



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

September 30, 2022

The Honorable J. Kevin Stitt
Executive Office of the State of Oklahoma
2300 North Lincoln Boulevard
Suite 212
Oklahoma City, OK 73105

Dear Governor Stitt:

On February 22, 2021, the Office of Elementary and Secondary Education (OESE) conducted a desk review of the Executive Office of the State of Oklahoma's administration of the Governor's Emergency Education Relief Fund (GEER) program funded through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As a result of this review, findings requiring corrective action in the areas of cash management and payment systems, accounting systems and fiscal controls, internal controls, and subrecipient monitoring were assigned to the Executive Office of the State of Oklahoma.

The Executive Office of the State of Oklahoma responded to the findings and returned \$4,923,925.99 to the U.S. Department of Education (Department) as required to resolve the identified issues. The Department has completed its review of the State's submissions of documentation to resolve the findings within the monitoring report. See the table below for a summary of the information provided:

Executive Office of the State of Oklahoma GEER Corrective Actions			
Finding	Summary of Response Provided	Action Required	Status
Cash Management: 1a. Provide evidence to the Department that Oklahoma reminded its subrecipients about the requirements of the CMIA and the requirements in Uniform Guidance in 2 C.F.R. § 200.305 regarding advance payments	Subrecipient notifications with cash management requirements and new GANS transmitted July 2022. The Policies and Procedures for GEER II also provided as evidence.	No further action required	Resolved & closed
Cash Management: 1b. Require that Oklahoma's subrecipients return any GEER funds that Oklahoma provided through advance payment that remain unexpended, and return those funds to the G5 system until there is an	GEER reconciliation chart and G5 documentation provided as evidence.	No further action required	Resolved & closed

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actual and immediate need for those funds			
Cash Management: 2a. A report detailing available subrecipient balances as of 45 days from the date of the report	GEER reconciliation chart and G5 documentation provided as evidence.	No further action required	Resolved & closed
Cash Management: 2b. A report detailing GEER funds awarded by Oklahoma to contractors as of 45 days from the date of the report and details regarding the extent to which services have been performed for the funds already liquidated by Oklahoma	Cash flow report and associated source documentation provided to illustrate funding to and from subrecipients.	No further action required	Resolved & closed
Cash Management: 2c. Evidence that Oklahoma has returned all of Oklahoma's and its subrecipient's unspent GEER funds to the G5 system	Cash flow report and associated source documentation provided to illustrate funding to and from subrecipients. GEER reconciliation chart and G5 documentation also provided as evidence. Final return of \$225,045.64 to G5 completed 9.14.22.	No further action required	Resolved & closed
Cash Management: 3a. Oklahoma must provide a report of all interest accrued by subrecipients through June 30, 2021, as a result of advance payment of GEER funds	Documentation provided for single entity (Tri County) earning interest. GEER II Policies and Procedures Manual provided to detail future controls. Issue has been documented and corrective practices have been instituted.	No further action required	Resolved & closed
Cash Management: 3b. Oklahoma must provide a report of all interest accrued through June 30, 2021, by non-Federal entities other than States subawarded GEER funds, and evidence that interest accrued in excess of \$500 by any non-Federal entities other than States was remitted to the Department of Health and Human Services consistent with the requirements of 2 C.F.R. §200.305(b)(9).	Documentation provided for single entity (Tri County) earning interest. GEER II Policies and Procedures Manual provided to detail future controls. Issue has been documented and corrective practices have been instituted.	No further action required	Resolved & closed
Accounting Systems and Fiscal Management: 1. A policy to designate specific State agencies to oversee and account for GEER funds, including a description of how Oklahoma will account for GEER funds from G5 drawdowns through the use for allowable GEER activities and how Oklahoma's financial management system ensures compliance with 2 C.F.R. 200.302.	Narrative provided to detail the actions taken to strengthen accounting systems, internal controls, and subrecipient monitoring which included risk assessments, development of new application/award process, revised GANs that set expectations for records of subrecipients, and close-out documents. GEER II Policies and Procedures Manual provided to document future controls. Narrative provided to detail accounting systems of subrecipients.	No further action required	Resolved & closed

