



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

March 9, 2015

Alton L. "Rip" Colvin, Jr., Executive Director
Justice Administrative Commission
227 N. Bronough Street
Suite 2100
Tallahassee, Florida 32301

Dear Mr. Colvin:

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 monies. Audits on contractual services agreements are audited pursuant to sections 287.057(14) and 287.058(1), F. S. The CFO also issues memorandums that provide additional audit requirements.

The Bureau reviews contracts and grants to determine whether:

- The agreement clearly establishes the tasks to be performed by the provider (has a clearly defined scope of work)
- The agreement defines quantifiable, measurable, and verifiable units of deliverables that must be received and accepted before payment is made
- The agreement specifies the financial consequences that the agency must apply if the provider fails to perform in accordance with the contract
- The manager provided written certification for the receipt of goods and services.

Because many of the deficiencies in agency contract and grant agreements stem from poor contract management and a lack of effective monitoring, the Bureau visits agencies and reviews contracts, along with the contract manager's files. In addition to reviewing the contract document, the Bureau evaluates the contract management function to determine if the agency is monitoring the contractor's performance and validating the actual delivery of goods and services. These audits result in written reports to the agency, with the agency providing a corrective action

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Christina B. Smith • Director

Division of Accounting and Auditing

200 East Gaines Street • Tallahassee, Florida 32399-0353 • Tel. 850-413-5510 • Fax. 850-413-5553

Email • christina.smith@myfloridacfo.com

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plan to address any deficiencies noted during the audit. To date, 26 audits have been completed and the results are available on the Bureau website at http://www.myfloridacfo.com/aadir/auditing_activity.htm.

We have concluded our audit of selected Justice Administration Commission (Commission) grant management activities, Office of the State Attorney, 11th Judicial Circuit (State Attorney) contract and grant management activities and the Hillsborough County Public Defender, 13th Judicial Circuit (Public Defender) contract and grant management activities for grant agreements effective on or after July 1, 2013 through June 30, 2014. Our audit focused on compliance with the following statutory requirements:

- Contract/grant managers must enforce performance of the agreement terms and conditions; review and document all deliverables for which payment is requested by service providers; and provide written certification of the Agency's receipt of goods and services.

The contract management files for six (6) agreements were audited for management activities. There are areas where improvements can be made. Attachment A provides a summary of all six (6) agreements audited.

Contract/Grant Management

Contract and grant managers must enforce performance of the contract terms and conditions, review and document all deliverables for which payment is requested and provide written certification for receipt of goods and services and ensure all payment requests are certified.

- Section 216.3475, F.S., 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.
 - **Foster Care Review, Inc.** develops and trains volunteer review panels. The panel members review foster care case files and make recommendations to the court concerning the welfare of the foster child. Funding for Foster Care Review, Inc. was designated in the General Appropriations Act (GAA). When an entity is appropriated funds by that act, the state agency must conduct and document a cost analysis. The Commission stated that no budget had been submitted by the provider and that no cost analysis had been completed.

- The State Attorney did not always provide written certification by the grant manager that goods and services were satisfactorily received prior to payment as required by section 215.971(2), F.S., for one agreement.
 - Two (2) of the three (3) audited payments for **Miami-Dade Police Department** were not certified by the contract manager. Instead, certification was provided by the Senior Employment Counsel who was authorized to approve accounting, personnel and payroll transactions; however, this staff person is not responsible for verifying deliverables or monitoring the agreement.
- The Commission did not complete the agreement closeout in accordance with section 215.971(2) (C), F.S., for one (1) agreement.
 - The Commission did not perform a final reconciliation of funds received against funds expended during the agreement period to determine if unexpended funds were to be returned to the state under the grant agreement with **Foster Care Review, Inc.**

Contract/Grant Management - Other

- Sections 215.971(2)(a)1, F.S., require each grant manager who is responsible for agreements in excess of the threshold amount for Category Two under section 287.017, F.S., must, at a minimum, complete training conducted by the CFO for accountability in grant management.

The grant managers for four (4) agreements had not completed Advancing Accountability Training.

- **Miami Dade Clerk of the Court (State Attorney)**
- **Miami-Dade Police Department (State Attorney)**
- **Justice and Security Strategies (State Attorney)**
- **Foster Care Review, Inc. (Commission)**

Please note, pursuant to section 215.971(2)(a)2, F.S., effective December 1, 2014, each grant manager responsible for agreements in excess of \$100,000 annually must complete the training to become a certified contract manager as provided under section 287.057(14). Information about becoming a Florida Certified Contract Manager is available from the Department of Management Services website at http://www.dms.myflorida.com/business_operations/state_purchasing/public_procurement_professional_development/certifications_for_the_public_procurement_professional.

Please provide a corrective action plan which addresses how these deficiencies will be corrected for future contracts. This plan should include steps that will be taken to provide a system for quality control including training, periodic management review, and feedback to staff that

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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 [REDACTED], if you have any questions.

Sincerely,

A large black rectangular redaction box covering the signature area.

Christina Smith

cc: Ms. Julianne M. Holt
Public Defender, Hillsborough County

Ms. Katherine Fernandez Rundle
Office of the State Attorney

Attachment A

Justice Administration Commission Contract Management Review

				Contract/Grant Agreement						
Agreement Number	Service Provider	Contract Amount	Agreement Type	Scope of Work/Deliverables	Financial Consequences	State and Federal Financial Assistance	Other	Contract/Grant Management	Cost Analysis	TOTAL NUMBER OF AREAS WITH DEFICIENCIES
JACF2	Foster Care Review, Inc.	\$368,160.00	Grant Disbursement Agreement	NA	NA	NA	NA	N	N	2
PH115	Gary L Wood and Associates	\$62,400.00	Standard Two Party Agreement by Statute	NA	NA	NA	NA	Y	NA	0
SK210	Justice and Security Strategies	\$100,000.00	Grant Disbursement Agreement	NA	NA	NA	NA	N	NA	1
PH170	Justice Management Institute	\$169,778.00	Standard Two Party Agreement by Statute	NA	NA	NA	NA	Y	NA	0
SK203	Miami-Dade Clerk of the Court	\$282,954.00	Grant Disbursement Agreement	NA	NA	NA	NA	N	NA	1
SK204	Miami-Dade Police Department	\$402,514.00	Grant Disbursement Agreement	NA	NA	NA	NA	N	NA	1
TOTAL NUMBER OF AGREEMENTS WITH DEFICIENCIES				NA	NA	NA	NA	4	1	