



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

Charlie Crist
Governor

George H. Sheldon
Secretary

DATE: September 23, 2009

TO: George H. Sheldon
Secretary

FROM:  Sheryl G. Steckler
Inspector General

SUBJECT: Six-Month Status Report for Auditor General Report No. 2009-144

In accordance with Section 20.055(5)(g), Florida Statutes, enclosed is our six-month status report on Auditor General Report No. 2009-144, "*State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2008.*" The report shows the Auditor General's recommendations 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

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

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-16-0708-329

September 23, 2009

Six-Month Status Report
STATE OF FLORIDA
COMPLIANCE AND INTERNAL CONTROLS OVER
FINANCIAL REPORTING AND FEDERAL AWARDS
For the Fiscal Year Ended
June 30, 2008

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. 2009-144, State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2008."

REPORT FINDINGS, COMMENTS & STATUS

Annually, the Auditor General conducts the Federal Financial Awards (FFA) audit as required by Office of Management and Budget (OMB) Circular A-133. The audit encompasses DCF programs that receive federal funds, such as foster care, adoption assistance, refugee cash and medical assistance, food stamps, TANF, and Medicaid (eligibility determinations).

Presented below are up-to-date corrective action status and comments for the five audit findings applicable to DCF, as reported by appropriate program staff. Additionally, a disclosure statement referencing Auditor General Report No. 2008-197, listed also as a (sixth) finding, did not require a response by Department staff. These comments and status, also reported to Auditor General (AG) staff in the [preliminary] Summary Schedule of Prior Audit Findings (SSPAF) prepared for the Fiscal Year (FY) Ended June 30, 2009 FFA audit are subject to verification and, as a result, may change. As part of the FFA audit, the AG publishes the final SSPAF, which identifies findings from the previous year's audit and SSPAF that were fully and/or partially corrected.

For the year ended June 2007 there were eight reported findings. In this report, for year ended June 2008, there are only five reported findings; however, four of the five were repeat findings from the 2007 report. We have indicated in red after each finding those repeat findings from the prior year. We recommend that management evaluate these noncompliance issues and implement the controls and/or processes necessary to resolve them.

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 ACCESS (PDES), Refugee Services (PDRS), and Family Safety (PDFS) staff.

RECOMMENDATION FA 08 037: *We recommend that FDCFS ensure that client eligibility documentation is properly maintained. We also recommend that FDCFS enhance oversight to ensure that benefit payments are properly determined. (Repeat Finding)*

Status (per ACCESS staff): Partially Corrected

In the one instance where the Interim Contact form (re-determination application) was not on file, the Department attempted to reconstruct the case but could not complete it, as the client did not respond to

the Department's correspondence. The case narrative (CLRC) has been documented should the Department have contact with the client in the future.

In the one instance that resulted in an underpayment, the Department restored the \$35 underpayment to the client and scheduled staff training.

The Department includes reviewing for appropriate documentation of eligibility and correct benefit amount as part of its quality assurance monitoring of the TANF program.

RECOMMENDATION FA 08-044: *We recommend that FDCFS strengthen its efforts to ensure that appropriate documentation is maintained for individuals receiving benefits and that dates of entry are correctly recorded in the case management system. (Repeat Finding)*

Status (per ACCESS staff): Fully Corrected

The Department created a Benefit Recovery (BR) referral but cancelled it after the BR review as the Department's policy for Refugee Entrant Assistance Program (REAP) does not require a referral for agency errors in this instance. Per Department policy, a claim will not be established for the sole reason that the Department failed to ensure that an assistance group or individual completed a current work registration form.

The Department includes reviewing for the work registration requirement and correct dates of entry as part of its quality assurance monitoring of the REAP program and has expanded from yearly to quarterly reviews.

RECOMMENDATION FA 08-045: *We recommend that FDCFS enhance procedures for the review of required Federal reports and the underlying data to ensure that reports filed with USDHHS include accurate information.*

Status (per Refugee Services staff): Finding Does Not Warrant Further Action

The Refugee State-of-Origin Report (ORR-11) was discontinued by the Office of Refugee Resettlement (ORR) due to high rates of inaccuracies in data submission from many states due to the lack of standardization inherent in the reporting process for the ORR-11 report.

In January 2008, the ORR requested all states submit data for FY 2008 formula allocation submissions via the web-based data submission system (as described in ORR State Letter #08-03). The web-based data submission system replaced the ORR-11 paper form and other required reports and was designed to streamline and standardize the data submission process for Social Services and Targeted Assistance formula allocations.

As stated in ORR State Letter #07-02, which announced the development of the electronic data submission website, the new system was designed because data submission in the ORR-11 and other reports was "problematic due to inconsistencies in the State submissions, including invalid data values in certain data fields, missing data, and confusion about how many years of data ought to be submitted." The new electronic database enables ORR to "ensure that States' final data submission is complete and correctly formatted to maximize probability of matching."

RECOMMENDATION FA 08-051: *We recommend that FDCFS consider implementing electronic edits or other procedures to periodically monitor adoption assistance benefit payments to ensure payments are made only on behalf of eligible children and are within Program limits. (Repeat Finding)*

Status (per Family Safety staff): Fully Corrected

DCF Family Safety Program Office staff continue to monitor compliance with eligibility requirements. An eligibility monitoring function was re-established at the headquarters level in July 2008 and has been ongoing since. Those Community Based Care agencies with errors have been instructed to correct the errors and recoup any money mistakenly paid.

Training and technical assistance on eligibility policy and appropriate claiming have been provided statewide. Each lead agency has been asked to put procedures in place to ensure payments are paid from the correct fund source, met eligibility requirements and were for the correct time period.

Monthly revenue maximization conference calls are held to discuss relevant items and are used as a forum for training and technical assistance.

Implementation of Florida Safe Families Network Release 2B (eligibility module) should be more effective than manual processes in ensuring timely and accurate documentation to support eligibility and payment.

Training was provided to child welfare staff across the state to address eligibility concerns. Agency attorneys were included in the training. Additional training on eligibility was conducted at the Statewide Dependency Summit in August 2008.

RECOMMENDATION FA 08-058: *We recommend that FDCFS enhance staff compliance with procedures established to ensure that eligibility is fully documented. We also recommend that FDCFS enter into an agreement with FDOR for the provision of wage information at the required time frames. In addition, we recommend that FDCFS process data exchange responses and any related eligibility status adjustments within the established time frames. (Repeat Finding)*

Status (per ACCESS staff): Partially Corrected

Limited programming resources currently prevent the Department from automating the retrieval of data exchange requests. In lieu of automation, the Department will have a manual process in place to accommodate retrieval of data exchange requests by 8/1/2010.

Staff shortages and an increase in workload have contributed to this issue. To counter this, the Department has authorized ACCESS staff to work overtime processing cases, which includes processing data exchange alerts. On May 5, 2009, the Department issued Policy Transmittal No. 1 – 09-05-0014 to provide guidance for prioritizing and processing data exchanges and to serve as a reminder to staff. Pre-service training includes instruction on how to process data exchange alerts and stresses the importance of processing these alerts in a timely matter. During the pre-service training, staff are allowed days to work in the unit processing actual data exchanges under supervision of seasoned staff. Staff working in the Case Maintenance Units (CMU) are responsible for processing the majority of data exchange alerts and receive more in-depth training on the processing of alerts. Through its quality assurance efforts, the Department monitors CMU activities, which include processing data exchanges.

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.