



**State of Florida  
Department of Children and Families**

*Charlie Crist  
Governor*

**George H. Sheldon**  
*Secretary*

**DATE:** July 9, 2009

**TO:** George H. Sheldon  
Secretary

**FROM:** Sheryl G. Steckler *SS*  
Inspector General

**SUBJECT:** Six-Month Status Report for Auditor General Report No. 2009-039

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In accordance with Section 20.055(5)(g), Florida Statutes, enclosed is our six-month status report on Auditor General Report No. 2009-039, "*Department of Children and Family Services – Contract Monitoring and Other Selected Administrative Activities, Operational Audit.*" The report shows a summary of the audit results, the Auditor General's recommendation, and the Department's status and comments, taken from representations made by management.

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

Enclosure

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

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



OFFICE OF INSPECTOR GENERAL

George H. Sheldon  
Secretary

*Enhancing Public Trust in Government*

Sheryl G. Steckler  
Inspector General

Project #E-17-0809-007

July 9, 2009

**Six-Month Status Report  
Department of Children and Family Services  
Contract Monitoring and Other Selected  
Administrative Activities –  
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. 2009-039, *Department of Children and Family Services – Contract Monitoring and Other Selected Administrative Activities, Operational Audit.*

**REPORT FINDINGS, COMMENTS & STATUS**

The Department was responsible for providing updated status and corrective action comments for findings 1 through 14. Presented below are the full text of the Auditor General's recommendations and up-to-date corrective action comments and status for audit findings, as reported by the Administrative Services Office (AS) staff.

**RECOMMENDATION #1:** *We recommend that the Contract Oversight Unit (COU) enhance quality assurance procedures to ensure that scores are correctly assigned to each contract.*

**Status (per Administrative Services staff): Completed**

New quality assurance procedures have been implemented to ensure the risk assessment scores are assigned accurately.

**RECOMMENDATION #2:** *We recommend that the Department enhance procedures to ensure that exclusion criteria are applied consistently and correctly. We also recommend that the Department ensure that all providers receive either on-site monitoring or a desk review during each fiscal year, as required by State law.*

**Status (per Administrative Services staff): Ongoing**

CFOP 75-8, Contract Monitoring, is being re-written to eliminate the use of exclusions so that all providers receive either an on-site review or a desk review each fiscal year.

**RECOMMENDATION #3:** *We recommend that the Department implement procedures requiring supervisory review and approval of monitoring plans. Such review and approval should be documented in the contract monitoring file. Any modifications to the approved plans should also be documented and approved by supervisors.*

**Status (per Administrative Services staff): Completed**

The Department did not concur with the finding; however, we have taken extra steps to ensure the planning process is documented as completely as possible and that plans get reviewed by supervisors prior to on-site reviews.

**RECOMMENDATION #4:** *We recommend that COU staff monitor CBC lead agency compliance with all applicable contract requirements, including those related to subcontracting. To facilitate the effective monitoring of CBC lead agency subcontracting activities, COU management should revise the CBC Subcontractor Monitoring Tool to include all the subcontracting requirements included in the CBC lead agency contracts.*

**Status (per Administrative Services staff): Completed**

The CBC Lead Agency monitoring tools have been updated to provide a more comprehensive review of subcontracting activities and the Department's new Fiscal Monitoring Team implemented a subcontracting and procurement risk assessment at each Lead Agency to determine any areas requiring improvement.

**RECOMMENDATION #5:** *We recommend that the Department implement a contract review process to ensure compliance with the contract amount limits provided by Section 112.3185(5), Florida Statutes.*

**Status (per Administrative Services staff): Completed**

The Department's Contract Administrators were advised to request information during a contract review regarding prior employment to ensure compliance with §112.3185(5), F.S. The contract review checklist has been modified to address this concern.

**RECOMMENDATION #6:** *We recommend that the Department continue its efforts to enhance the effectiveness of procedures governing the timely cancellation of employee FLAIR access upon employee termination.*

**Status (per Administrative Services staff): Ongoing**

At DCF's initiative, the Department of Financial Services has enhanced their FLAIR Access Control file to accommodate new data fields to enable a reconciliation of users to the PeopleFirst databases. An application will be written to accomplish this task and should be completed in August 2009.