<p>Accounting Systems and Fiscal Management:</p> <p>2. Documented procedures for performing periodic reconciliations (e.g., monthly, quarterly) between subrecipient payment requests, subrecipient account balances, and the amounts drawn down from G5. The procedures should require the verification of the accuracy of the grant codes used when making draws (including some sort of authorization or documented approval)</p>	<p>Narrative provided to detail actions taken to resolve or improve reconciliations including use of 3rd party contractors to carry out regular updates on project initiatives and conduct post-award monitoring. Monitoring report drafts included. GEER II Policies and Procedures Manual provided to document future controls.</p>	<p>No further action required</p>	<p>Resolved & closed</p>
<p>Accounting Systems and Fiscal Management:</p> <p>3. written policies regarding the allowability of costs that include the criteria for cost allowability, details pertaining to specific items of cost as defined in the Uniform Guidance Cost Principles (2 C.F.R. 200.400-476), and program-specific considerations to help guide staff when developing annual spending plans for each fiscal year, when evaluating proposed program budgets, and when evaluating actual expenditures during the course of program administration or monitoring. Such documentation should help ensure that Oklahoma staff are sufficiently considering the factors for cost allowability when evaluating proposed and actual program spending.</p>	<p>Narrative provided to detail the corrective actions taken in relation to allowability of costs including the use of 3rd party contractors to perform post-award monitoring, including an expenditure review of the Bridge the Gap program. GEER II Policies and Procedures Manual also included to document future controls.</p>	<p>No further action required</p> <p>Recommend OMES include reference to the Uniform Guidance Cost Principles (2 C.F.R. 200.400-476) where Oklahoma staff will consider cost allowability (e.g., evaluating future proposals; reimbursement processing) in written policies (e.g., GEER II Policy).</p>	<p>Resolved & closed</p>
<p>Internal Controls: 1a. documentation of a regular process (e.g., quarterly, annually, biannually) for identifying internal risks (see e.g., GAO Green Book, pages 34-42). This documentation should include: the types of risk that will be evaluated and the indicators to be used in the assessment</p>	<p>Narrative provided to detail corrective actions to address and improve internal controls. Selection from OMES Accounting Manual provided to detail risk assessment categories, designation, and required action. GEER II Policies and Procedures Manual also provided to document future controls. Internal Risk Assessment Procedures Document outlines the purpose and frequency for both general and specific risk assessment processes.</p>	<p>No further action required</p>	<p>Resolved & closed</p>
<p>Internal Controls: 1b. the process for establishing risk tolerances for different categories or types of risk</p>	<p>Narrative provided to detail corrective actions to address and improve internal controls. Selection from OMES Accounting Manual provided to detail risk assessment categories, designation, and required action. GEER II Policies and Procedures Manual also provided to document future controls. Internal Risk Assessment Procedures Document outlines process to determine risk tolerance for different categories of risk.</p>	<p>No further action required</p>	<p>Resolved & closed</p>
<p>Internal Controls: 1c. the process used to complete the risk assessment</p>	<p>Narrative provided to detail corrective actions to address and improve internal</p>	<p>No further action required</p>	<p>Resolved & closed</p>

(including identification of responsible individuals); and	controls. Selection from OMES Accounting Manual provided to detail risk assessment categories, designation, and required action. GEER II Policies and Procedures Manual also provided to document future controls. Internal Risk Assessment Procedures Document outlines personnel responsibilities within the risk assessment process.		
Internal Controls: 1d. the process used to respond to identified risks affecting the operation or performance of the organization.	Narrative provided to detail corrective actions to address and improve internal controls. Selection from OMES Accounting Manual provided to detail risk assessment categories, designation, and required action. GEER II Policies and Procedures Manual also provided to document future controls. Internal Risk Assessment Procedures Document outlines the response to risks identified as a result of the risk assessment process.	No further action required	Resolved & closed
Internal Controls: 2. documentation of a regular process (e.g., quarterly, annually, biannually) for evaluating the performance and/or effectiveness of the agency's internal controls framework (see e.g., GAO Green Book, page 56). This documentation should include a description of the process and its frequency, identify the staff responsible for performing such an evaluation, and include copies of any tools or checklists that will be used to accomplish the evaluations. While Oklahoma cannot rely solely on external auditors to complete evaluations of internal controls, the process developed can be complementary in scope to the work performed by the external entities	Narrative provided to detail corrective actions to address and improve internal controls. Selection from OMES Accounting Manual provided to detail risk assessment categories, designation, and required action. GEER II Policies and Procedures Manual also provided to document future controls. Internal Risk Assessment Procedures Document outlines the purpose and frequency for both general and specific risk assessment processes.	No further action required	Resolved & closed
Internal Controls: 3. documentation of Oklahoma's internal controls framework, including any updated internal controls to ensure compliance with requirements for GEER funds (see e.g., GAO Green Book, page 29)	Selection from OMES Accounting Manual provided to detail internal controls framework. DCAR Internal Controls document provided to document OMES Internal Controls policy.	No further action required	Resolved & closed
Internal Controls: 4. documentation of a process for awarding future contracts using GEER funds - The Department requests confirmation that Oklahoma will not award any additional contracts.	GEER II Policies and Procedures Manual and GEER II review process provided to document future controls.	At this time, no additional action is required in response to the monitoring report. However, resolution will be coordinated with Oklahoma's corrective actions to resolve the related finding 1.5 in ED-OIG A20GA0011.	Partially resolved
Internal Controls: 5*. documentation of a process for selecting future	Updated GANs provided to subrecipients include references to 2 CFR 200.332(a).	No further action required	Resolved & closed

