



Department of Elder Affairs
Office of Inspector General

MEMORANDUM

To: Michelle Branham, Secretary

From: Taroub J. Faraj, Inspector General

J.F.

JLAC RECEIVED
4-28-23

Date: April 28, 2023

Re: Six-Month Follow-up to Auditor General Report No. 2023-039, *Department of Elder Affairs Selected Administrative Activities and Prior Audit Follow-up, Operational Audit – Project # E-2122DEA-028*

The Office of Inspector General (OIG) conducted a Six-Month Follow-up to Auditor General Report No. 2023-039, *Department of Elder Affairs Selected Administrative Activities and Prior Audit Follow-up, Operational Audit*, issued in October 2022.

Attached is the status of corrective actions taken to address the recommendations for the findings cited in the original report. The OIG has reviewed the responses and determined that corrective actions taken for Findings 1, 2, 5, 7, and 8 fully address the recommendations; therefore, no further follow-up will be conducted. However, for Findings 3, 4, 6, and 9, the proposed corrective actions either partially or have not been implemented to address the recommendations. As a result, further follow-up is warranted for those findings.

Upon your review and signature, the final report will be electronically distributed to the appropriate parties. If you have any questions, please contact me at (850) 414-2013.

Report reviewed by:

Michelle Branham, Secretary

Date: 7/28/23

Cc: Michael Wickersheim, Deputy Secretary & Chief of Staff
Laura Anderson, Chief Financial Officer
Clark Gates, Director, Office of Public and Professional Guardians
Ryan Kiessig, Chief, Bureau of Human Resources
Jonathan Yeaton, Chief Information Officer

Department of
ELDER AFFAIRS

STATE OF FLORIDA



Office of Inspector General

Six-Month Follow-up to Auditor General

Report No. 2023-039

*Department of Elder Affairs Selected Administrative Activities
and Prior Audit Follow-up*

Operational Audit, #E-2122DEA-028

April 28, 2023

Finding 1: Department records did not always evidence that a contractor's status as a subrecipient or vendor had been timely determined or that cost analyses were timely prepared for contracts awarded on a noncompetitive basis. A similar finding was noted in our report No. 2017-030.

Recommendation: Department management ensure that Determination Checklists evidencing the Department's determination of a contractor's status as a subrecipient or vendor are completed prior to contract execution and retained in Department records. Also, Department management ensure that, for contracts awarded on a noncompetitive basis, cost analyses are completed prior to contract execution.

Original response: The Division of Financial and Support Services will provide training to applicable staff and ensure procedures are followed to verify all required documentation, including Recipient/Subrecipient/Vendor Determination and Cost Price Analysis, has been provided prior to contract execution.

Six-Month Follow-up Response: At this time, training has been provided to applicable staff. The Chief of Contract Administration and Purchasing is responsible for ensuring all required documentation has been received prior to approving a contract for execution. This approval takes place as part of the internal route process of the contract prior to the contract being sent to the provider for signature.

Office of Inspector General (OIG) Position: The OIG has reviewed the response and determined corrective action taken addresses the recommendation. Therefore, no further follow-up will be conducted.

Finding 2: The Department, Office of Public and Professional Guardians (OPPG), did not prepare a risk assessment that identified areas of risk nor prioritized monitoring around those risks during the period July 2020 through December 2021. In addition, OPPG records did not always evidence that deficiencies noted during monitoring were resolved or that monitoring reports were subject to management review.

Recommendation: To ensure that contract monitoring activities are performed in accordance with State law, DFS guidelines, and Department policies and procedures, OPPG management enhance contract monitoring controls, including the establishment of review and follow-up procedures.

Original response: The OPPG accepts the recommendation of the finding with the following notes:

- The OPPG is now aware of the Department Handbook which details the risk-based monitoring approach and will develop a formal process/template/documentation to use

going forward. It should be noted that while OPPG management was not aware of an actual assessment, we did utilize the methodology listed within the Department's Handbook to make determination of the priority in which the programs should be monitored.

- While the AG report and OPPG management indicated that the deficiencies were not documented by letter or form, it should be noted that the deficiency had been corrected by the contractor as a result of the monitoring and follow up from OPPG staff. Specifically, regarding the maintenance of the current ward information by the contractor, it was verified that said information was in fact in the client management application.
- While the AG report indicates that OPPG records did not evidence the monitoring reviews were subject to management review, it should be noted that the OPPG management worked offline with the OPPG staff conducting the monitoring to draft the document and provide final approval before report sent to the contractor, and OPPG management was copied on the report once delivered to contractor via email. The OPPG has implemented a documented sign-off of the final report as a result of the pre-meeting with Auditor General staff's notification of this finding and has implemented this into practice prior to the AG report being finalized.

