

Florida Department of Economic Opportunity
Six-Month Status of Audit Findings
Auditor General Report No. 2017-003: Workforce Services Monitoring
January 11, 2017

Finding No. 1: Department controls for monitoring regional workforce boards need enhancement.

Auditor Recommendation: We recommend that Department management ensure that monitoring reviews are properly conducted and adequately documented in accordance with established procedures. In addition, we recommend that Department management enhance monitoring tools to include an evaluation of RWB compliance with all grant agreement requirements.

Original DEO Response:

Response prepared by Division of Finance and Administration.

The Bureau of Financial Monitoring & Accountability (FMA) continuously reviews its processes to ensure that financial monitoring reviews of the Local Workforce Development Boards (LWDBs formerly known as RWBs) are properly conducted and adequately documented in accordance with the established monitoring tool and monitoring procedures. FMA management is committed to ensuring all monitoring reviews are properly conducted and adequately documented. FMA will implement a quality review process to ensure all monitoring tool criteria are consistently and adequately addressed, and that outstanding issues are resolved and documented.

Response prepared by Division of Workforce Services.

The programmatic monitoring reviews will continue to ensure that Local Workforce Development Boards are in compliance with all applicable laws, regulations, and guidelines. The Department will strengthen the controls in place to support and verify resolution of issues found during the monitoring reviews when immediate compliance efforts are made by the LWDBs. Additionally, any exceptions to the monitoring review samples, number of files reviewed, and the monitoring tool criteria will be duly noted in either the work paper file or via notes/comments made on the respective document(s). The same will apply when issues are resolved during the 10-day response period and included in the reports as general comments.

The Department will also establish criteria for transitioning DEO and LWDB grant agreement requirements/assurances into the monitoring review process. The evaluation and monitoring criteria developed will include safeguards for determining whether background screenings have been conducted for contract employees, whether Individual Non-Disclosure and Confidentiality Certifications forms have been completed for contract employees, and for ensuring a plan to transition contract employees' privileges and access to DEO systems from the LWDB level to the Department level. Additionally, other contract assurances such as liability insurance coverage

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and risk mitigation plans will be reviewed as part of the contract approval and signature process on an annual basis.

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Response prepared by Division of Finance and Administration.

The financial monitoring tool has been improved to include criteria to ensure LWDB compliance with the grantee - subgrantee agreement. Prior to the completion of the annual monitoring, a complete and thorough review of all monitoring criteria and tool objectives will be conducted to ensure all monitoring procedures are adequately documented. Additionally, any resolution of issues found during the monitoring review process will be fully documented.

Response prepared by Division of Workforce Services.

The Department has enhanced its processes to demonstrate and further support documentation and/or clarification of issues found during the monitoring review process. Additionally, a review of each LWDB's information security controls, practices, and protocols has been or will be conducted as part of DEO's Office of Inspector General (OIG) information security audits. The monitoring review tools have been enhanced to include criteria to ensure continued oversight. The Department will begin evaluating these criteria during subsequent annual programmatic and fiscal monitoring review cycles following completion of the OIG information security audit review process.

Finding No. 2: As similarly noted in our report No. 2014-041, Department controls for the administration of the requirements of the Florida Single Audit Act need improvement.

Auditor Recommendation: We recommend that Department management ensure that required FSAA information is incorporated into each SFA agreement.

Original DEO Response:

As part of DEO's continuous review of its processes and procedures relating to the FSAA requirements, improvements were made to update DEO's subrecipient agreement templates and relocate the required information to the front of the contracts, effective July 5, 2015. In addition, DEO created a Contract Management Unit within the Purchasing office that would act as the Contract Administrator to ensure the review of all Department contracts for required content.

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DEO's Contract Management Unit is continually working to ensure all Department contracts contain the FSAA requirements.