



STATE OF FLORIDA
DEPARTMENT OF JUVENILE JUSTICE

INTEROFFICE MEMORANDUM

DATE: May 1, 2008
TO: Frank Peterman Jr., Secretary
FROM: *ME* Mary Roe Eubanks, Inspector General
SUBJECT: Six Month Follow-up for Auditor General Audit No. 2008-024 – *Department of Juvenile Justice Selected Administrative Activities and Follow-Up on Prior Audit Findings, Operational Audit.*

In accordance with Section 20.055(5)(g), Florida Statutes, the Office of the Inspector General, Bureau of Internal Audit has concluded its six-month follow-up on the status of the Department's corrective action in response to Auditor General *Audit Number 2008-024, Department of Juvenile Justice Selected Administrative Activities and Follow-Up on Prior Audit Findings.*

The Auditor General identified issues involving contract procurement, monitoring procedures, the Florida Single Audit Act and issues related to previous audit findings. All findings requiring the department to initiate corrective actions have been fully or partially addressed. Please see the attached follow-up report.

We have determined additional follow-up may be necessary for some planned corrective actions. If you have any questions, please feel free to contact Michael Yu, Audit Director, at 921-5698.

ME/my/ap

Attachments

Cc: Rod Love, Deputy Secretary
Bonnie Rogers, Chief of Staff
Naomi Screen, Management Review Specialist
David W. Martin, CPA, Auditor General
Terry L. Shoffstall, Director, Legislative Auditing Committee

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Charlie Crist, Governor

Frank Peterman, Jr., Secretary

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

Department of Juvenile Justice
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Follow-Up On Auditor General Audit Number 2008-024
“Selected Administrative Activities and Follow-Up on Prior Audit Findings”
Status of Corrective Actions
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Finding 1: The Department did not always maintain documentation justifying the procurement methods used.		
Audit Recommendations	Agency Response	Status of Implementation
<p>Ensure that adequate documentation is maintained to evidence negotiation efforts and procurement decisions.</p>	<p>On October 1, 2007 the Bureau of Contracts began utilizing a checklist outlining all of the required elements to be placed in the procurement file. Biannual peer reviews began in November 2007 of all procurement files to ensure required documentation is present in the files.</p>	<p>Fully Implemented. A procurement justification form has been developed and was implemented in December 2007. This form is required for all new contracts. On October 31, 2007, The Bureau of Contracts concluded a review of 100% of all procurements conducted after January 1, 2007. All deficiencies found have been corrected. The contract checklist is in place and file reviews were completed in March 2008. An ongoing review cycle will occur in January and July yearly.</p>
<p>Prepare and retain documentation explaining why competitive sealed bidding was not practicable in those instances in which requests for proposals were used.</p>	<p>The Bureau of Contracts will create a procurement justification memo, to be completed by the program managers justifying the selected procurement method. This process will be in place by October 31, 2007.</p>	<p>Fully Implemented. A procurement justification form has been developed and was implemented in December 2007. This form is required for all new contracts.</p>
<p>Maintain documentation to evidence review of the Convicted Vendor List.</p>	<p>The Bureau of Contracts will ensure the convicted vendor list is checked prior to the execution of any new contracts. Documentation will be maintained in the procurement file.</p>	<p>Fully Implemented. The convicted vendor list is now checked prior to the execution of any contract.</p>
<p>Ensure that <i>Contract Review Forms (CRF)</i> are timely and adequately completed, including approval signatures, prior to contract signing.</p>	<p>On April 1, 2007, the Bureau of Contracts modified its internal process to ensure contracts are not executed prior to the completion of the CRF.</p>	<p>Fully Implemented. Processes are in place to ensure the contract review form is complete before the execution of any contract.</p>

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<p>Ensure that the required MyFloridaMarketPlace fee language is included in applicable contracts.</p>	<p>The required MyFloridaMarketPlace fee language has been included in all standard contract documents executed after January 1, 2007.</p>	<p>Fully Implemented.</p>
<p>Finding 2: Department contract files did not always contain the names of individuals involved in the provider selection and evaluation process.</p>		
<p>Audit Recommendations</p>		
<p>The Department enhance its procedures to require that documentation (i.e., conflict of interest forms) be maintained for all individuals responsible for the provider selection, evaluation, and award process.</p>	<p>Agency Response Conflict of interest forms are now required for all new contract awards for staff participating in the provider selection, evaluation, and award process.</p>	<p>Status of Implementation Fully Implemented. Verification of completed conflict of interest forms are included in the checklist completed by procurement staff prior to the filing of any completed procurement or contract file.</p>

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Finding 3: Department monitoring procedures, instruments, and efforts were not always documented or maintained in contract files.		
Audit Recommendations	Agency Response	Status of Implementation
<p>To ensure that the providers' performance fulfills the terms and conditions of contracts and to evaluate the extent to which the contracted services received contributed to the accomplishment of Department goals and objectives, we (AG) recommend that the Department's contract monitoring processes and procedures be fully developed, implemented, and compliance therewith documented. We (AG) also recommend that once the monitoring processes and procedures have been established, the Department develop associated workload requirements for use in allocating monitoring resources.</p>	<p>An interagency Contract/Grant Improvement Workgroup has been established that will develop the standard monitoring processes and procedures by 12/31/07. Training for these new procedures will begin in March of 2008. Compliance verification and the development of associated workload requirements will be conducted during the first and second quarters of FY 08-09.</p> <p>The Department would like to clarify information provided in Appendix D of the audit report. The report identifies the disparity in numbers of contracts managed by individuals. The report does not take into account the percentage of time that the individual staff dedicate to contract management. In some instances contract management is a miniscule amount of the duties and responsibilities of the individual staff.</p>	<p>Partially Implemented. The Contract/Grant Improvement Workgroup continues to meet. A draft standard risk assessment tool has been completed. Revised monitoring tools, report formats and process flows are under development. The workgroup has made tremendous progress and anticipates substantial completion by June 30, 2008. Training and analysis of workload requirements will follow between July 2008 and October 2008.</p> <p>No action required.</p>
Finding 4: The Department did not maintain adequate support and evidence of approval for some procurements.		
Audit Recommendations	Agency Response	Status of Implementation
<p>The department, prior to payment for services, ensure adequate support and approval is obtained. Such support and documentation</p>	<p>When processing payments for the types of services referenced in the audit findings, the Department will implement a management review of documentation provided for</p>	<p>Fully Implemented. Supervisors are reviewing the daily transaction input report to provide an added level of assurance that documentation is accurate and complete.</p>

