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Ron DeSantis, Governor  
Pedro Allende, Secretary

## MEMORANDUM

**DATE:** December 29, 2022

**TO:** Pedro Allende, Secretary

**FROM:** Sarah Beth Hall, Inspector General 

**SUBJECT:** Six-Month Corrective Action Status  
Auditor General Report - Oversight of Private Correctional Facilities

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Section 20.055(6)(h), Florida Statutes, requires the Inspector General to monitor the implementation of the agency's response to any report on the agency issued by the Auditor General (AG) or by the Office of Program Policy Analysis and Government Accountability (OPPAGA). The referenced statute further requires that, within six months after the AG or OPPAGA publishes its report on the agency, the Inspector General shall provide a written response on the status of the corrective actions taken. The purpose of this report is to fulfill these requirements and provide updated information on corrective action implementation in response to the reported findings and recommendations.

The Auditor General issued Report No. 2022-203, *Department of Management Services Oversight of Private Correctional Facilities*, dated June 2022. The report identified seven findings and nine recommendations. Management for the Division of Specialized Services has partially implemented corrective action for six of the seven reported findings. Management plans to begin working on the seventh finding in January 2023. The attachment details the current progress of the Department.

If you have any questions or would like additional information, please let me know.

Attachment

SBH/SM/ag

c: Patrick Gillespie, Deputy Secretary of Management Services - Business Operations  
Raymond Spaulding, Director, Division of Specialized Services  
Melinda Miguel, Chief Inspector General, Executive Office of the Governor  
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee

**DMS Office of Inspector General**  
**Follow-up Project No. 2023-34: Six-Month Corrective Action Status**  
**Auditor General Report No. 2022-203 - Oversight of Private Correctional Facilities**  
**As of December 29, 2022**

**Finding 1: Provider Monitoring**

**Finding**

The Bureau of Private Prison Monitoring (Bureau) did not always issue written notices of noncompliance or document the basis for not issuing notices of noncompliance to private prison providers when continued noncompliance was identified by Bureau monitoring activities. Additionally, Department controls over the issuance of notice letters and adjustment of private correctional facility provider compensation need enhancement to ensure that Department records evidence the basis for issuing or not issuing notice letters and applying provider compensation adjustments.

**Recommendation**

We recommend that, when warranted by monitoring findings, the Department issue written notices of noncompliance to private correctional facility providers. Further, to promote transparency and ensure consistent monitoring and enforcement of contract terms, we recommend that Department management enhance policies and procedures and retain documentation evidencing Department decisions.

**Original Management Response (Planned Corrective Action)**

Develop an electric routing process that identifies all reviewers for notices of non-performance and the assessment of financial consequences, captures each reviewer's approval/disapproval and the reason to disapprove.

**Six-Month Corrective Action Status**

Office of Inspector General (OIG) staff reviewed supporting documents submitted by the Bureau and observed that, for some of the non-compliant indicators in the Maintenance Contract Performance Indicator (CPI) monitoring tool, the Bureau did not issue notices of non-performance and Bureau staff did not document the basis for not issuing notices of non-performance. Bureau reviewers did not approve some of the non-performance reports. Since the Bureau did not implement all of the recommendations from the finding, corrective action for this finding is partially complete.

**Finding 2: Facility Maintenance Monitoring**

**Finding**

The Bureau had not established policies and procedures for monitoring provider maintenance activities at the private correctional facilities and Bureau monitoring tools were not always completed, Bureau monitoring reports did not evidence supervisory review, written notice of noncompliance was not given to providers, and Bureau records did not evidence that provider deficiencies were timely followed up on or corrective actions were timely implemented.

**Recommendation**

We recommend that Bureau management continue efforts to establish facility maintenance monitoring policies and procedures and ensure that:

- Maintenance monitoring is routinely conducted within reasonable time frames.
- Monitoring tools are completed for all engagements.
- Monitoring reports are subject to supervisory review and, when appropriate, written notices of noncompliance are provided to providers.
- Follow-up is timely conducted to ensure identified deficiencies are promptly corrected.

**Original Management Response (Planned Corrective Action)**

- A schedule is established and implemented. Since the position was filled, a schedule has been established to conduct the first monitoring visit to the seven facilities.
- Maintenance Contract Performance Indicator (CPI) was added to the Operations Manual in 2021. The individual assigned to the Facility Maintenance Monitor (FMM) position is required to prepare, implement, and report CPI monitoring in accordance with the Operations Manual.

**Six-Month Corrective Action Status**

OIG staff reviewed supporting documentation provided by the Bureau and observed that, for some of the non-compliant indicators in the CPI monitoring tool, the Bureau did not issue notices of non-performance. Bureau supervisors did not sign monitoring reports to evidence supervisory review. Since the Bureau did not implement all recommendations from the finding, corrective action for this finding is partially complete.

**Finding 3: Monitoring of Health Care Services**

**Finding**

Bureau policies and procedures for, and documentation of, review of the on-site nursing consultant’s activities need improvement to demonstrate that health care monitoring services at private correctional facilities are provided in accordance with contract terms. Additionally, Bureau records did not always show evidence that appropriate actions were taken in response to the consultant’s findings.

