



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

June 2, 2015

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

Dear Christina:

Pursuant to your correspondence of May 8, 2015, the enclosed response is provided for the Division of Accounting and Auditing's audit of the Department of Financial Services' contractual agreements and contracting processes.

If you have any questions concerning this response, please contact Leah Gardner, Director of Audit, at (850) 413-4953.

Sincerely,


Robert C. Kneip

RK:rlg

Enclosure

**DEPARTMENT OF FINANCIAL SERVICES
AUDIT OF CONTRACTUAL AGREEMENTS AND CONTRACTING PROCESSES**

RESPONSE AND CORRECTIVE ACTION PLAN

Finding No. 1: Agreement - Other

The Department executed an agreement with Milliman USA without verifying that the agreement's payment terms were in compliance with the state term contract.

Response and Corrective Action Plan: Concur. The Milliman USA contract has expired. For future contracts, DWC will ensure that the rate of pay does not exceed the state term contract hourly rate.

Expected Completion Date for Corrective Action: Completed

**DEPARTMENT OF FINANCIAL SERVICES
AUDIT OF CONTRACTUAL AGREEMENTS AND CONTRACTING PROCESSES**

Finding No. 2: Contract Management

The Department did not document their verification of the services invoiced by Tal Search Group, Inc. prior to certifying payment.

Response and Corrective Action Plan: Concur. The contract manager has implemented a process to ensure verifications are documented to the file. Prior verifications were made by visual comparison of the database to the invoice, but not saved to the file.

Expected Completion Date for Corrective Action: March 3, 2015

**DEPARTMENT OF FINANCIAL SERVICES
AUDIT OF CONTRACTUAL AGREEMENTS AND CONTRACTING PROCESSES**

Finding No. 3: Contract Management - Other

The Contract Manager for Global Information Services had not attended Advancing Accountability training within the timeframe required by CFO memoranda.

Recommendation and Corrective Action Plan: Concur. The contract manager is on the wait list for the Florida Certified Contract Manager training.

Expected Completion Date for Corrective Action: In process. The Contract Manager is on the wait list for the training.