



FLORIDA

Executive
Director

Leon M. Biegalski

April 8, 2016

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

Dear Ms. Smith:

Attached are the Department's Corrective Action Plans for the findings and recommendations related to your review of selected Department of Revenue contracts and grants active July 1, 2014, through June 30, 2015, and related contract management activities.

If you have questions or need additional information is needed, please contact Marie Walker, Director of Auditing, at [REDACTED].

Sincerely,

Leon M. Biegalski

LMB/mw

Attachments

cc: Mark Merry, Chief, Bureau of Auditing, DFS
Sharon Doredant, Inspector General, DOR
Marie Walker, Director of Auditing, DOR

CORRECTIVE ACTION PLAN

Rev. 07/14

Status Date	Report No.	Report Title		
4/8/2016		DFS Contract Audit (2015)		
Contact Person	Program	Process	Phone No.	
EXE—Tamisan Beam GTA—Tom McCaffrey ISP—Greg Madden PTO—Pat Ferriby	EXE GTA ISP PTO	EXE—Office of Workforce Management (OWM) GTA—Return & Revenue Processing ISP—Contract Management PTO—Resource Management	EXE 717-6396 GTA 921-5584 ISP 717-7039 PTO 617-8849	
Activity	Accountability		Schedule	
	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	EXE—OWM GTA—Return & Revenue Processing ISP—Contract Mgmt. PTO—Budget	EXE—OWM GTA—Return & Revenue Processing ISP—Contract Mgmt. PTO—Contract Mgmt.	No	EXE—Complete GTA—6/30/2016 ISP—7/1/2016 PTO 4/29/2016
Finding				
No.	1	<u>Contract Requirements</u>		
Date		<ul style="list-style-type: none"> • Three (3) agreements contained no financial consequences. <ul style="list-style-type: none"> ○ Florida State University (I0330) ○ Florida State University (E0073) ○ International Association of Assessing Officers • The agreements with ABT Solutions Inc. and Guidesoft Temporary Staffing contained no provisions for financial consequences that must be applied should the provider fail to perform in accordance with the requirements of the agreements. Instead, the agreements allowed the Department to assess financial consequences at its discretion. • Two (2) agreements did not contain one or more of the required legal provisions or the annual appropriation contingency statement as required by statute. <ul style="list-style-type: none"> ○ Florida State University (I0330) ○ Florida State University (E0073) 		
Recommendation	We recommend that the Department amend the agreements to include all provisions required by statute.			
Original Response	Florida State University (I0330) ISP agrees. The Department will amend Contract I0330 to include the required			

	<p>statements for financial consequences and appropriations contingency.</p> <p>Florida State University (E0073) EXE agrees. Future contracts will contain all necessary provisions. In addition to the reviews by procurement and legal staff, the contract manager will make special note of these requirements in future contracts. (The end date of this agreement is June 30, 2016, so it is not being amended.)</p> <p>International Association of Assessing Officers (P0133) PTO agrees. The Department will amend the contract to add financial consequences. The Contract Manager is currently in the process of preparing the documents required for the execution of the amendment.</p> <p>ABT Solutions Inc. (I0340) ISP agrees. The current agreement expires June, 30, 2016. The Department will add the financial consequences requirement into the new ABT Solutions, Inc., contract.</p> <p>Guidesoft Temporary Staffing (G0286) GTA agrees. The current agreement with Guidesoft expires June 30, 2016. The new agreement will include the assessment of financial consequences as required by statute.</p>
<p>Status Updates</p> <p><input checked="" type="checkbox"/> Open</p> <p><input type="checkbox"/> Management assumes risk</p> <p><input type="checkbox"/> Partially complete</p> <p><input type="checkbox"/> Complete pending verification by</p> <p>OIG</p> <p><input type="checkbox"/> Complete</p>	

Status Date	Report No.	Report Title		
4/8/2016		DFS Contract Audit (2015)		
Contact Person	Program	Process	Phone No.	
Tom McCaffrey	GTA	Return & Revenue Processing	921-5584	
Activity	Accountability		Schedule	
	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	Return & Revenue Processing	Return & Revenue Processing	No	6/30/2016
Finding				
No.	2			
Date	<p><u>Contract/Grant Management</u></p> <p>The agreement with Guidesoft Temporary Staffing establishes performance measures that require each temporary employee to assemble 60 certified mail envelopes every hour. The Department collected data on the number of mail trays and bins processed daily; however, the Department did not provide evidence that performance measures established in the agreement were verified prior to certifying payment. Upon our inquiry, the Department stated that it was difficult to measure the standard established in the agreement due to the varying thickness of the envelopes and the amount of mail in the trays and bins.</p>			
Recommendation	<p>The Department should verify services are provided in accordance with the performance standards established in the agreement prior to payment to avoid paying for services that do not meet the Department's requirements. If this is not feasible, the Department should consider revising the performance standards to standards that are verifiable.</p>			
Original Response	GTA agrees. The Department is amending the agreement to revise the performance standard to a verifiable one.			
Status Updates	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete			