In summation, the OPPG management is reviewing best practices from several other units within the Department to grow process/templates/documentation and efficiencies in the area of contract management.

Six-Month Follow-up response: *The OPPG has implemented a risk assessment as part of developing a risk-based monitoring approach. Prior to each fiscal year, the OPPG completes a Risk Assessment Checklist to determine monitoring priority for each of the 16 Offices of Public Guardians the OPPG contracts with throughout the state. This tool allows for the schedule of each monitoring to be adjusted accordingly. As indicated in the original response, the OPPG has implemented processes and procedures addressing the other findings and recommendations which continue to be utilized by the OPPG.*

OIG Position: *The OIG has reviewed the response and determined corrective action taken addresses the recommendation. Therefore, no further follow-up will be conducted.*

Finding 3: As similarly noted in our report No. 2017-030, duties related to Department property were not always properly separated as Department employees sometimes inventoried property items for which they were responsible or assigned and the Department did not always ensure that property records were updated for the results of the annual physical inventory.

Recommendation: Department management enhance controls to ensure that annual physical inventories are conducted by appropriate staff and that Department property records are updated for the inventory results.

Original response: The Division of Financial and Support Services (Division) will provide training to applicable staff to ensure property inventory procedures are followed. In addition, the Division will review Property Management Procedure 545.70 and make any necessary updates to clarify, streamline or improve the procedure to identify the role, responsibilities, and expectations of property custodian delegates.

Six-Month Follow-up Response: *Property delegates have been provided inventory instructions that provide guidance on how the annual inventory takes place and specific direction on their role and responsibilities. This guidance includes instructions that a property delegate is not to inventory property assigned to them. Property Management Procedure 545.70 is currently under review.*

OIG Position: *The OIG has reviewed the response and determined corrective action taken partially addresses the recommendation. As a result, further follow-up will be conducted.*

Finding 4: Department controls over the recording of property acquisitions to Department property records need enhancement.

Recommendation: Department management enhance property management policies and procedures to include guidance on determining the cost of property acquisitions and a time frame for recording property acquisitions to Department property records and ensure that Department records are timely updated for property acquisitions.

Original response: The Division of Financial and Support Services will review the Property Management Procedure 545.70 and make necessary updates to provide guidance on determining the cost of property acquisitions and time frame for recording property acquisitions in Department property records.

Six-Month Follow-up Response: *Property Management Procedure 545.70 is currently under review.*

OIG Position: *The OIG has reviewed the response and determined corrective action has not yet been taken to address the recommendation. As a result, further follow-up will be conducted.*

Finding 5: As similarly noted in our report No. 2017-030, the Department did not always document the return of State-owned property from employees separating from Department employment.

Recommendation: Department management take steps to ensure that Checklists are properly completed for all employees upon employment separation and retained in Department property records.

Original response: As provided in part, Human Resources will be taking the following corrective actions to remedy this issue:

- The checklist will be converted into an electronic form with fillable form fields. The current checklist is a Microsoft Word document that is handwritten. Converting the checklist into an electronic form will provide flexibility for both the employee and supervisor when accessing, completing, and submitting the checklist.
- The Employee Property Separation Checklist will be revised to incorporate a signature and date line for the supervisor to complete. By requiring the supervisor to sign and date the checklist, too, this will emphasize the necessity for the completion and submission of the checklist.
- Human Resources will notify the supervisor by email five (5) business days prior to the employee's separation date that the checklist must be completed and submitted to Human Resources within three (3) business days prior to the employee's separation date. Human Resources will be able to ensure the completed checklist is received prior to employee's separation date for subsequent filing in the department's records.

Additionally, Human Resources will consult and work with Department Senior Management to review the current checklist process.

Six-Month Follow-up response: The Bureau of Human Resources created an electronic Employee Property Separation Checklist form that has been in use since October 2022. The manager/supervisor receives the electronic form along with the acceptance resignation letter from the Bureau of Human Resources and is asked to submit the electronic form by close of business on the employee's last working day.

OIG Position: The OIG has reviewed the response and determined corrective action taken addresses the recommendation. Therefore, no further follow-up is warranted.

Finding 6: The Department did not ensure that the Bureau of Information Technology was within the line of authority of executive management. Additionally, contrary to State law, the Department Information Security Manager (ISM) did not report directly to the Secretary for information security duty purposes.

Recommendation: Department management take steps to ensure that the Bureau of Information Technology is separate from other user departments and organizationally equal to other

management areas and that the Department ISM reports directly to the Secretary for information security duty purposes.

Original response: As provided in part, the Department has been actively working on this issue during this year and recognizes the importance of establishing an Information Security Manager position. The Department's Senior Management is working through the budgetary process to create an additional full-time equivalent ("FTE") position to carry out the duties and responsibilities as the Department's Information Security Manager. Human Resources will continue to work with Department Senior Management to find additional avenues to address this issue as well.

Furthermore, should Department Senior Management choose to process a reorganization request to remove the Bureau of Information Technology from under the Division of Financial Administration, Human Resources will be glad to provide Department Senior Management with information, guidance, and assistance to accomplish the request. The initial step to this process would require the Department to submit a Legislative Budget Request to the Department of Management Services and the Office of Policy and Budget for review and approval.

Six-Month Follow-up response: The Bureau of Human Resources is currently working with the Department of Management Services' Human Resource Management Classification to approve an organizational revision that removes the Bureau of Information Technology from under the Division of Financial and Support Services. As mentioned, this request for approval is ongoing and the Bureau of Human Resources is unable to provide a definitive approved completion date at this time.

Additionally, the Department continues to actively work on establishing an Information Security Manager position. As previously provided, there are many factors such as the budgetary process to create an additional FTE position to carry out the duties and responsibilities. The Bureau of Human Resources will continue to work with Department Senior Management on this issue.

OIG Position: *The OIG has reviewed the response and determined corrective action has not yet been implemented to address the recommendation. As a result, further follow-up will be conducted.*

Finding 7: The Department did not always promptly cancel purchasing cards upon a cardholder's separation from Department employment.

Recommendation: Department management promptly cancel purchasing cards upon a cardholder's separation from Department employment.

Original response: The Division of Financial and Support Services will provide training to applicable staff and review purchasing card cancellation policies to ensure timely cancellation

occurs upon employee separation. In addition, the employee Off-Boarding Process will be reviewed to verify that alerts of employee separation are received by the appropriate staff.

Six-Month Follow-up response: *Currently, the DOEA Purchasing Card Administrator position is vacant, and the Chief of Contract Administration and Purchasing is serving as a backup to the role. Currently, the Chief of Contract Administration and Purchasing receives notification through the Off-Boarding process that an individual has left/is leaving DOEA employment. When notification is received, the Chief of Contract Administration and Purchasing determines whether the employee has a purchasing card and, if so, the cardholder's account is closed.*

OIG Position: *The OIG has reviewed the response and determined corrective action taken addresses the recommendation. Therefore, no further follow-up is warranted.*

Finding 8: Department controls over employee access to the Florida Accounting Information Resource Subsystem continue to need improvement to reduce the risk of unauthorized disclosure, modification, or destruction of Department data.

Recommendation: Department management enhance FLAIR user access privilege controls to ensure that periodic FLAIR access reviews are documented in Department records, FLAIR user access privileges are immediately deactivated upon a user's separation from Department employment, and user access privileges to FLAIR are limited to promote an appropriate separation of duties. If incompatible access privileges are necessary, Department management establish and document compensating controls.

Original response: The Division of Financial and Support Services (Division) will provide training to applicable staff responsible for performing quarterly access reviews and updating FLAIR user access. In addition, the Division will review and update FLAIR User Access procedures to ensure the documentation and electronic storage of completed user access reviews is clearly stated. For the specific instance of incompatible functions in FLAIR assigned to one user, the Division will review the user access and verify if a staff resource still exists. If a staff resource issue does not exist, user access will be updated accordingly. If user access cannot be updated due to staff resource issues, compensating controls will be established and documented.

Six-Month Follow-up response: *At this time, the FLAIR User Access Procedures have been updated. Access was reviewed to determine instances of incompatible functions in FLAIR and necessary updates have been made. For example, one employee had update capabilities to the FA and FC functions in FLAIR; however, the user's access has been updated; so now the individual only has update capabilities for one of these functions.*

OIG Position: *The OIG has reviewed the response and determined corrective action taken addresses the recommendation. Therefore, no further follow-up is warranted.*

Finding 9: Security controls over mobile device utilization need improvement to ensure the confidentiality, integrity, and availability of Department data and information technology resources. A similar finding was noted in our report No. 2021-010.

Recommendation: Department management enhance certain security controls related to employee use of mobile devices to ensure the confidentiality, integrity, and availability of Department data and related IT resources.

Original response: The Bureau of Information Technology is reviewing our current mobile device policies.

Six-Month Follow-up response: The Bureau of Information Technology continues to review the current mobile device policies with the expectation of future updates.

OIG Position: The OIG has reviewed the response and determined corrective action has not yet been implemented to address the recommendation. As a result, further follow-up will be conducted.