



FLORIDA OFFICE OF FINANCIAL REGULATION

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DREW J. BREAKSPEAR
COMMISSIONER

April 10, 2015

Christina Smith, Director of Accounting and Auditing
Department of Financial Services
200 East Gaines Street
Suite 516, Fletcher building
Tallahassee, Florida 32399-0370

Dear Director Smith:

Please consider this the Office of Financial Regulation's (OFR) corrective action plan for the three contract management deficiencies noted in the Department of Financial Services (DFS) Contract Audit of OFR, dated March 12, 2015.

Deficiency No. 1

Services provided by **Bank of America** were not verified against data generated by OFR prior to certifying invoices for payment. Instead, OFR is comparing vendor-generated data with vendor-generated data to determine if services have been received as stated on the invoice. The verification process should include reconciling vendor-generated data to the OFR's monthly application data which is controlled and maintained by OFR.

OFR Corrective Action Plan: OFR has developed a method to reconcile the number of payment counts invoiced by the Bank of America to REAL, using the daily DFS Cashier's Office Deposit Automation reports. OFR currently records daily deposit totals and will begin to include the daily payment counts on an internal deposit spreadsheet and reconcile those payment counts to the payment counts invoiced monthly by Bank of America.

Deficiency No. 2

OFR did not document their review of services provided by **KPMG, LLP** prior to certifying payment as required by CFO Memorandum No. 6(2011-2012). KPMG, LLP is to provide expert advisory services for the implementation of OFR's Check Cashing Database system by another provider. KPMG was required to report services performed through the submission of reports. According to OFR, monthly meetings are held with the vendor to discuss the reports and verify services performed. However, these meetings are not documented.

OFR Corrective Action Plan: The Contract Manager will prepare summary notes of each weekly meeting with KPMG, LLP, to document the oversight of contract performance, and review the monthly Health Check summary report. The monthly Health Check summary report is a compilation of prior weekly reported information. In addition, the Contract Manager will complete a monthly checklist to ensure compliance with all contractual requirements.

Deficiency No. 3

The agreement with **Accenture, LLP** required the provider to maintain general liability and workers compensation insurance throughout the life of the agreement. OFR verified insurance for the first four (4) months of the term. OFR was unable to provide evidence that the provider's insurance coverage during the remainder of the agreement's term was verified.

OFR Corrective Action Plan: The Certificate of Liability Insurance for Accenture, LLP, dated March 11, 2015 has been provided to the DFS contract audit team. Going forward, the Contract Manager will ensure that OFR keeps up-to-date documentation of the general liability and workers compensation insurance on file per the contract.

It was a pleasure working with the DFS contract audit team. Please contact Inspector General Karen Fisher, at [REDACTED], if you have any questions.

Sincerely,

[REDACTED]
Drew Breakspear
Commissioner