

July 18, 2017

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Mrs. Christina Smith, Director
Division of Accounting and Auditing
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399-0353

RE: Review of Selected Agency for Persons with Disabilities Contract/Grant Agreements and Related Management Activities

Dear Mrs. Smith:

Thank you for the opportunity to respond to your June 30, 2017, letter setting forth the findings of the review of selected Agency for Persons with Disabilities (Agency) contracts and grants active October 1, 2016, through October 31, 2016, and related management activities. The Agency is providing the following Corrective Action Plan (CAP) which addresses the areas in need of improvement.

Contract/Grant Agreement

Deliverables

Recommendation:

The Department recommended the “Agency establish clear timeframes for the completion of each deliverable”.

Resolution:

Effective July 1, 2017 the Agency modified language in Attachment I, Section B.2.a of all new contracts which require a pre-operational phase. The language stipulates that providers shall complete all pre-operational activities within a ninety (90) day time period. Upon completion of pre-operational activities, the provider shall submit supporting documentation detailing provider progress with submission of monthly invoice.

Inadequate Verification and Documentation of Activities

Recommendation:

The Department recommended the “Agency expedite its review to formalize and implement its monitoring process to comply with CFOM No. 6 (2011-2012)”.

Resolution:

In accordance with CFOM No. 6 (2011-2012), the Agency established a formal contract monitoring process in the Contract Administration Operating Procedures (APD OP 8-001) which ensures periodic monitoring of contracts and validates the Provider's performance. This monitoring process includes a risk assessment, monitoring procedures and criteria, desk audits, and an internal controls review. A desk manual inclusive of monitoring tools supports the high-level Contract Administration operating procedures.

Effective April 2017, the Agency hired a full time, dedicated Contract Monitoring and Oversight Manager (CMOM) whose responsibility is to ensure the Agency complies with Federal and State Rules and Statutes. Currently, the CMOM is conducting desk audits on all active Agency Category II or above contracts to determine compliance with contract terms and conditions and Corrective Action Plan(s).

Recommendation:

The Department recommended the "Agency enforce timely submission and document their review of all required reports to be maintained in the contract file".

Resolution:

Effective July 1, 2017, Contract Managers are required to complete Form CA-40 Reports and Plans Checklist to ensure timely submission of required reports and plans. Contract Administration will adhere to the Monitoring Desk Manual (Section 1.A.1) and conduct reviews on a semiannual basis to ensure necessary documents are complete, and are being properly maintained and updated as required by contract terms and conditions.

Recommendation:

The Department recommended the "Agency conduct and document their independent verification of provider invoices and reports with sufficient evidence to support their decisions during payment approval".

Resolution:

Waiver Service Contract:

Beginning July 2016, Contract Managers must receive Form CA-35 Service Verification along with Allocation Budget and Cost (ABC) invoice and Provider Invoice from the region/facility contract liaison verifying service delivery. After review of the supporting documentation and service verification, contract managers must complete a Florida Accountability Contract Tracking System Contract Summary Form and attest to service delivery.

All other contracts:

Effective July 1, 2017, Contract Managers are required to complete Form CA-37 Invoice Review Checklist to ensure accurate submission of required documents for payment. The form will be maintained in the Contract Manager's contract file.

Other

Recommendation:

The Department recommended the "Agency require and review the disposition of any advanced funds awarded as a process of proper accounting and enforcement of the terms of its use".

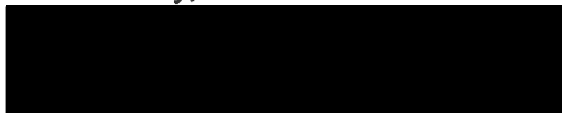
Resolution:

Effective July 1, 2017, Contract Managers will complete Form CA-39, Disposition of Interest on Advanced Payment, to document any earned interest on the advanced payment that must be returned to the state, upon mutual agreement between the Provider and the Agency,.

The Agency is committed to providing the most efficient, effective and innovative contracting processes to help accomplish our mission and ensure that providers continue providing high-quality, cost-effective goods and services. We appreciate the Department's ongoing interest and support of our efforts.

For follow up questions or concerns related to the audit findings, you may contact Aares Williams at 850-488-4262 or Aares.Williams@APDCares.Org.

Sincerely,



Barbara J. Palmer
Director

cc: Karen Hagen, Chief of Staff
Carol Sullivan, Inspector General
Richard Tritschler, General Counsel
David Dobbs, Deputy Director of Budget, Planning & Administration
Denise Arnold, Deputy Director for Programs
Tom Rankin, Deputy Director of Operations
Eddie Kay Harris, Director of Support Services
Aares Williams, Contract Administrator