

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Rick Scott
Governor

John H. Armstrong, MD, FACS
State Surgeon General & Secretary

Vision: To be the Healthiest State in the Nation

January 2, 2015

John H. Armstrong, MD, FACS
Surgeon General & Secretary
4052 Bald Cypress Way
Tallahassee, Florida 32399

Dear Dr. Armstrong:

Pursuant to Section 20.055(5)(g), *Florida Statutes*, our office is to update you on the status of corrective actions taken since July 2, 2014 when the Office of the Auditor General published its Report Number 2015-002, *Contract and Grant Management Processes at Selected State Agencies*. 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 completed all corrective actions made in response to recommendations made by the Office of the Auditor General.

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

Sincerely,

James D. Boyd, CPA, MBA
Inspector General

JDB/mhb
Enclosure

cc: Michael J. Bennett, CIA, Director of Auditing
Kim E. Barnhill, MS, MPH, Chief of Staff
Melinda M. Miguel, Chief Inspector General, Office of the Governor
Kathy DuBose, Staff Director, Joint Legislative Auditing Committee

Status of Findings



Report Number: 2015-002
Report Title: *Contract and Grant Management Processes at Selected State Agencies*
Report Date: July 2, 2014
Status As Of: January 2, 2015

No.	Finding	Recommendation	Corrective Action Plan	Status of Finding
Contract Management Processes				
1	State agencies did not always document that employees involved in the contractor evaluation and selection process attested in writing, or timely attested, that they were independent of, and had no conflict of interest in, the entities evaluated and selected.	We recommend that State agency management take steps to ensure that conflict of interest attestations required by State law are timely completed by all individuals taking part in the contractor evaluation and selection process and that the attestation documents are appropriately maintained.	The Department of Health (DOH, Department) is currently assessing the systemic reasons for the finding and will institute corrective action to effectuate the recommendation once better understood.	Completed. Each Division of DOH has appointed a contract management liaison who serves as the lead contract manager for the Division. The audit finding was reviewed with each contract management liaison by the Department's Contracts Section in the Office of the General Counsel. Additionally, contract management training and checklists have been developed to ensure all necessary paperwork is made a part of each contract management file.
2	Some State agencies did not always document that cost analyses were completed prior to executing contracts.	We recommend that DOH management ensure that, for contracts awarded on a noncompetitive basis, documented cost analyses are completed prior to contract execution and in accordance with State law.	DOH's contract management training will include specific instructions to facilitate the recommendation.	Completed. Each Division of DOH has appointed a contract management liaison who serves as the lead contract manager for the Division. The audit finding was reviewed with each contract management liaison by the Department's Contracts Section in the Office of the General Counsel. Additionally, contract management training and checklists have been developed to ensure all necessary paperwork is made a part of each contract management file.

No.	Finding	Recommendation	Corrective Action Plan	Status of Finding
3	State agencies did not always document that contracts were properly reviewed, approved, and executed in accordance with State law.	We recommend that State agency management ensure that contracts are properly reviewed, approved, and executed in accordance with State law and that agency head delegations of authority are appropriately documented.	DOH's contract management training will include specific instructions to facilitate the recommendation.	<p>Completed.</p> <p>Each Division of DOH has appointed a contract management liaison who serves as the lead contract manager for the Division. The audit finding was reviewed with each contract management liaison by the Department's Contracts Section in the Office of the General Counsel. Additionally, contract management training and checklists have been developed to ensure all necessary paperwork and approvals are made a part of each contract management file.</p>
4	The finding did not relate to DOH.	A recommendation was not made to DOH.	N/A	N/A
5	State agencies did not always document that contract managers received, or timely received, required training for accountability in contracts management.	We recommend that State agency management ensure that all contract managers attend the required Department of Financial Services (DFS) training for accountability in contracts management in accordance with State law and DFS guidelines.	DOH's expectation that all contract managers attend DFS training has been made clear to DOH leadership.	<p>Completed.</p> <p>Each Division of DOH has appointed a contract management liaison who serves as the lead contract manager for the Division. The audit finding was reviewed with each contract management liaison by the Department's Contracts Section in the Office of the General Counsel. Each Division contract management liaison is expected to ensure that contract managers within the Division have timely received all necessary training.</p>
6	State agencies did not always appropriately document that contract managers were independent of, and had no conflict of interest in, the entities whose contracts they were assigned to manage.	We recommend that State agency management ensure that documentation is maintained to demonstrate that contract managers are independent of, and have no conflict of interest in, the entities whose contracts they are assigned to manage.	DOH is currently assessing the systemic reasons for the finding and will institute corrective action to effectuate the recommendation once better understood.	<p>Completed.</p> <p>Each Division of DOH has appointed a contract management liaison who serves as the lead contract manager for the Division. The audit finding was reviewed with each contract management liaison by the Department's Contracts Section in the Office of the General Counsel. Additionally, contract management training and checklists have been developed to ensure all necessary paperwork is made a part of each contract management file.</p>

