



FLORIDA
DEPARTMENT of
CORRECTIONS

*Changing Lives to
Ensure a Safer Florida*

501 South Calhoun Street, Tallahassee, FL 32399-2500

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RICK SCOTT

Secretary

MICHAEL D. CREWS

<http://www.dc.state.fl.us>

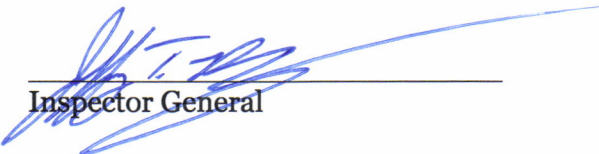
TO: Michael D. Crews, Secretary

FROM: Jeffery T. Beasley, Inspector General

DATE: June 16, 2014

SUBJECT: FOLLOW-UP AUDIT REPORT # A14019F – THE AUDITOR GENERAL’S
DEPARTMENT OF CORRECTIONS SELECTED ADMINISTRATIVE ACTIVITIES AND
PRIOR AUDIT FOLLOW-UP, OPERATIONAL AUDIT, REPORT # 2014-066.

The Bureau of Internal Audit performed a follow-up audit to the Office of the Auditor General’s Department of Corrections Selected Administrative Activities and Prior Audit Follow-up, Operational Audit, Report # 2014-066 issued in December 2013. The objectives of this follow-up were to determine the corrective actions taken on reported audit findings and whether actions taken achieved the desired results as intended by management. The scope of the follow-up consisted of obtaining from the Office of Procurement & Contract Management and Bureau of Finance and Accounting a written response of action taken to correct the reported findings. We have evaluated the responses to the findings and have assessed that appropriate action has been taken or is being taken to address the issues identified in the report.


Inspector General

JB/PS/kj
Attachment

Timothy Cannon, Deputy Secretary
Michael Dew, Chief of Staff
Jodi Bailey, Director of Office of Procurement & Contract Management
Mark Tallent, Director of Budget and Financial Management
Mike Deariso, Chief of Finance and Accounting
Kenneth Sumpter, Deputy Inspector General
Joint Legislative Auditing Committee

FLORIDA DEPARTMENT OF CORRECTIONS

Follow-up of Auditor General's Report #2014-066**DEPARTMENT OF CORRECTIONS****SELECTED ADMINISTRATIVE ACTIVITIES****AND PRIOR AUDIT FOLLOW-UP****Operational Audit***Jeffery T. Beasley, Inspector General**Paul R. Strickland, Chief Internal Auditor**Report #A14019F**June 16, 2014***BACKGROUND**

The Department of Corrections (Department) operates under the provisions of Section 20.315 and Chapters 944, 945, 946, 948, and 958, Florida Statutes. The purpose of the Department is to protect the public through the incarceration and supervision of offenders and to rehabilitate offenders through the application of work, programs, and services. The Department's mission is to protect the public safety, ensure the safety of Department personnel, and provide proper care and supervision of all offenders under its jurisdiction while assisting, as appropriate, their reentry into society.

According to Department records, the Department operates the third largest state prison system in the United States. The Legislature appropriated approximately \$2.1 billion to the Department for the 2013-14 fiscal year and funded more than 23,200 positions. In addition to housing over 100,000 inmates, as of June 2013, the Department supervised approximately 146,000 offenders on active community supervision or active-suspense supervision.

In December 2013, the Office of the Auditor General published a report, Department of Corrections Selected Administrative Activities and Prior Audit Follow-up, Operational Audit, Report # 2014-066.

OBJECTIVES

The follow-up objectives were to determine:

- what corrective actions were taken on reported audit findings, and
- whether actions taken achieved the desired results as intended by management.

SCOPE AND METHODOLOGY

A request was made to the Office of Procurement & Contract Management and Bureau of Finance and Accounting for a written response on the status of corrective actions taken.

RESULTS OF FOLLOW-UP

Finding No. 1: The Department did not always ensure that a complete physical inventory of tangible personal property, including the accurate update of Department property records for the inventory results, was timely performed.

Recommendation: Department management take steps to ensure that a complete physical inventory of tangible personal property, including the accurate update of Department property records for the inventory results, is timely performed in accordance with the requirements of State law and DFS rules.