Status Date		Report No.	Report Title	
4/8/2016			DFS Contract Audit (2015)	
Contact Person		Program	Process	Phone No.
Chris Butterworth		CSP	Contract Management	617-8055
Activity		Accountability		Schedule
		Responsible Unit	Coordinating Unit	Repeat Finding
		Contract Management	Contract Management	No
				Anticipated Completion Date
				January 2018
Finding		<p><u>Contract/Grant Management</u> The agreement with Professional Civil Process of Texas, Inc. provides for the delivery of service of process to defendants of child support cases. The agreement also establishes performance measures for the timely routing of documents and for providing proof of service. The Department evaluated performance monthly and documented the results on a Performance Analysis Report (Report). The auditor's review of the Reports and invoices for April, May, and September of 2015 disclosed that the provider failed to meet the established performance measures for all three months sampled. The Department stated in its response to a prior review of this contract performed by the Bureau of Auditing that, "The financial consequence for failing to meet performance levels in the agreement is non-payment"; however, the Department made full payment totaling \$105,154 to the provider for the three months sampled.</p>		
No.	3			
Date				
Recommendation		We recommend the Department develop a methodology for assessing financial consequences for failure to perform as required in the agreement.		
Original Response		CSP Agrees. The Department understands the contract to require payment for services rendered if the contractor provides the services as requested thereby deriving the benefit bargained for, unless the Department notifies the contractor to cancel a service request before the work is performed. If the average timeframes in the Performance Accountability Measures are not met, the Department's remedy is to implement a Corrective Action Plan. The current private service of process contract does not formally address financial consequences. The current contract expires in December 2017. The Department will include financial consequences in future contracts that could begin in January 2018.		
Status Updates				
<input checked="" type="checkbox"/> Open				
<input type="checkbox"/> Management assumes risk				
<input type="checkbox"/> Partially complete				
<input type="checkbox"/> Complete pending verification by OIG				
<input type="checkbox"/> Complete				

Status Date	Report No.	Report Title		
4/8/2016		DFS Contract Audit (2015)		
Contact Person	Program	Process	Phone No.	
Chris Butterworth	CSP	Contract Management	617-8055	
Activity	Accountability		Schedule	
	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	Contract Management	Contract Management	No	12/30/2016
Finding				
No.	4	<u>Contract/Grant Management</u>		
Date		<p>The Department did not verify the services invoiced by the City of Jacksonville or by Professional Civil Process of Texas, Inc. prior to certifying payment. Both agreements establish a fixed unit rate of payment for each writ served and/or service of process to a defendant for child support cases. Services are requested by the legal services provider (attorney, etc.) who inputs the request into the Department's Child Support Enforcement Automated Management System (CAMS). Once service is made, the provider notifies the legal services provider who, in turn, updates CAMS. At the end of each month the provider submits a substantiating report along with the invoice to the Department detailing the services provided. Our audit determined that the Department verified 10 percent (10%) of the writs processed by comparing the details on the substantiating report to CAMS; however, the Department did not verify the total number of writs invoiced by comparing the total number of writs on the substantiating report to the total number processed in CAMS. Without verification that the number of services invoiced is correct, the Department cannot certify that the invoice is true and correct.</p>		
Recommendation				
None.				
Original Response				
CSP agrees. The Department will develop and implement by December 30, 2016, an automated method to validate that service has been obtained, attempted, or requested for each item invoiced.				
Status Updates				
<input checked="" type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete				

Status Date	Report No.	Report Title		
4/8/2016		DFS Contract Audit (2015)		
Contact Person	Program	Process	Phone No.	
Tamisan Beam	EXE	Office of Workforce Management (OWM)	717-6396	
Activity	Accountability		Schedule	
	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	OWM	OWM	No	Complete
Finding	<u>Contract/Grant Management</u>			
No.	5			
Date	The Department did not provide documented evidence that a risk assessment was performed for the agreement with Florida State University (E0073) .			
Recommendation	None.			
Original Response	EXE agrees. The Department will perform risk assessments for future contracts.			
Status Updates	<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially complete <input checked="" type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete			