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September 21, 2012

Christina Smith
Director of Accounting and Auditing
Department of Financial Services
200 E. Gaines St.
Tallahassee, Florida 32399-0353


RE: DFS Selected Contract/Grant Agreement Review

Dear Ms. Smith:

Enclosed for your review is the Attorney General's Office response and corrective action plan to address specific recommendations noted in your September 5, 2012 selected contract/grant review of our department. You will note that many of the corrective actions have been implemented.

If you need additional information, please contact Judy Goodman, Audit Director, at 414-3591.

Sincerely,


~~Steve Rumph~~
Inspector General

SR/jmg

Enclosure: DFS Sept 5, 2012 review of selected DLA contract/grant agreements action plan

CC: Pam Bondi, Emery Gainey, John Hamilton

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

Contract	Finding	Action plans	Responsible Employee	Completion Date
	<i>Scope of Work and Deliverables</i>			
K02552	Scope of work was vague regarding intended purpose of funds.	The 2012-2013 contract includes a more detailed scope of work using an attachment to the agreement. The attachment outlines both financial details and a target number of victims to be served during the funding period.	Christina Harris	6/30/2012
	<i>Provision of CFO Memo #4</i>			
K02552	Contract did not contain required language to maintain accountability.	The required language was added to the 2012-2013 contract.	Christina Harris	6/30/2012
	<i>Contract Agreement Cost Analysis</i>			
K02552	Cost analysis was not completed.	Proviso language provided by the Florida legislature specifically outlined who received the money and for what purpose. In this situation a cost analysis is not applicable.	Christina Harris	
001-11	DFS approval was not sought prior to making changes.	The Cost/Price Analysis form used by the Department of Legal Affairs to review the Crime Stoppers Trust Fund grants and the Urban League of Broward County grant did not meet the requirements as specified in CFO Memorandum #3 (2009-2010). The Cost/Price Analysis form developed to meet the needs of the review of our contracts has been reviewed and approved by Mr. Jeff Cagle, Department of Financial Services. The document will be placed into use and the previous Cost/Price Analysis form that was completed on each program, as required, will be replaced with the	Rick Nuss	09/20/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		new approved form to bring us into compliance with DFS as required in CFO Memorandum #3 (2009-2010).		
024-11	DFS approval was not sought prior to making changes.	The Cost/Price Analysis form used by the Department of Legal Affairs to review the Crime Stoppers Trust Fund grants and the Urban League of Broward County grant did not meet the requirements as specified in CFO Memorandum #3 (2009-2010). The Cost/Price Analysis form developed to meet the needs of the review of our contracts has been reviewed and approved by Mr. Jeff Cagle, Department of Financial Services. The document will be placed into use and the previous Cost/Price Analysis form that was completed on each program, as required, will be replaced with the new approved form to bring us into compliance with DFS as required in CFO Memorandum #3 (2009-2010).	Rick Nuss	09/20/2012
017-11	DFS approval was not sought prior to making changes.	The Cost/Price Analysis form used by the Department of Legal Affairs to review the Crime Stoppers Trust Fund grants and the Urban League of Broward County grant did not meet the requirements as specified in CFO Memorandum #3 (2009-2010). The Cost/Price Analysis form developed to meet the needs of the	Rick Nuss	09/20/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		<p>review of our contracts has been reviewed and approved by Mr. Jeff Cagle, Department of Financial Services. The document will be placed into use and the previous Cost/Price Analysis form that was completed on each program, as required, will be replaced with the new approved form to bring us into compliance with DFS as required in CFO Memorandum #3 (2009-2010).</p>		
013-11	<p>DFS approval was not sought prior to making changes.</p>	<p>The Cost/Price Analysis form used by the Department of Legal Affairs to review the Crime Stoppers Trust Fund grants and the Urban League of Broward County grant did not meet the requirements as specified in CFO Memorandum #3 (2009-2010). The Cost/Price Analysis form developed to meet the needs of the review of our contracts has been reviewed and approved by Mr. Jeff Cagle, Department of Financial Services. The document will be placed into use and the previous Cost/Price Analysis form that was completed on each program, as required, will be replaced with the new approved form to bring us into compliance with DFS as required in CFO Memorandum #3 (2009-2010).</p>	Rick Nuss	09/20/2012
K02471	<p>DFS approval was not sought prior to making changes.</p>	<p>The Cost/Price Analysis form used by the Department of Legal</p>	Rick Nuss	09/20/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		Affairs to review the Crime Stoppers Trust Fund grants and the Urban League of Broward County grant did not meet the requirements as specified in CFO Memorandum #3 (2009-2010). The Cost/Price Analysis form developed to meet the needs of the review of our contracts has been reviewed and approved by Mr. Jeff Cagle, Department of Financial Services. The document will be placed into use and the previous Cost/Price Analysis form that was completed on each program, as required, will be replaced with the new approved form to bring us into compliance with DFS as required in CFO Memorandum #3 (2009-2010).		
	Florida Single Audit Act			
K02552	Contract did not provide Vendor/Recipient Determination Checklist.	A Vendor/Recipient Determination Checklist list has been completed for the current year, and will be completed each subsequent year that funding is awarded.	Christina Harris	Completed document mailed to DFS, Bureau of Auditing 09/19/2012
001-11	DLA form did not make a determination of vendor or recipient for FSAA.	The checklist form utilized to make the required Recipient/Subrecipient vs. Vendor Determination was very old and had been used for years. However, it did not meet the new Florida Single Audit Act requirements. The new Recipient/Subrecipient vs. Vendor Determination checklist has been instituted and utilized for	Rick Nuss	07/30/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		the 2012-2013 grant awards to bring the Crime Stoppers and Urban League of Broward County grants into compliance.		
024-11	DLA form did not make a determination of vendor or recipient for FSAA.	The checklist form utilized to make the required Recipient/Subrecipient vs. Vendor Determination was very old and had been used for years. However, it did not meet the new Florida Single Audit Act requirements. The new Recipient/Subrecipient vs. Vendor Determination checklist has been instituted and utilized for the 2012-2013 grant awards to bring the Crime Stoppers and Urban League of Broward County grants into compliance.	Rick Nuss	07/30/2012
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DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

