for reliable accounting information and financial reporting, enhances efficiency within an organization, and provides guidelines and possible consequences for dealing with breaches. Internal controls drive many decisions and overall operational procedures within an organization.

1. https://www2.ed.gov/programs/restart/2018-hurricanerelief-pl109-148.docx. [↑](#footnote-ref-2)
2. https://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html [↑](#footnote-ref-3)
3. For further details of the PRDE internal control system you may refer to the PRDE Restart Unit Internal Control review component and principles evaluation guide 2020.02 [↑](#footnote-ref-4)
4. https://www.coso.org/Pages/default.aspx [↑](#footnote-ref-5)
5. https://www.whitehouse.gov/wp-content/uploads/2019/07/2-CFR\_Part-200\_Appendix-XI\_Compliance-Supplement\_2019\_FINAL\_07.01.19.pdf [↑](#footnote-ref-6)
6. For the specific functions and responsibilities of the personnel under de RESTART Office you may refer to the PRDE Restart Unit Internal Control Review Component and Principles Evaluation Guide 2020.02, Appendix. [↑](#footnote-ref-7)
7. <https://www.coso.org/Pages/ic.aspx> [↑](#footnote-ref-8)
8. https://www.gao.gov/greenbook/overview [↑](#footnote-ref-9)
9. Procurement Reform 2019: ACT 73-2019 also known as the General Services Administration (GSA) for the centralization of Purchases of the Government of Puerto Rico [↑](#footnote-ref-10)
10. PRDE will provide a copy USDE once the manual is complete. [↑](#footnote-ref-11)
11. Specific tools were developed to assess each compliance component [↑](#footnote-ref-12)