



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

March 12, 2024

Eric S. Hall, Secretary
Department of Juvenile Justice
Knight Building
2737 Centerview Drive
Tallahassee, Florida 32399-3100

Dear Secretary Hall:

As authorized in sections 17.03 and 287.136, Florida Statutes (F.S.), the Department of Financial Services (DFS) has conducted an audit of the contract management and monitoring processes for the Department of Juvenile Justice (DJJ). Our audit, conducted by the Division of Accounting and Auditing, Bureau of Auditing, focused on contracts active and closed from July 1, 2022, through June 30, 2023.

Summary of Recommendations

Based on our review of DJJ, the following issues were noted. We recommend the agency take them into consideration to improve the Departments internal controls.

Our review, of the overall monitoring framework and contract management, indicated that DJJ should consider improving the monitoring processes with regards to utilizing the monitoring tools implemented by improving the notations by the auditor to clearly document their efforts. Contract Managers (CMs) should ensure all the required documentation is included in each invoice with regards to deliverables prior to payment. The improvements will ensure monitoring efforts are properly documented and reviews will substantively evaluate the agency's successful completion of the deliverables, service goals, and objectives of the agency. The monitoring efforts and all required documentation for invoices should be maintained in the contract management files.

Objectives and Program Summary

The objective of this review was to determine whether DJJ, which governs the voluntary youth crime prevention programs in Florida, was in compliance regarding contract deliverables and monitoring efforts. The DJJ is responsible for the procurement, contract management, and monitoring of all contracts.

The Florida Accountability Contract Tracking System (FACTS), as of June 6, 2023, indicated that DJJ had a total of 710 active contracts totaling \$3.41billion. Our review focused on standard

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two-party agreements which included 125 contracts totaling \$600,073,020 or approximately 18% of the total active contracts.

Contract Management

Our review of CMs' files included six (6) contracts, three (3) active and three (3) that closed during the audit period. For the six (6) contracts, we reviewed a total of Twenty-three (23) invoices. Our review indicated the following areas should be considered for improvement. Regarding the contract documentation maintained, the CMs' file did not always include all the required documentation per the contract agreement and/or did not always include a comprehensive analysis or summation completed by the contract manager supporting their review of the deliverables and performance measures, such as the services provided to each client to ensure the provider met the deliverables prior to payment.

In the previous audit report, issued September 2019, the recommendation stated that additional guidance should be provided to the CMs when verifying deliverables. DJJ stated "The Bureau of Contract Management is in the process of developing a more detailed Deliverable Acceptance Form to be used by the contract manager to document the actions taken and information reviewed to support their certification of the completion of the deliverables. The document will be included in the invoice package submitted for payment." During our interviews with various contract managers, we were informed that the Deliverable Acceptance Form was not being utilized correctly and we noted during our review of the invoice's supporting documentation that no Deliverable Acceptance Forms were found in the contract's invoice deliverable vouchers selected for our review.

Also, the Florida Single Audit Act, section 215.97(2), F.S., establishes State audit and accountability requirements for state financial assistance provided to nonstate entities and Rule Chapter 69I-5, Florida Administrative Code (F.A.C), stipulates that State awarding agencies must use Form DFS-A2-PD, Florida Single Audit Act State Project Determination Checklist to evaluate the applicability of the Florida Single Audit Act to a state program for inclusion in the Catalog of State Financial Assistance (CSFA). Our review indicated that CMs' files did not include a completed or properly completed Project Determination Checklist.

We recommend the agency should continue to provide adequate oversight to ensure CMs have the tools required to perform their responsibilities, ensure deliverables are met, i.e. ensuring that the youth receive the services they were assessed for receiving prior to payment, and the required documentation is maintained in the CMs' files.

Contract Monitoring

Our review of the agency's monitoring efforts indicated the implemented monitoring process and procedures are adequate except for the following area, which should be considered for improvement.

During our review of the Department's response and the completed monitoring tools by the CMs for Administrative Compliance Reviews, we noted that CMs were provided with additional guidance for conducting more efficient monitoring of the deliverables as well as the performance of the providers; however, the tool being utilized did not always demonstrate if the performance measures were met or not.

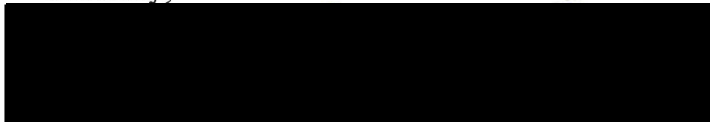
Secretary Hall
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We recommend the agency provide adequate oversight to ensure the monitoring tools include adequate detail documenting the monitoring efforts; otherwise, there is no assurance what was monitored.

If you have any questions, please contact Ms. Kim Holland, Bureau Chief, at (850) 413-5700 or kim.holland@myfloridacfo.com. Please see the attached detailed summary for further information.

We appreciate the support and courtesy extended to our audit team. Completed reports of the Bureau of Auditing are available at <https://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>.

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

Renée Hermeling, Director

A small, handwritten blue mark, possibly a stylized '0' or a flourish, is located to the right of the name.

RH/dw

c: Mr. Robert Munson, Inspector General

Detailed Summary

The following information is to provide the contract and more specific details to the issues noted with each contract review.

1. Residential Staff Vacancy, Staff Hire, and Substance Abuse Treatment report was missing from file for contract no. 10289, invoice no. 102890922 and 102890223.
2. Residential Staff Vacancy, Staff Hire, Certified Minority Business Enterprise (CMBE), Monthly Statistical Report, and Substance Abuse Treatment report was missing from file for contract no. 10289, invoice no. 1028922A & 1028922B.
3. Substance Abuse Treatment Report was missing from file for contract no. 10289, invoice no. 102890523.
4. Monthly Statistical Report, Substance Abuse Treatment, Mental Health Overlay Services (MHOS) or Substance Abuse Overlay Services (SOAS) report was missing from file for contract no. 10677, invoice no. 106770223, 106771222, 106771122.
5. Residential Staff Vacancy, Staff Hire, Substance Abuse Treatment Report, and MHOS or SAOS tracking sheet was missing from contract no. 10677, invoice no. 106770722.
6. Monthly Staff Hours Worked and Staff Hire report was missing from file for contract no. 10681, invoice no. 106810123.
7. The Administrative Compliance Review tool received for all contracts did not always demonstrate as to whether the performance measures were met by the provider.
8. The contract manager files provided did not include a completed Project Determination Checklist for the following contract's: 10289, 10677, 10482, 10483, and 10681.