No.	Finding	Recommendation	Corrective Action Plan	Status of Finding
7	State agencies did not always document that sufficient contract monitoring had been performed in accordance with DFS and applicable State agency guidelines.	We recommend that State agency management ensure that contract monitoring activities are appropriately performed and documented in accordance with DFS guidance and applicable State agency policies and procedures.	DOH's Contract Accountability Unit will ensure that contract monitoring activities are appropriately performed and documented in accordance with DFS guidance and DOH monitoring policies and procedures.	<p>Completed.</p> <p>The audit finding was reviewed with the contract monitoring unit within the Department's Contracts Section in the Office of the General Counsel. A plan has been developed to ensure that contract monitoring activities are appropriately performed and documented.</p>
8	State agencies could not always demonstrate that contract payments were properly approved, supported by adequate documentation, or made in accordance with applicable contract terms and Chief Financial Officer (CFO) memoranda.	We recommend that State agency management ensure that contract payments are properly approved, adequately supported, and made in accordance with applicable contract terms and CFO memoranda.	DOH's Contract Accountability Unit will ensure that contract payments are properly approved, adequately supported, and made in accordance with applicable contract terms and CFO memoranda.	<p>Completed.</p> <p>The audit finding was reviewed with the contract monitoring unit within the Department's Contracts Section in the Office of the General Counsel. Additionally, each Division of DOH has appointed a contract management liaison who serves as the lead contract manager for the Division. The audit finding was reviewed with each contract management liaison by the Department's Contracts Section in the Office of the General Counsel. Contract management training and checklists have been developed to ensure all necessary paperwork is made a part of each contract management file, including paperwork associated with the approval of payments.</p>
Grant Management Processes				
9	State agencies did not always document that sufficient grant monitoring had been performed in accordance with DFS and applicable State agency procedures.	We recommend that State agency management ensure that grant monitoring activities and grant manager independence are appropriately documented and that the monitoring results are timely communicated to the grantee.	DOH's grant management training will include specific instructions to facilitate the recommendation.	<p>Completed.</p> <p>The Department administers its grants through contracts. The audit finding was reviewed with the contract monitoring unit within the Department's Contracts Section in the Office of the General Counsel as well as the Division contract management liaisons. A plan has been developed to ensure that grant/contract monitoring activities are appropriately documented and communicated to the grantee/contractor.</p>

No.	Finding	Recommendation	Corrective Action Plan	Status of Finding
10	DOH could not always demonstrate that grant payments were properly approved, supported by adequate documentation, or made in accordance with applicable grant terms.	We recommend that DOH management ensure that all grant payments are properly approved, adequately supported, and made in accordance with applicable grant terms.	DOH is currently assessing the systemic reasons for the finding and will institute corrective action to effectuate the recommendation once better understood.	Completed. The Department administers its grants through contracts. The audit finding was reviewed with the contract monitoring unit within the Department's Contracts Section in the Office of the General Counsel as well as the Division contract management liaisons. A plan has been developed to ensure that grant/contract payments are properly approved and adequately supported.