Management's Original Response: *The Department concurs with the finding and has updated our records for the 23 items which we previously provided the status. The Department is currently working to update the property master system for the remainder of the items identified. The Department will ensure future compliance by following our current procedure in a more timely manner.*

Management's Follow-Up Response: *The Department continues to conduct annual inventories and review the Property Master System for the type of items addressed in the finding in order to ensure compliance.*

Finding No. 2: As similarly noted in our report No. 2012-185, staff in the Department program areas did not always follow Department contract monitoring procedures.

Recommendation: Department management ensure that contract monitoring and follow-up activities are timely performed in accordance with Department and DFS procedures and appropriately documented.

Management's Original Response: *The Department has taken steps to correct future issues to ensure contract monitoring is performed in accordance with Department and DFS procedures. In order to enhance contract management oversight, the Department has created the Contract Administration section within the Office of Procurement and Contract Management, Bureau of Contract Management and Monitoring. This section is tasked with reviewing contracts, providing training, oversight and administrative assistance to Contract Managers. The comprehensive training provides instructions to Contract Managers related to contract management and encompasses monitoring requirements.*

Monitoring plans have been developed for FY 2013/2014 for all active contracts within the Department. These monitoring plans were submitted and have been reviewed by the Contract Administration section in July of 2013. Monitoring activities by programs areas will also be revisited in January of 2014 to ensure compliance with monitoring plan procedures and identified schedules. Also, the Department has revised its Contract Monitoring and Monitoring Plan procedure (DC 205.013) as of December 4, 2013 to provide specific instruction on monitoring requirements.

Additionally, the Contract Administration section provides guidance to contract managers thru contract advisories concerning guidelines and procedures related to contract management.

Management's Follow-Up Response: The Department recently updated its policies and procedures for Contract Administration and Management, DC Procedure 205.002, and Contract Monitoring and Contract Monitoring Plan, DC Procedure 205.013 in order to provide improved guidance to Contract Manager's in the management and monitoring of contracts. Also, the Bureau of Contract Management and Monitoring has developed a comprehensive training entitled, "Seven Activities of Contract Management". This training was first provided in October of 2013 and will be provided again in July of 2014. Of the seven activities of contract management components, one activity component is dedicated specifically to contract monitoring, which addresses both programmatic and administrative monitoring functions. The intent of our bureau in providing contract management and monitoring related trainings is to offer the comprehensive training at minimum on a semi-annual basis. Also, on an ongoing basis, the Bureau of Contract Management and Monitoring will offer isolated/specialized related topic trainings (e.g., Monitoring Plan and Risk Assessment) in order to continually strive to further educate and improve the contract management and monitoring roles within our Department.

Additionally, the Department has continued to provide contract updates through means of Contract Advisories, and has also instituted a file review of the contract manager's contract file(s) to ensure that the minimal contract documentation outlined in Contract Advisory 06-01_Revised is maintained and documented. One of the checklist items that are reviewed is to determine whether or not contract monitorings have been conducted, monitoring reports maintained in the contract manager's contract file and whether or not corrective action plans were submitted by the contractor, where applicable.

Finally, the Bureau of Contract Management and Monitoring coordinates the receipt of contract monitoring plans from various program areas, of which one of the components is the monitoring schedule. The bureau compiles the data provided on the monitoring schedule and follows-up with program areas to pursue whether or not monitorings were conducted, corrective action plans were completed and non-compliant issues were brought back into compliance.

Finding No. 3: Although improvements in motor vehicle record keeping had been made, the Department could not always demonstrate that Department records accurately reflected motor vehicle usage and cost information.

Recommendation: Department management continue its efforts to ensure that all required information is accurately recorded on the Vehicle Records and input into FLEET.

Management's Original Response: Within the Department of Corrections, up to 129 personnel enter vehicle information monthly into the FLEET system. Procedures are in place requiring motor vehicle records to be accurately completed and resulting information be entered into FLEET. The Central Office Fleet Manager regularly

emails to each Regional Fleet Representative and Automotive Equipment Maintenance Superintendent the requirements of maintaining accurate information in FLEET. The fleet representatives are informed of the importance of entering the appropriate information on all forms and electronic media to capture accurate data for the establishment of the reports needed to efficiently manage a fleet of 3,300+ vehicles; they are also requested to remind their institutional General Services Specialists and Vocational Instructors to do the same. Monthly telecommunications with the field personnel are also utilized to reinforce and emphasize the necessity of accurate and timely information. In addition, field personnel have access to the FLEET report module and can run reports to ensure accuracy of data. Regular meetings with regional fleet personnel will be established to emphasize the importance of the accurate and timely capture of information.

