



agency for persons with disabilities  
State of Florida

Charlie Crist,  
Governor

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Jim DeBeaugrine,  
Director

..

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November 26, 2008

Terry Shoffstall, Staff Director  
Joint Legislative Audit Committee  
876 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-0950

Re: Follow Up Audit No. FA-08/09-002

Dear Mr. Shoffstall:

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Enclosed please find a copy of the Office of Inspector General Follow Up Audit entitled A Six-Month Status Report on Auditor General Report No. 2008-180, "Agency for Persons with Disabilities Administrative Activities and Contract Management", dated November, 2008.

Please contact me with any questions you may have.

Sincerely,

Charles Faircloth  
Inspector General

CF:dj  
Enclosure

JLAC  
Rec'd 12/1/08



**A SIX-MONTH STATUS REPORT ON AUDITOR GENERAL REPORT NO. 2008-180, "AGENCY FOR PERSONS WITH DISABILITIES ADMINISTRATIVE ACTIVITIES AND CONTRACT MANAGEMENT"**

FA-08/09-002

November 2008

This report provides the status on recommendations originally presented in the Auditor General Report No. 2008-180, dated May 2008 as required by Section 20.055(5)(g), Florida Statutes. The original report was titled "Agency for Persons with Disabilities Administrative Activities and Contract Management."

Background:

Chapter 2004-267, Laws of Florida stated "Effective October 1, 2004, the agency shall enter into an interagency agreement with the Department of Children and Family Services for the provision of the necessary day-to-day administrative and operational needs of the agency, including, but not limited to, personnel, purchasing, information technology support, legal support, and other related services. This interagency agreement shall continue until the agency no longer requires the provision of services through such agreement." The Agency did enter into an interagency agreement with the Department of Children and Family Services effective October 1, 2004.

Objective:

To determine if appropriate corrective action was taken to address the recommendations made.

Report Finding 1:

Improvement was needed in defining the terms of the interagency agreement between the Agency and the Department of Children and Family Services (DCFS).

Current Status:

The Service Level Agreement for Administrative Support was completed and signed on August 29, 2008.

Report Finding 2:

The Agency made payments to DCFS which exceeded the amount specified in the Information Technology Service Level Agreement for the 2006-07 fiscal year.

Current Status:

The Updated Information Technology Service Level Agreement was completed, signed and became effective May 1, 2008.

Report Finding 3:

Contrary to governing statute, the Agency did not always obtain the approval of the Executive Office of the Governor prior to making changes in its organizational structure.

Current Status:

The new Director is currently in the process of re-organizing the Agency's Central Office. To reduce multiple reviews by the Executive Office of the Governor and the Department of Management Services, a new package will be submitted in January 2009.

Report Finding 4:

The Agency did not submit to the Legislative Budget Commission required quarterly reports concerning positions and salary rates.

Current Status:

Rate reports are currently being sent quarterly to the Legislative Budget Commission.

Report Finding 5:

Improvements were needed in the Agency's procedures for the preparation of quarterly reports on the financial status of the Home and Community-Based Services Program.

Current Status:

The quarterly reports on the financial status of the Home and Community-Based Services Program are currently being submitted on schedule.

Report Finding 6:

Improvements were needed in the Agency's follow-up on deficiencies reported in quality assurance reviews of direct service providers and waiver support coordinators.

Current Status:

The Area Quality Management workgroup did identify several improvements in the Delmarva system that have been implemented. One of these is a monthly report for each Area Administrator which identifies the providers that were "Not Achieving" and their history of quality reviews. This allows the Administrator to focus on providers requiring immediate attention, up to and including termination of their Medicaid Waiver Services Agreement with the Agency. Changes made to the Medicaid Waiver Provider Handbook should be final by the end of December 2008.

Report Finding 7:

The Agency did not perform periodic reconciliations between the State's general ledger accounting system (FLAIR) and the Allocation, Budget and Contract Control System (ABC) used to plan and manage services for individuals with developmental disabilities.

Current Status:

Reconciliations of data recorded in the ABC System with data recorded in FLAIR are being done on a monthly basis.

Report Finding 8:

Instances of missing tangible personal property, such as computers and printers, were not timely investigated.

Current Status:

The Agency will ensure that Florida Administrative Code 69I-72.006(6)B) will be utilized for all missing items identified from inventories.

Report Finding 9:

The Agency did not maintain a complete and accurate listing of all contracts and related expenditures.

Current Status:

The Agency reconciles a manual Contract Master list against an IDS report which compiles contract information from FLAIR on a regular basis. The Agency has also centralized the entering of information into the Contract Information file in FLAIR.

Report Finding 10:

The Agency had not developed written policies and procedures related to contract management.

Current Status:

The Agency uses the Department of Children and Family Services (DCF) CFOP 75-2, 75-8, and 75-10 policies concerning contract management, procurement, and monitoring in the absence of any Agency specific policies. The Agency has also developed a Contract Administration Intranet site that has Agency specific forms for contract managers to use.

Report Finding 11:

Deficiencies in the overall contract management framework and in the communication

between the Agency and contract management staff were identified.

Current Status:

The Agency currently scans all active contracts into a web accessible image database. The Agency is currently reviewing a number of different contract close-out policies to determine what will work best for the Agency. It is anticipated that the entire closed contract file will be scanned using the same imaging database as the active contracts.

The Agency currently participates, with a 10 minute segment, on the Monthly Contract Manager and Contract Administrator calls hosted by DCF which provides an effective medium to address the Agency's specific issues.

The Agency has started initial specifications for a new web-based system which will provide some of the lost functionality from the DCF automated contract tracking system.

Report Finding 12:

Agency contract management staff reported deficiencies in job-related training.

Current Status:

The Service Level Agreement with DCF states that they will provide contract training to Agency contract managers. Agency staff has taken the initiative to supplement the training to ensure managers keep up-to-date with changes, etc. An example of this is the two-day training that provides training specific to the Agency with generalized contract standards the first day and the second day is provided by the Department of Financial Services' contract staff.

Report Finding 13:

Improvements were needed with regard to the monitoring of the Agency's contracts.

Current Status:

The Service Level Agreement states that DCF's Contract Oversight Unit will conduct monitoring of all Agency contracts. They will also conduct annual contract manager file reviews.

Conclusion:

**The actions taken appear to have adequately addressed the findings and related recommendations; however, there are a few items that are not completed as of this report, but will be completed in the near future. As such we will not perform any additional follow-up.**