



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

February 10, 2017

Rick Swearingen, Commissioner
Florida Department of Law Enforcement
P.O. Box 1489
Tallahassee, FL 32302-1489

Dear Commissioner Swearingen:

The Bureau of Auditing (Bureau) performs audits in accordance with Section 17.03, Florida Statutes (F.S.). This statute relates to the Chief Financial Officer's (CFO) responsibilities to settle the claims of the state using various methods. The Bureau also audits pursuant to the requirements of Section 215.971, F.S., for grant agreements funded with Federal and State moneys. Audits on contractual services agreements are audited pursuant to Sections 287.057 and 287.058(1), F.S. The CFO also issues memorandums that provide additional audit requirements.

In addition to reviewing the contract document, the Bureau conducts on-site reviews to evaluate the management function to determine if the agency is monitoring the contractors' performance and validating the actual delivery of goods and services. These audits result in written reports to the State agencies, with the agencies providing corrective action plans to address any deficiencies noted during the review. To date, 40 audits have been completed and the results are available on the Bureau website, http://www.myfloridacfo.com/aadir/auditing_activity.htm.

The Bureau conducted an audit of 17 Department of Law Enforcement (Department) agreements in 2012. Our audit disclosed a contract deficiency rate of 23.53 percent and a management deficiency rate of 5.88 percent. In response, the Department submitted a corrective action plan (CAP). As a follow-up to ensure corrective actions were implemented and operating effectively, we have concluded our audit of selected Department contracts and grants active January 1, 2016 through June 30, 2016 and related management activities.

Our audit included a review of six (6) agreements totaling \$1,996,287. Five (5) of the agreements were reviewed to determine if required contract provisions were included. Additionally, we reviewed the contract management files for all six (6) agreements. Overall, the Department has complied with the applicable provisions of statute, administrative rule, and CFO Memoranda. On the contract management side, there was one area where an improvement can be made. A summary of our review is included as Attachments A, B and C.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Christina Smith • Director

Division of Accounting and Auditing

200 East Gaines Street • Tallahassee, Florida 32399-0353 • Tel. 850-413-3043 • Fax. 850-413-5553

Email • christina.smith@myfloridacfo.com

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Contract/Grant Agreement

Cost Analysis

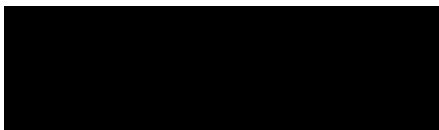
Section 216.3475, F.S. and CFO Memorandum No. 2 (2012-2013), requires agencies to perform a cost analysis for contracts awarded on a noncompetitive basis. Each agency shall maintain records to support a cost analysis, which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget for allowability, reasonableness, and necessity. According to CFO Memorandum No. 3 (2014-2015) a cost analysis is required if a competitive solicitation results in less than two responsive bidders to establish competition.

- The agreement with **Georgia Tech Applied Research Corporation** was procured on a non-competitive basis. The contract was executed on May 12, 2016 and the cost analysis was completed on June 8, 2016 after the execution of the agreement. The cost analysis must be prepared timely to demonstrate that the contract was not awarded in excess of the competitive prevailing rate.

Please provide the Department's CAP which addresses how these deficiencies will be corrected. This plan should include steps the Department will take to provide a system of quality control, including training, periodic management review, and feedback to Departmental staff that develop and manage contracts and grants. We request that the plan be submitted within 30 days of receipt of this letter.

We appreciate your staff's support and cooperation during the audit. Please contact Mark Merry, Chief of the Bureau of Auditing, at 850-413-3074, if you have any questions.

Sincerely,



Christina Smith

CS/jhf

Attachments

Attachment A
Department of Law Enforcement
Contract/Grant Agreement

Agreement Number	Service Provider	Contract Amount	Agreement Type	Scope of Work	Deliverables	Financial Consequences	Cost Analysis	State and Federal Financial Assistance	Legal Compliance	Annual Appropriation Contingency Statement	TOTAL NUMBER OF AREAS WITH DEFICIENCIES
D0079	Broward College	\$1,038,232.00	Grant	*	*	*	N/A	*	*	*	0
FDLE-036-16	Georgia Tech Applied Research	\$412,000.00	Grant	Y	Y	Y	N	Y	Y	Y	1
AF5138	ADO Staffing Inc	\$198,000.00	Standard 2-Party	Y	Y	Y	N/A	N/A	Y	Y	0
AF4740	3K Technologies, LLC	\$156,000.00	Grant	Y	Y	Y	N/A	N/A	Y	Y	0
AF4B76	Tal Search Group, Inc.	\$150,000.00	Standard 2-Party	Y	Y	Y	N/A	N/A	Y	Y	0
D0143	Broward County Sheriff's Office	\$42,055.00	Standard 2-Party	Y	Y	Y	N/A	Y	Y	N/A	0
TOTAL NUMBER OF AGREEMENTS WITH DEFICIENCIES				0	0	0	1	0	0	0	1

NA* - Contract was reviewed by the Bureau of Auditing prior to this audit.

Attachment B
Department of Law Enforcement
Contract/Grant Management

Agreement Number	Service Provider	Contract Amount	Agreement Type	Payment Certification	Verification Activities Adequate and Documented	Application of Financial Consequences	Other	TOTAL NUMBER OF AREAS WITH DEFICIENCIES
D0079	Broward College	\$1,038,232.00	Grant	Y	Y	N/A	N/A	0
FDLE-036-16	Georgia Tech Applied Research	\$412,000.00	Grant	Y	Y	N/A	N/A	0
AF5138	ADO Staffing Inc	\$198,000.00	Standard 2-Party	Y	Y	N/A	N/A	0
AF4740	3K Technologies, LLC	\$156,000.00	Grant	Y	Y	N/A	N/A	0
AF4B76	Tal Search Group, Inc.	\$150,000.00	Standard 2-Party	Y	Y	N/A	N/A	0
D0143	Broward County Sheriff's Office	\$42,055.00	Standard 2-Party	Y	Y	N/A	N/A	0
TOTAL NUMBER OF AGREEMENTS WITH DEFICIENCIES				0	0	0	0	0

Attachment C
Department of Law Enforcement
Contract/Grant Management - Training

		Contract Manager(s)	Compliance (Y or N)	Deficiency Rate	Comments
Agency Compliance with Training Requirements		Daniel VanVliet	Yes		
		Andrew Branch	Yes		
		Rebecca Villegas	Yes		
		Michelle Raymond-Sparks	Yes		
Total Number of Contract Mgrs Reviewed			4		
Total N's			0		
Training Deficiency Rate				0%	