



State of Florida
Department of Children and Families

Rick Scott
Governor

Mike Carroll
Secretary

DATE: January 16, 2015

TO: Mike Carroll
Secretary

FROM: Keith R. Parks *KRP*
Inspector General

SUBJECT: Six-Month Status Report for Auditor General Report No. 2015-002

In accordance with Section 20.055(5)(h), Florida Statutes, enclosed is our six-month status report on Auditor General Report No. 2015-002, *Contract and Grant Management Processes at Selected State Agencies, Operational Audit*.

If I may be of further assistance, please let me know.

Enclosure

cc: Kathy DuBose, Staff Director, Joint Legislative Auditing Committee

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency



MYFLFAMILIES.COM

Mike Carroll
Secretary

DEPARTMENT OF CHILDREN AND FAMILIES
OFFICE OF INSPECTOR GENERAL

Enhancing Public Trust in Government



Keith R. Parks
Inspector General

Project #E-1314DCF-010

January 16, 2015

Six-Month Status Report
***CONTRACT AND GRANT
MANAGEMENT PROCESSES
AT SELECTED STATE AGENCIES
Operational Audit***

PURPOSE

The purpose of this report is to provide a written response to the Secretary on the status of corrective actions taken six months after the Auditor General published Report No. 2015-002, *Contract and Grant Management Processes at Selected State Agencies, Operational Audit*.

REPORT FINDINGS, RECOMMENDATIONS, STATUS & COMMENTS

The Office of Contracted Client Services provided updated status and corrective action comments to findings and recommendations numbers 1, 3 through 7, and 9. Presented below are the full text of the Auditor General's finding statements and recommendations, and up-to-date corrective action comments and status, as reported by the management of the aforementioned office.

FINDING NO. 1: *State agencies did not always document that employees involved in the contractor evaluation and selection process attested in writing, or timely attested, that they were independent of, and had no conflict of interest in, the entities evaluated and selected.*

RECOMMENDATION: *We recommend that State agency management take steps to ensure that conflict of interest attestations required by State law are timely completed by all individuals taking part in the contractor evaluation and selection process and that the attestation documents are appropriately maintained.*

Status (per Office of Contracted Client Services staff): Ongoing

The Department has modified its Contract Management Training to incorporate the requirement to have a conflict of interest form executed by any individual participating in the evaluation and selection process.

FINDING NO. 3: *State agencies did not always document that contracts were properly reviewed, approved, and executed in accordance with State law.*

RECOMMENDATION: *We recommend that State agency management ensure that contracts are properly reviewed, approved, and executed in accordance with State law and that agency head delegations of authority are appropriately documented.*

Status (per Office of Contracted Client Services staff): Ongoing

The Department has modified its Contract Management Training to highlight the statutory requirements for reviewing, approving, and executing contracts.

FINDING NO. 4: *Some State agencies did not always ensure that contracts included statutorily required provisions.*

RECOMMENDATION: *We recommend that Department of Children and Families (DCF) and Department of Juvenile Justice (DJJ) management ensure that the provisions specified in state law are appropriately included in all applicable contracts.*

Status (per Office of Contracted Client Services staff): Ongoing

The Department utilizes a Standard Integrated Contract that incorporates provisions required by law.

FINDING NO. 5: *State agencies did not always document that contract managers received, or timely received, required training for accountability in contracts management.*

RECOMMENDATION: *We recommend that State agency management ensure that all contract managers attend the required Department of Financial Services (DFS) training for accountability in contracts management in accordance with State law and DFS guidelines. We also recommend that DFS management continue to maximize the availability of contracts management training to facilitate State agency compliance with the statutory training requirements.*

Status (per Office of Contracted Client Services staff): Ongoing

This is a challenge due to the limited availability of spaces for DFS accountability training. The Department is working to get the entirety of its Contract and Procurement Managers registered for the DFS accountability training.

FINDING NO. 6: *State agencies did not always appropriately document that contract managers were independent of, and had no conflict of interest in, the entities whose contracts they were assigned to manage.*

RECOMMENDATION: *We recommend that State agency management ensure that documentation is maintained to demonstrate that contract managers are independent of, and have no conflict of interest in, the entities whose contracts they are assigned to manage.*

Status (per Office of Contracted Client Services staff): Ongoing

The Department has modified its Contract Management Training to incorporate the requirement to have a conflict of interest form executed by the Contract and Procurement Manager.

FINDING NO. 7: *State agencies did not always document that sufficient contract monitoring had been performed in accordance with Department of Financial Services and applicable State agency guidelines.*

RECOMMENDATION: *We recommend that State agency management ensure that contract monitoring activities are appropriately performed and documented in accordance with DFS guidance and applicable State agency policies and procedures.*

Status (per Office of Contracted Client Services staff): Ongoing

The Department will continue to ensure contract monitoring activities are appropriately performed per DFS guidelines, policies, and procedures.

FINDING NO. 9: *State agencies did not always document that sufficient grant monitoring had been performed in accordance with DFS and applicable State agency procedures.*

RECOMMENDATION: *We recommend that State agency management ensure that grant monitoring activities and grant manager independence are appropriately documented and that the monitoring results are timely communicated to the grantee.*

Status (per Office of Contracted Client Services staff): Ongoing

The Department will ensure that grant monitoring activities are appropriately documented and the monitoring results are timely communicated to the grantee.

This follow-up audit was conducted as required by Florida Statutes 20.055(5)(h) and section 2500.A1 of the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors. Elton Jones compiled this follow-up audit from representations provided by program management. Please address inquiries regarding this report to Jerry Chesnutt, Director of Auditing, at (850) 488-8722.