



RICK SCOTT  
GOVERNOR

*Better Health Care for all Floridians*

ELIZABETH DUDEK  
SECRETARY

September 27, 2012

Elizabeth Dudek, Secretary  
Agency for Health Care Administration  
2727 Mahan Drive  
Tallahassee, Florida 32308

Dear Secretary Dudek:

In accordance with Internal Auditing Standards, attached is the six month status report from the Bureau of Support Services in response to our report #12-05 *Enterprise Wide Audit of Contract Monitoring*, published on March 15, 2012.

Our follow-up review determined that the Bureau has addressed one outstanding issue and is in the process of addressing the other two. The Bureau has held training sessions containing topics we recommended staff incorporate into their sessions. The Bureau is in the process of revising its Agency Agreement procedures to match the Agency's Contract procedures. The Bureau is also in the process of revising the Procurement Policy to reflect the requirements specified by Florida Statutes. A detailed description of the issues, recommendations, and management's response can be found in the attached table. We will schedule another follow-up review in six months to assess the efforts taken by the Bureau to correct all open issues.

If you have any questions regarding this status report, please let me know.

Respectfully Submitted,

Eric W. Miller  
Inspector General

EWM/kv  
Enclosure

cc: Tonya Kidd, Deputy Secretary  
Jennifer Barrett, Chief of Support Services



Agency for Health Care Administration  
 Inspector General's Office – Bureau of Internal Audit  
 Report Title: Enterprise Wide Audit of Contract Monitoring  
 Report #12-05, Issued March 15, 2012  
 Status Update as of September 20, 2012

No.	Finding	Issue	Recommendation	Previous Management Response	Status Update	Anticipated Completion Date and Contact
1	The Agency specific Contract Manager Training needs to be expanded to detail all aspects of contract management.	Agency contract managers should be properly trained on the topics that are referenced and specified throughout the Procurement Policy and Contract Manager Desk Reference. This includes the Agency procurement and contract development process, roles and responsibilities of contract managers and contract administration, contract monitoring, deliverables, invoice payment, contract requirements, contract monitoring, closeout procedures, etc.	We recommend that Contract Administration continue to develop and present mini-trainings periodically that will further address the basic principles and fundamentals of Agency contract management. Some topics to focus on include the day-to-day management of contracts, contract monitoring, contract requirements, closeout procedures, fiscal monitoring, and invoicing (specifically the review of invoices and supporting documentation prior to payment). We also recommend that Contract Administration consider recording training sessions and posting to SharePoint for future review by contract managers. Recording specific training will help limit the need for face-to-face training.	<p><b>Status as of March 15, 2012</b>            Contract Administration will continue to hold topic specific mini-trainings throughout the year.</p> <p><u>Anticipated Completion Date</u></p> <p>The first training session specific to day-to-day contract management, contract monitoring, etc. will be held February 28, 2012.</p>	<p>The training sessions that included the day-to-day management of contracts, contract monitoring, contract requirements, closeout procedures, fiscal monitoring, and invoicing (specifically the review of invoices and supporting documentation prior to payment). Contract Administration is currently working on expanding the Contract Manager mini-trainings to include the new DFS requirements regarding the FACTS system and Contract Summary forms (in addition to other items).</p>	<p>New set of mini-trainings to begin in early November 2012.</p> <p>CONTACT: Marianne Yancey (850) 412-3893</p> <p>Auditor's note: We consider this issue addressed.</p>

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2	Contract closeout procedures are not specifically defined and documented.	The Contract Manager Desk Reference states the responsibilities of contract managers, but does not specifically identify contract closeout procedures other than completing an evaluation of the vendor's performance. Providing Agency contract managers with specific contract closeout procedures will help ensure that the contract is properly closed and that no objectives and deliverables were missed prior to closing out the contract. Contract closeout procedures will also assist with ensuring the completeness of the Agency contract file.	We recommend the Contract Administration unit update the contract closeout section of the Contract Manager Desk Reference. This section should include additional guidance to contract managers for ensuring proper closeout of Agency contracts.	<b>Status as of March 15, 2012</b> The contract closeout section of the Contract Manager Desk Reference has been updated to include additional contract closeout items and instructions. Contract closeout will also be covered in upcoming Contract Manager Training.	Complete	Complete

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3	The Agency's Agency Agreements Policy (Policy/Procedure #4028) should be updated to include procedures for the development, use, and monitoring of such agreements.	The current Agency Agreements Policy establishes procedures for routing and ensuring all agreements are captured in one central repository, located in the Procurement office. This policy does not include requirements for the development and monitoring of such agreements.	We recommend that the Procurement Office, in concert with General Counsel (to ensure compliance with Section 112.24, F.S. and Section 215.971, F.S.) develop policies and procedures for Agency agreements to address these issues and to help ensure consistency in the development, execution, and monitoring of Agency agreements.	<p><b>Status as of March 15, 2012</b>  The Agency Agreement Policy (#4028) will be updated to include procedures for development, use, and monitoring.</p> <p><u>Anticipated Completion Date</u>  None specified.</p>	Contract Administration is currently revising the Agency Agreement procedures to match the Agency's Contract procedures. This process is where Contract Administration will handle the creation, routing, and execution of Agency Agreements, and also conduct annual file reviews to ensure all required information is current and correct in the Agency Agreement files.	September 28, 2012  CONTACT: Marianne Yancey (850) 412-3893
4	Agency contract policies and procedures lack certain requirements specified by Florida Statutes.	Section 287.057(14), Section 287.057(16)(a)&(b), and Section 287.133(3)(b) should be documented in the appropriate Agency policy and procedures to ensure compliance with state rules.	We recommend updating the appropriate policies and procedures, specifically the Procurement Policy and the Contract Manager Desk Reference, to include the requirements specified in Section 287.057(14), Section 287.057(16)(a)&(b), and Section 287.133(3)(b), F.S.	<p><b>Status as of March 15, 2012</b>  The requirements specified in Section 287.057(14), F.S. and Section 287.057(16)(a)&amp;(b), F.S. are now included in both the Procurement Policy (#4006) and the Contract Manager's Desk Reference and will continue to be covered in Contract Manager Training.</p>	Contract Administration is currently in the process of revising the Procurement Policy. Section 287.133(3)(b), F.S., which was not included in the last update, will be added to the policy.	October 15, 2012  CONTACT: Marianne Yancey (850) 412-3893

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				<p>The requirements specified in Section 287.133(3)(b), F.S. will be added to the Procurement Policy (#4006) in next update.</p> <p><u>Anticipated Completion Date</u></p> <p>None Specified.</p>		