**Recommendation**

We recommend that Bureau management establish policies and procedures for assessing the on-site nursing consultant’s satisfaction of contract deliverables and a mechanism to track the Bureau’s review of the consultant’s health care CPI monitoring tool and executive summary. Additionally, we recommend that Bureau management enhance controls to ensure that:

- Bureau records evidence review of consultant health care CPI monitoring tools and executive summaries.
- Bureau records evidence that appropriate actions are taken in response to the consultant’s findings.
- Health care employee license searches are conducted in accordance with contract terms.
- Consultant health care CPI monitoring tools and executive summaries are timely submitted.

**Original Management Response (Planned Corrective Action)**

- Health care CPI monitoring was added to the Operations Manual in 2021. The individual assigned to conduct health care monitoring is required to prepare, implement, and report CPI monitoring in accordance with the Operations Manual.
- Review of the Health Care Contract Performance Indicator (CPI) by the Respect supervisor and Department supervisors was added to the Health Care CPI tool for the 2021-22FY reports.
- Indicators rated as not compliant will be reviewed by the management review specialist and the bureau chief. Written notices of non-performance will be issued to the providers to address all performance issues.
- Require Respect to conduct the license review on a quarterly basis versus when they conduct the on-site Health Care CPI review.
- Develop a template for Respect to use for the monitoring schedule that will automatically input the report submission date. Schedule Outlook calendar invitations for the report submission.

**Six-Month Corrective Action Status.**

OIG staff reviewed supporting documentation provided by the Bureau and observed that, for some of the non-compliant indicators in the CPI monitoring tool, the Bureau did not issue notices of non-performance. The Bureau

Chief did not review the CPI monitoring report. Since the Bureau did not implement all recommendations from the finding, corrective action for this finding is partially complete.

#### **Finding 4: Monitoring of Facility Staffing**

##### **Finding**

Bureau monitoring of private correctional facility staffing needs enhancement to ensure that appropriate and qualified staff are assigned to provide for and maintain the security, control, custody, and supervision of inmates.

##### **Recommendation**

We recommend that Bureau management enhance CPI tools and establish facility staffing monitoring policies and procedures. Such policies and procedures should specify the manner in which Bureau monitoring activities are to be conducted and documented.

##### **Original Management Response (Planned Corrective Action)**

The methodology for indicators that evaluate the qualifications of staffing will be updated to include that the detail of the review is documented in the notes.

##### **Six-Month Corrective Action Status**

OIG staff requested the status of corrective action for this finding and the Bureau informed OIG staff that corrective action for this finding is partially complete.

#### **Finding 5: Incident Reporting**

##### **Finding**

Bureau efforts to review and verify the accuracy and completeness of private correctional facility provider incident reporting need enhancement to ensure that incidents are correctly reported and appropriately handled in accordance with applicable contract provisions and Bureau policies and procedures.

##### **Recommendation**

We recommend that Department management review and verify the accuracy and completeness of incident report information and take appropriate actions to evaluate provider actions. Such review, verification, and evaluation efforts should be documented in Department records.

##### **Original Management Response (Planned Corrective Action)**

Due to limited resources, a sample of incidents reports will be reviewed to ensure accuracy and completeness of incident report information. The methodology will be updated to ensure the review is documented on the CPI.

##### **Six-Month Corrective Action Status**

OIG staff requested the status of corrective action for this finding and the Bureau informed OIG staff that corrective action for this finding is partially complete.

#### **Finding 6: Insurance Coverage**

##### **Finding**

The Bureau did not ensure that private correctional facility providers obtained and maintained required insurance coverage.

**Recommendation**

We recommend that Bureau management enhance insurance review processes to verify that private correctional facility providers obtain and maintain required insurance coverages.

**Original Management Response (Planned Corrective Action)**

Develop a checklist of insurance requirements for contracts to review against the provider’s insurance certificates or renewal certificates.

**Six-Month Corrective Action Status**

OIG staff reviewed supporting documentation provided by the Bureau and observed that the Bureau was not able to provide some of the insurance coverages required by the Lake City Facility contract. Since the Bureau did not implement all recommendations from the finding, corrective action for this finding is partially complete.

**Finding 7: Inmate Bank and Commissary Financial Statements**

**Finding**

Bureau controls need improvement to ensure that audited provider Inmate Bank and Commissary financial statements are timely received and appropriately reviewed.

**Recommendation**

We recommend that Bureau management establish an effective audited financial statement review process that includes written policies and procedures and checklists to facilitate review of the financial statements; a method to track financial statements that are due, received, and reviewed; documentation of Bureau actions to obtain financial statements not received; and actions to follow-up on noncompliance or other deficiencies noted by auditors.

**Original Management Response (Planned Corrective Action)**

Develop policy and procedure or a checklist for the tracking and review of the financial statements. Consider outsourcing the review of the financial statements to an accounting firm (PPM does not currently employ a CPA).

**Six-Month Corrective Action Status**

OIG staff requested the status of corrective action for this finding and the Bureau informed OIG staff that the Bureau will address corrective action for this finding at the beginning of calendar 2023. The Bureau had not started corrective action for this finding.