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<p>should be retained.</p>	<p>payment and retention by the Bureau of Finance and Accounting. In addition, FDJJ policy 1407.03, Documentation of Financial Transactions, has been revised to include service type expenditure requirements.</p>	
<p>Finding 5: The Department did not have in place the tools necessary to allow Department decision makers ready access to accurate and reliable procurement data required for sound contract management.</p>		
<p>Audit Recommendations</p> <p>To ensure Department management has the contract information needed for planning, monitoring, and reporting, we (AG) recommend the Department take steps to ensure contract listings contain accurate and up-to-date contract information.</p>	<p>Agency Response</p> <p>The Department concurs with this finding. Currently, the Department lacks the required resources to modify the Department’s Juvenile Justice Information System. Beginning November 1, 2007 the Bureau of Contracts internal tracking guide will be manually reconciled with the Department’s Juvenile Justice Information System.</p>	<p>Status of Implementation</p> <p>Implementation efforts are ongoing. The Department found the manual reconciliations to be impractical. Commitment of MIS resources to complete the contract modifications to JIS is still pending. In the absence of that commitment, the contract bureau is assessing the possibility of creating an access database to more accurately track contract actions.</p>
<p>Finding 6: The Department did not always comply with the Florida Single Audit Act requirements.</p>		
<p>Audit Recommendations</p> <p>The Department take appropriate actions to ensure compliance with Florida Single Audit Act administrative requirements.</p>	<p>Agency Response</p> <p>The Bureau of Internal Audit has completed a draft of Department-wide policies and procedures and will soon post on the intranet for final review and comment within the Department. Implementation is scheduled for December 2007.</p> <p>The Bureau of Contracts, Probation and Community Corrections, and the office of</p>	<p>Status of Implementation</p> <p>Fully Implemented.</p> <p>Policy Number FDJJ 1810, <i>Compliance With The Florida Single Audit Act</i>, has been implemented statewide as of February 2008.</p> <p>Partially Implemented. The Office of Prevention and Victim Services has completed a final draft of their</p>

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	<p>Prevention and Victim Services are drafting or revising their operational policies and procedures. All will include FSAA compliance requirements and all have an anticipated implementation date of July 2008.</p>	<p>revised operations manual with provisions regarding the FSAA included. The Bureau of Contracts and the Office of Probation and Community Intervention have begun revising policies and procedures to incorporate standards to comply with provisions of the FSAA. Due to Departmental reorganization, anticipated implementation dates cannot be provided at this time.</p>
Finding 7: The Department did not have uniform procedures for tracking and reviewing Financial Reporting Packages.		
<p>Audit Recommendations</p> <p>The Department establish and implement adequate SFA monitoring policies and procedures in compliance with FSAA. In addition, we (AG) recommend that the Department implement a mechanism to track when FRP's are due, received, and reviewed.</p>	<p>Agency Response</p> <p>The Bureau of Internal Audit has completed a draft of Department-wide policies and procedures and will soon post on the intranet for final review and comment within the Department. Implementation is scheduled for December 2007.</p> <p>The Bureau of Internal Audit began developing a web-based FSAA tracking system. The basic design criterion has been established and meetings have been held with Management Information Systems staff to discuss development and implementation requirements.</p>	<p>Status of Implementation</p> <p>Fully Implemented.</p> <p>Monitoring for compliance with FSAA policies and procedures will begin in the first quarter of state fiscal year 2008-2009.</p> <p>Partially Implemented.</p> <p>Due to unforeseen budgetary constraints, the Bureau of Internal Audit lacks the necessary resources to fully develop and implement a stand-alone, statewide FSAA tracking system. To combat the lack of resources, the Bureau of Internal Audit has begun coordination efforts with the Bureau of Contracts to incorporate FSAA compliance elements into a planned contracts database which has already received approval for development by the Executive Leadership Team.</p>

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<p>To adequately and timely resolve all prior audit findings and to preclude a recurrence of those findings, we (AG) again recommend that the Department: Ensure immediate and timely removal of employees’ FLAIR access upon their termination. Ensure that cellular telephone billings are carefully reviewed for the appropriateness of charges.</p>	<p>In November 2005, the Department developed and implemented the Employee Separation Notification System to assist in the timely removal of employees’ access. To improve utilization of the system, the Director of Administration sends quarterly email reminders about using the system to all managers and supervisors, including detailed instructions for use of the system.</p> <p>Policy Number FDJJ 1407.03, Documentation Financial Transactions, has been revised to clarify that a completed cell phone affidavit is required even when an employee does not incur any personal call cell phone charges. This policy has an anticipated implementation date of December 31, 2007.</p>	<p>Fully Implemented.</p> <p>Fully Implemented. Revised DJJ Policy FDJJ 1407.03, <i>Documentation of Financial Transactions</i>, was implemented in January 2008. A random management review of documentation provided for payment is performed to ensure proper processing.</p>