

September 20, 2012

John H. Armstrong, MD, FACS
Surgeon General & Secretary
4052 Bald Cypress Way
Tallahassee, Florida 32399

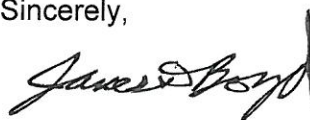
Dear Dr. Armstrong:

Pursuant to Section 20.055(5)(g), *Florida Statutes*, our office is to update you on the status of corrective actions taken since March 20, 2012 when the Auditor General published its Report Number 2012-142, *Statewide Federal Awards, Fiscal Year Ending June 30, 2011*. Management's assessment of the current status of corrective actions is included in the enclosed document.

At six months after publication, management reports they have initiated all corrective actions made in response to recommendations from the Auditor General's report. Seven corrective actions are completed and one is still in process.

If I may answer any questions, please let me know.

Sincerely,



James D. Boyd, C.P.A., M.B.A.
Inspector General

JDB/kir
Attachment

cc: Michael J. Bennett, C.I.A.
Director of Auditing
Kathy DuBose, Coordinator
Joint Legislative Auditing Committee

Corrective Action Plan

Report # 2012-142

Report Title: Statewide Federal Awards, FYE June 30, 2011

Report Date: March 20, 2011

Status As Of: September 20, 2012



Number	Finding	Recommendation	Corrective Action Plan	Status of Finding
1	<p>Florida Department of Health (FDOH) did not have a process in place to report Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) data related to subawards. In addition, FDOH did not obtain the Dun and Bradstreet Data Universal Numbering System (DUNS) number of subrecipients prior to issuing subawards.</p>	<p>We recommend that FDOH ensure that all required key data elements are timely reported in FSRS for the applicable grants. We also recommend that FDOH obtain DUNS numbers prior to executing subrecipient agreements.</p>	<p>1) The program office conducted planning meetings to identify the following implementation steps:</p> <ul style="list-style-type: none"> • Re-configure the data tables and Management Information and Payment System (MIPS) data system for each contractor type to accept the DUNS information. This was completed in June 2011. • Develop training for contractors on where and how to obtain a DUNS number. • Collaborate with the FDOH General Counsel's office, FDOH Contract Administration and FDOH Contract Administrative Monitoring to incorporate the DUNS standard language into the permanent contract. • Require current and prospective contractors to provide DUNS information as a component of the application process. <p>2) The program office conducted contractor training for Sponsors of Day Care Homes and Unaffiliated Centers in April 2011. The program office conducted renewal training for all other contractors during July and August 2011. These trainings included DUNS requirements and the new contract.</p> <p>All renewing contractors provided DUNS information as part of their renewal application information effective October 1, 2011. All prospective contractors are now required to provide DUNS information as part of the application.</p>	<p>Previously completed.</p>
			<p>Previously completed.</p>	
			<p>3) When the program office researched the type of data to be reported, it was discovered that the FFATA system requires extended zip+4 zip codes. The program at the time did not collect extended zip codes. The MIPS data system application screen and data tables were modified to accept extended zip codes.</p> <ul style="list-style-type: none"> • A search for available software to convert current zip codes to zip+4 revealed that the department already owned and is using ACCUMAIL to convert zip codes. The program office secured permission to access the ACCUMAIL software and USPS data tables. • The contractor data to be uploaded into FFATA was converted by ACCUMAIL to include the extended zip+4 codes. During December 2011, all data was gathered and in the correct format for uploading into the FFATA system. 	<p>Previously completed.</p>
			<p>4) The program office has made multiple failed attempts to upload the data for the 1500 contractors into FFATA. The help center was consulted and they explained that it appeared that our data file met specifications. The help center is seeking a solution and has not responded with further instructions. The program office will follow-up as needed with the FFATA help center to complete the upload of the prepared data.</p>	<p>Previously completed.</p>