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	Contract/Grant Management			
001-11	Grant managers did not verify deliverable required were received and approved prior to payment. Quarterly activity reports were not validated with supporting documentation.	The Contract/Grant managers of the Crime Stopper grants and the Urban League of Broward County grant have undergone a restructuring of the management and oversight of payments related to grant	Rick Nuss	07/01/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		<p>reimbursements during the 2011-2012 grant year. Due to the major focus on the funds, we did not always receive the proper required documentation to verify and support that deliverables were met prior to approving payment. The final phase of the restructuring process began with the 2012-2013 grant year which included the development of a document verification program which will allow the contract managers to review and verify receipt of required deliverable documentation and when deliverables are not met, sanctions can be systematically applied as specified within the Monthly Performance requirements.</p>		
024-11	<p>Grant managers did not verify deliverable required were received and approved prior to payment. Quarterly activity reports were not validated with supporting documentation.</p>	<p>The Contract/Grant managers of the Crime Stopper grants and the Urban League of Broward County grant have undergone a restructuring of the management and oversight of payments related to grant reimbursements during the 2011-2012 grant year. Due to the major focus on the funds, we did not always receive the proper required documentation to verify and support that deliverables were met prior to approving payment. The final phase of the restructuring process began with the 2012-2013 grant year which included the</p>	Rick Nuss	07/01/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

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DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

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DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

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V11129	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	Starting with the 2012-2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11167	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11125	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

V11102	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11241	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11037	Dept. did not provide documentation such as project time sheets to evidence salary costs were prop Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11243	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11231	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11018	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that	Christina Harris	10/1/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		demonstrate the salary costs reported were based on the hours worked on VOCA project.		
V11013	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11199	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11074	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
V11069	Dept. did not provide documentation such as project time sheets to evidence salary costs were properly allocated.	2013 grants (start date 10/1/2012), the VOCA subgrantees will be required to submit project time sheets that demonstrate the salary costs reported were based on the hours worked on VOCA project.	Christina Harris	10/1/2012
A44CD3	No documentation provided to evidence the number of hours billed had been verified prior to approving invoices...	A more detailed project activity report has been implemented that requires contractors to report the amount of time spent on each task, each day. The hours and activities reported by the contractor are compared to the project plan and accuracy,	Christina Harris	7/6/2012

DFS Sept. 5, 2012 review of selected DLA contract/grant agreements – action plans

		as well as, satisfactory completion is verified by OAG staff (including the Information and Technology unit). The verification of hours and activities is completed weekly prior to approving the number of hours billed by the vendor each month.		
K02552	The Department did not provide evidence to validate that funds were disbursed to recipients according to the grant agreement.	The provider supplied documentation to the OAG to validate payments made to subrecipients under this grant agreement. This documentation has been reconciled by OAG staff, and 95% of the funding was disbursed to the subrecipients as required. This process will be completed each subsequent year that funding is awarded.	Christina Harris	7/25/2012