Management's Follow-Up Response: The Department of Corrections' procedure Procurement, Assignment, Use and Control of State Vehicles 205.019 require motor vehicle records to be accurately maintained and entered in the FLEET System. The Department currently has approximately 136 personnel statewide who enter monthly vehicle information into the FLEET system. In addition, the Central Office Fleet Manager communicates regularly with each Regional Fleet Representative and Automotive Equipment Maintenance Superintendent regarding the requirements of maintaining accurate information in FLEET.

The Department's fleet representatives are informed of the importance of maintaining records and entering the appropriate information on all forms and electronic media. This is emphasized to capture accurate data for the establishment of the reports needed to efficiently manage a fleet of nearly 3,200 vehicles; they are also requested to remind their institutional General Services Specialists and Vocational Instructors to do the same. Monthly telecommunications with the field personnel are also utilized to reinforce and emphasize the necessity of accurate and timely information. In addition, field personnel have access to the FLEET report module and can run reports to ensure accuracy of data. Regular meetings with regional fleet personnel will be established to emphasize the importance of the accurate and timely capture of information.

Finding No. 4: Department information technology logical access controls related to the Purchase Request System continue to need enhancement.

Recommendation: Department management strengthen the PRS logical access controls to better protect the confidentiality, integrity, and availability of Department data and IT resources.

Management's Original Response: The Department no longer utilizes PRS as the electronic procurement system to issue requisitions. The system still exists for history related searches and only a select few of the staff at the Central Office still have access for inquiry only. Requisitions are now issued through the MyFloridaMarketPlace (MFMP) system. Should one of these staff members leave the Department, they will be removed immediately upon notice from the Department's Personnel Office.

Management's Follow-Up Response: The Department no longer utilizes the Purchase Request System (PRS), and instead now processes all requests and purchase orders through the state's MyFloridaMarketPlace (MFMP) system, effective January 2013. All access to PRS was removed, except for the individuals below, in November 2013. These staff continue to have access to PRS for historical purposes only and instructions were sent to end-users to contact these individuals if and when historical information is needed. The OIT staff retains access to PRS for technical assistance, if necessary. Should any of the staff listed below leave the Department their access will be removed.

<i>Name</i>	<i>DC Position Title</i>	<i>Facility/Location</i>	<i>Group Name</i>	<i>Active State</i>	<i>User Type</i>
<i>Bailey, Marie</i>	<i>Purchasing Specialist</i>	<i>Central Office - Administration</i>	<i>CO-Procurement and Supply</i>	<i>True</i>	<i>ADMIN REQUESTOR APPROVER BUDGET PURCHASING</i>
<i>Cann, Mark</i>	<i>Systems Project Consultant</i>	<i>Central Office - Information Technology - B242</i>	<i>CO-Information Technology</i>	<i>True</i>	<i>ADMIN REQUESTOR APPROVER BUDGET PURCHASING</i>
<i>McCleary, Doug</i>	<i>Purchasing Specialist Supervisor</i>	<i>Central Office - Administration</i>	<i>CO-Procurement and Supply</i>	<i>True</i>	<i>ADMIN REQUESTOR APPROVER BUDGET PURCHASING</i>
<i>Roberts, Denise</i>	<i>Purchasing Analyst</i>	<i>Central Office - Administration</i>	<i>CO-Procurement and Supply</i>	<i>True</i>	<i>ADMIN REQUESTOR APPROVER BUDGET PURCHASING</i>
<i>Schmucker, Matthew</i>	<i>DISTRIBUTED COMPUTER SYSTEMS ANALYST</i>	<i>Central Office - Information Technology</i>	<i>CO-Information Technology</i>	<i>True</i>	<i>REQUESTOR</i>

This follow-up audit was conducted in accordance with the International Standards for Professional Practice of Internal Auditing as published by the Institute of Internal Auditors. This follow-up audit was conducted by Kimberly Jones, Professional Accountant Supervisor. Please address inquiries regarding this report to Paul R. Strickland, Chief Internal Auditor, at (850) 717-3408.