subrecipients receiving GEER funds, including issuing a subrecipient agreement that includes the information required in 2 CFR 200.332(a) - The Department requests confirmation that Oklahoma will not award any additional subawards.	GEER II Policies and Procedures Manual provided to document future controls.		
Internal Controls: 6. documentation explaining Every Kid Counts Oklahoma's, and the Oklahoma School Resource Center's roles in advising, overseeing, administering, or monitoring Oklahoma's GEER funds; - The Department requests documentation explaining Every Kid Counts Oklahoma's and the Oklahoma School Resource Center's roles in advising, overseeing, administering, or monitoring Oklahoma's GEER funds.	Narrative provided to detail roles of various organizations in supporting the administration of the GEER I funds. Narrative provided to explain role of Every Kid Counts Oklahoma in supporting the notification of GEER programming.	No further action required	Resolved & closed
Internal Controls: 7. documentation defining the roles and responsibilities of Oklahoma State agencies involved in administering the GEER grant; and, where an Oklahoma State office or agency received GEER funds, documentation of the agency's role and responsibility in administering subawards	Cash flow report and associated source documentation provided to illustrate funding to and from subrecipients. GEER reconciliation chart and G5 documentation also provided as evidence.	No further action required	Resolved & closed
Internal Controls: 8. Documentation listing and distinguishing State agency transfers, subrecipients and vendors (including ClassWallet and Edmentum, Inc.), the amount of GEER funds they received, and any unspent GEER funds	Cash flow report details transfers in and out, vendors, amounts returned, balance remaining, and reconciliation notes. Information included for CARES (SDE), Learn Anywhere (SVCSB), Bridge the Gap (ODEQ), Stay in School (ODEQ), and Skills to Rebuild (Tri-County).	No further action required	Resolved & closed
Internal Controls: 9. documentation of a process for reviewing purchases made by program beneficiaries through ClassWallet, and Oklahoma's analysis and determination of whether the use of funds was consistent with GEER requirements.	Contract for third-party review of expenditures included for the Bridge the Gap program. Draft monitoring reports conducted by third-party included for each GEER I program. GEER II Policies and Procedures Manual and GEER II Process Outline address allowability of expenditures for future controls.	At this time, no additional action is required in response to the monitoring report. However, resolution will be coordinated with Oklahoma's corrective actions to resolve the related findings 1.4, 2.1, and 2.2 in ED-OIG A20GA0011.	Partially resolved
Subrecipient Monitoring: 1a. Description of a process for subrecipient fiscal monitoring. The	Narrative provides detail regarding monitoring activities that have occurred	No further action required	Resolved & closed

fiscal monitoring must encompass a range of fiscal indicators sufficient to provide reasonable assurance that subrecipients are managing program funds in accordance with requirements. The plan provided must include: a. Timelines for the development of documented fiscal monitoring procedures and fiscal monitoring protocols	with GEER I recipients including project status reports, discontinued contracts, revised GANs, close out documents, 3rd party monitoring, and 3rd party expenditure review. The GEER II Policies and Procedures Manual, Process Outline for awarding new GEER awards, and Subrecipient Monitoring Tool and Handbook also included as evidence of future subrecipient monitoring practices.		
Subrecipient Monitoring: 1b. Identification of the staff and/or agencies that will be responsible for carrying out fiscal monitoring activities		No further action required	Resolved & closed
Subrecipient Monitoring: 1c. Descriptions of the selection process and criteria for identifying subrecipients to receive monitoring reviews for each type of monitoring activity; and,		No further action required	Resolved & closed
Subrecipient Monitoring: 1d. Descriptions of the post-monitoring process, including the monitoring report process and templates, and timelines for subrecipient corrective action.		No further action required	Resolved & closed
Subrecipient Monitoring: 2a. Description of a process for subrecipient programmatic monitoring. This documentation must include the following items: Timelines for the development of documented programmatic monitoring procedures and programmatic monitoring protocols	Narrative provides detail regarding monitoring activities that have occurred with GEER I recipients including project status reports, discontinued contracts, revised GANs, close out documents, success metrics, and 3rd party monitoring.	No further action required	Resolved & closed
Subrecipient Monitoring: 2b. Identification of the staff and/or agencies that will be responsible for carrying out programmatic monitoring activities;	The GEER II Policies and Procedures Manual, Process Outline for awarding new GEER awards, and Subrecipient Monitoring Tool and Handbook also included as evidence of future subrecipient monitoring practices.	No further action required	Resolved & closed
Subrecipient Monitoring: 2c. Descriptions of the selection process and criteria for identifying subrecipients to receive monitoring reviews for each type of monitoring activity; and,		No further action required	Resolved & closed
Subrecipient Monitoring: 2d. Descriptions of the post-monitoring process, including the monitoring report process and templates, and timelines for subrecipient corrective action.		No further action required	Resolved & closed

Based on a review of the documentation provided, the Department considers the State's monitoring findings to be partially resolved and closed. The Department is not requesting additional information specific to the monitoring report at this time, and will continue to coordinate with Oklahoma to address partially resolved findings Internal Controls #4 and 9 in conjunction with the related OIG audit findings in ED-OIG A20GA0011. Please note that any

resolution of the State's findings in this monitoring report should not be considered as full resolution of the OIG audit findings, as additional evidence may be necessary to resolve the findings detailed in ED-OIG A20GA0011.

I look forward to continuing to partner with you and your staff to support the implementation of federal programs. If you have any questions, please do not hesitate to reach out to Jennifer Timmons at Oklahoma.OESE@ed.gov.

Sincerely,

Laura Jimenez

Laura Jimenez
Director
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United States Department of Education

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