



Rick Scott
Governor

H. Frank Farmer, Jr., M.D., Ph.D., F.A.C.P.
State Surgeon General

December 21, 2011

H. Frank Farmer, Jr., M.D., Ph.D., F.A.C.P.
State Surgeon General
4052 Bald Cypress Way
Tallahassee, Florida 32399

Dear Dr. Farmer:

Pursuant to Section 20.055(5)(g), *Florida Statutes*, our office is to update you on the status of corrective actions taken since April 26, 2011 when the Auditor General published its Report Number 11-178, *Department of Health, Selected Administrative Matters and Prior Audit Follow-up*. Management's assessment of the current status of corrective actions is included in the enclosed document.

At six months after publication, management reports they have initiated all corrective actions made in response to recommendations from the Auditor General's report. Six corrective actions have been completed and one remains in process.

If I may answer any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "James D. Boyd".

James D. Boyd, C.P.A., M.B.A.
Inspector General

JDB/kir

Attachment

cc: Michael J. Bennett, C.I.A.
Director of Auditing
Kathy DuBose, Coordinator
Joint Legislative Auditing Committee

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Status of Findings



Report # 2011-178
Report Title: Department of Health, Selected Administrative Matters and Prior Audit Follow-up
Report Date: April 26, 2011
Status As Of: December 14, 2011

Number	Finding	Recommendation	Corrective Action Plan	Status of Finding
1	The Department had not adopted current written leasing procedures.	To provide staff with appropriate guidance for executing and managing leases in accordance with management intent and in compliance with laws and rules and to promote the continuity of the department's leasing processes, the department should establish written leasing policies and procedures that reflect current laws, rules, and conforming department practices.	The Department Leasing Unit will compile all written Leasing procedures into a comprehensive reference guide.	Complete. Documented processes for lease actions compiled into a comprehensive reference guide.
2	Accountability over leases could be improved by the maintenance of a more comprehensive control listing of leases.	To increase efficiency, accuracy, and completeness when compiling leasing data for management and oversight entity reporting purposes, we recommend that the department revise its leasing spreadsheet to contain more comprehensive information, including historical information and identification of subleases, and that the listing be maintained on a perpetual basis.	Concur. The department will expand the database to include all recommended information possible.	Modifications to the leasing database are underway. Anticipated completion date is 12/31/11
3	The Department did not always have documentation to demonstrate compliance with provisions of laws and rules applicable to the procurement of leases.	To demonstrate compliance with the provisions of applicable laws and rules, the department should implement procedures to ensure that appropriate documentation supporting real property lease procurements is maintained in all lease files. The Department should also consider requiring that in the competitive solicitation of leased facilities, there be an evaluation of the potential landlords' past performance and financial capability.	The Leasing Unit will consult with DMS regarding additional required documentation and will work with General Counsel's Office to implement financial capability requirements into the Invitation to Negotiate (ITN) process	Completed. Landlord financial capability requirements have been written into ITN process and forms.
4	The Department did not perform reconciliations of accounting records to the approved lease payments and lease agreements.	The Department should implement a process to facilitate the verification of lease payments, including initiating procedures to ensure that lease numbers are recorded in Florida Accounting Information Resource (FLAIR).	The Leasing Unit will coordinate with the Disbursements Office to receive copies of lease payments. These will be reviewed by the Leasing representative and then placed in the lease file	Complete. As of 7/1/11 processes are in place for accurately verifying and reconciling the lease payment records with Finance and Accounting/Comptroller records.

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5	<p>Department employees did not always appropriately complete notifications of additional employment and instances were noted in which Department employees also had a vendor relationship with the Department.</p>	<p>We recommend that the Department obtain and process requests for the ten employees identified by our audit tests. We also recommend that the Department continue to communicate the need to adhere to established policies regarding additional employment. Further, we recommend that the Department periodically perform record-matching procedures to identify any employees who may also have a vendor relationship with the Department. For any employees identified, the Department should ensure that the additional employment resulting from the vendor relationship has been reported to and appropriately reviewed by the employees' supervisors and that such additional employment does not constitute a prohibited conflict of interest.</p>	<p>The agency is working on a database that will identify these employees.</p>	<p>Complete. The database is complete and providing reports on a monthly basis to identify employees who are being simultaneously paid from more than one source.</p>
6	<p>County Health Department (CHD) staff did not always conduct appropriate leave balance audits for employees separating from department employment.</p>	<p>We recommend that the Department more closely monitor CHD performance of leave balance audits for current and terminating employees.</p>	<p>The Human Resource (HR) office continues to provide reminders to CHD staff on the HR conference call. Additionally, the requirement to conduct leave audits was added into the policy on leave and attendance.</p>	<p>Complete. Reminders are provided quarterly on HR conference calls. The attendance and leave policy was updated to reflect the requirement.</p>
7	<p>The Department did not always timely record tangible personal property acquisitions in the FLAIR Property Subsystem.</p>	<p>We recommend that the Department continue its efforts to ensure property acquisitions are timely recorded in department property records.</p>	<p>The Department will continue to send out reminders to program offices to timely receive property and in the future will maintain copies of notices for audit purposes.</p>	<p>Complete. The Department is sending out reminders to program offices to timely receive property and is maintaining copies of notices for audit purposes.</p>