**RECOMMENDATION #7:** *We recommend that the Department continue its efforts to ensure that purchasing cards are timely collected, destroyed, and canceled immediately upon an employee's termination.*

**Status (per Administrative Services staff): In-Progress**

The Office of General Services has worked with DFS to develop an ad-hoc report linking names of active cardholders with their respective Social Security Number. Financial Management is currently developing a process to produce an exception report against People First that can be used to immediately deactivate purchasing cards for terminated or separated staff.

**RECOMMENDATION #8:** *The Department should implement the appropriate security controls to ensure the continued integrity, confidentiality, and availability of Department data and IT resources.*

**Status (per Administrative Services staff): Ongoing**

Security Policy reminders have been sent to all Program Offices and Regions. Encryption software is being installed on all DCF laptops. Full installation expected by end of first quarter of FY 09/10.

**RECOMMENDATION #9:** *We recommend that the Department take steps to ensure compliance with cell phone review policies and procedures in all locations.*

**Status (per Administrative Services staff): In-Progress**

The Office of General Services will continue to develop a department-wide notification process addressing DCF policy on cell phone use and repayment rates for personal use. This will include links to appropriate Operating Procedures.

Additionally, General Services is establishing a workgroup to organize the Department's efforts for contracting, procurement and auditing of the DCF Wireless Telecommunications infrastructure. Once established, the Statewide Wireless Telecommunications Workgroup will be able to network and problem solve in an environment where the Best Practices of different regions can be shared to the benefit of our entire Department.

**RECOMMENDATION #10:** *We recommend that the Department continue to consult with DMS to resolve the Department's MyFloridaMarketPlace (MFMP) system-related concerns.*

**Status (per Administrative Services staff): In-Progress**

The Department will continue to reach out to DMS and Accenture to attempt to resolve the issues that exist concerning the limitations of MFMP.

**RECOMMENDATION #11:** *We recommend that the Department ensure that MFMP transactions with the greatest likelihood of containing confidential information are included in monitoring.*

**Status (per Administrative Services staff): Completed**

Monthly, the MFMP Security Officer downloads requisitions (and change orders) that have been processed during the previous month. The documents are sorted by object code and the items relating to object codes that are unlikely to contain confidential information are removed. For example, consumable office supplies or shipping are immediately deleted from the list. This process is repeated for receiving reports and invoice reconciliations. All documents that remain are searched for confidential information and when confidential data is discovered, it is redacted by the MFMP Help Desk upon submittal of a request by the MFMP Security Officer.

**RECOMMENDATION #12:** *We recommend that the MFMP security officer assign user roles to employees based on the employees' documented job responsibilities.*

**Status (per Administrative Services staff): Completed**

The only system users in MFMP are purchasing agents or finance employees with the exception of a few General Services staff who have query permissions to look for property related purchases.

The Security Officer has added the requirement that each system user provide their position description in addition to the Security Agreement. These position descriptions will be reviewed to determine that the permissions provided in MFMP are appropriate to their documented job responsibilities.

**RECOMMENDATION #13:** *Due to the Department's decentralized organizational structure, we recommend that the Department establish comprehensive written payroll audit procedures to help ensure the accurate processing of payroll transactions.*

**Status (per Administrative Services staff): In-Progress**

Comprehensive written payroll audit procedures are being finalized incorporating the guidelines and constraints set forth by the Bureau of State Payrolls and People First. In conjunction with this, we are mapping the payroll processes in order to ensure consistency statewide when processing payroll transactions.

**RECOMMENDATION #14:** *In view of the known inaccuracies of the People First Leave Balance Overview Screen, the Department should require all circuits to confirm the performance of audits of leave balances prior to compensating a terminated employee for accrued leave or transferring any leave balances to another State agency.*

**Status (per Administrative Services staff): Completed**

As a part of our comprehensive payroll process, the leave audit is an essential component. It is mandatory that all circuits conduct a leave audit on a separating employee whether the employee is being compensated after termination or transferring to another state agency.

This follow-up audit was conducted as required by Florida Statute 20.055(3)(g) 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.