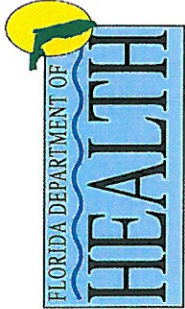
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2	<p>FDOH uses the MIPS to receive Child and Adult Care Food Program (CACFP) claims from pre-approved contractors who provide meals and snacks under the Program. MIPS calculates monthly claims, provides management information, and prepares Federal reports. In our Information Technology operation audit report No. 2011-193, dated June 2011, we disclosed in finding Nos. 1 through 6, deficiencies related to MIPS regarding user access and system modification that we consider collectively to be a significant deficiency. Details of the findings and recommendations are included in that report.</p>	<p>No response required.</p>	<p>No response required.</p>	<p>No response required.</p>
3	<p>FDOH procedures for monitoring the reasonableness of Children's Insurance Program (CHIP) capitation rates were not sufficient to prevent the accumulation of a significant cash balance. Additionally, FDOH did not ensure that the time elapsing between the drawdown of funds by the Florida Agency for Health Care Administration (FACHA) and the disbursement of funds by FDOH was minimized.</p>	<p>We recommend that FDOH monitor capitation rates to determine whether reductions are needed to prevent the accumulation of excess CHIP funds. We also recommend that FDOH continue to monitor the cash balance in the CHIP capitation account and request reimbursement only to meet immediate cash needs.</p>	<p>FDOH will continue to:</p> <ol style="list-style-type: none"> 1. Reconcile cash monthly; 2. Request capitation rate adjustments at the Social Services Estimating Conference as reflected in the expenditure analysis; and/or 3. Adjust claims made to FAHCA to maintain an appropriate cash balance. 	<p>Previously completed. Previously completed. Previously completed.</p>
4	<p>FDOH management had not implemented certain data modification controls for the Case Management Data System (CMDS).</p>	<p>FDOH contracted with a third-party administrator in July 2010 to take over all payment and data functions currently performed by CMDS; however, CMDS is not scheduled to be completely phased out until August 2012. We recommend FDOH Childrens Medical Services (CMS) Headquarters further enhance its procedures to ensure that CMS Area Offices timely install CMDS updates until the third-party administrator assumes all CMDS payment and data functions.</p>	<p>The Internal Operating Procedures (IOP) regarding installation of updates to the CMDS system states that the updates are to be installed within 5 workdays of the date of release. This IOP was effective May 1, 2011.</p>	<p>Previously completed.</p>

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5	FDOH and University of Florida (UF) had not resolved issues related to the appropriateness of costs charged to Federal programs and the return of the excess funds to FDOH.	We recommend UF and FDOH continue to monitor the status of the Federal investigation and determine and return unallowable costs, as appropriate.	Childrens Medical Services Network (CMSN) will continue to work with the FDOH Division of Administration, General Council, and executive leadership regarding the next steps that should be taken related to UF contracts in general and the contract under review specifically.	Previously completed.
6	FDOH management had not established effective access security controls for the AIDS Information Management System (AIMS).	We recommend the Bureau of HIV/AIDS perform and document periodic reviews of AIMS access privileges and consider obtaining AIMS Access Request Forms for all users. We also recommend that FDOH establish written policies and procedures related to AIMS access security.	AIMS is currently being re-coded in .NET with updated Information System Development Methodology (ISDM) approved security. The security module includes enhanced role based security giving us greater control over the level of access that is granted, along with some audit capabilities. AIMS will be subjected to app scan following completion and promoted to production through change management. Providers may request access for new users or termination of user access at any time with the AIMS access request form. In order to enhance identification of unused accounts the Reporting Unit will begin emailing active user accounts to providers every six months for review. AIMS is a low security risk database with no confidential information. Much of the functionality is gradually being replaced by more sophisticated client level databases and reporting. Our expectation is the new AIMS database will be available within six months.	The Reporting Unit has hired a developer and engaged a contractor to assist with moving the AIMS re-write project forward. Projected completion date is October 2012. The security module and contracting module have been coded as of this time.
7	FDOH did not always maintain appropriate records to support salary and benefit payments charged to the Program for contract employees.	We recommend that FDOH ensure that payroll certifications are maintained and that time and effort records adequately support salary changes for all contract employees that work on Hospital Preparedness Program (HPP).	Bureau of Preparedness and Response's (BPR) Grant Management Unit will modify its existing process for identifying contracted employees paid from the Program. The modifications will include adding a grant manager review component to ensure Program fiscal codes reflected in the certifications are accurate, and that signatures on the certifications are within the appropriate time period.	Previously completed.
8	FDOH did not always maintain appropriate records to support salary and benefits charged to the Public Health Emergency Preparedness Program (PHEP). Additionally, adjusting and data entry errors resulted in incorrect charges to the PHEP Program.	We recommend that FDOH ensure that payroll certifications are properly prepared and maintained and that time and effort records adequately support salary charges to the Program. We also recommend that FDOH take steps to ensure that time sheet and adjusting entries are correctly made.	BPR's Grant Management Unit will modify its existing process for identifying employees paid from the grant who must either complete 100% timekeeping records bi-weekly or the Single Federal Award Certification form bi-annually. This fiscal year the Department has implemented new time reporting features for the County Health Departments (CHD) in the PeopleFirst and Employee Activity Reports (EARs) systems, and the Grants Management Unit will review the reports generated from these systems on a quarterly basis to ensure accuracy with salary/benefit charges to the Program.	Completed.