AHCA
FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

Better Health Care for all Floridians

RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

March 4, 2014

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 24-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.

Management has indicated that corrective action has been completed for the remaining two of our four recommendations. A detailed description of the issues, recommendations, and management's response can be found in the attached table. This project is closed because all issues have been corrected.

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

Respectfully,

Eric W. Miller
Inspector General

EWM/szg
Enclosure
cc: Tonya Kidd, Deputy Secretary
        Jennifer Barrett, Chief of Support Services

Agency for Health Care Administration
Inspector General's Office – Internal Audit
Report Title: Enterprise Wide Audit of Contract Monitoring
Report# 12-05, Issued March 15, 2012
24 Month Status Update as of March 4, 2014

NO.	FINDING	ISSUE	RECOMMENDATION(S)	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.	**Status as of September 20, 2012** Complete **Status as of March 15, 2012** Contract Administration will continue to hold topic specific mini-trainings throughout the year. <u>Anticipated Completion Date</u> The first training session specific to day-to-day contract management, contract monitoring, etc. will be held February 28, 2012.	N/A	N/A

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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.	**Status as of September 20, 2012** Complete **Status as of March 15, 2012** 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.	N/A	N/A

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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.	**Status as of September 13, 2013** The Procurement Office is still working to finalize the Agency Agreement Policy. The Procurement Office anticipates having the final policy ready for distribution later this calendar year. Anticipated Completion Date October 31, 2013 **Status as of March 15, 2013** The Procurement Office has completed a revised draft Agency Agreement policy and it is currently being routed for approval through the Agency. Anticipated Completion Date June 30, 2013	Completed December 2013	N/A

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				Status as of September 20, 2012 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. Anticipated Completion Date September 28, 2012 **Status as of March 15, 2012** The Agency Agreement Policy (#4028) will be		

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				updated to include procedures for development, use, and monitoring. <u>Anticipated Completion Date</u> None specified.		
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.	**Status as of September 13, 2013** The Procurement Office is still working to finalize its policies & procedures. The Department of Management Services (DMS) is releasing an updated version of the Florida Procurement Guidebook in September 2013. DMS also just released a contract attestation policy that will need to be incorporated into the Agency's policies & procedures by October	Completed December 2013	N/A

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				2013. Anticipated Completion Date October 31, 2013 **Status as of March 15, 2013** The Procurement Office is reviewing its policies and procedures to ensure policies are current and forms are updated as appropriate. The Department of Management Services recently published its Florida Procurement Guidebook. The Procurement Office is utilizing this Guidebook in updating its policies and procedures. Anticipated Completion Date June 30, 2013		

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				Status as of September 20, 2012 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. Anticipated Completion Date October 15, 2012 **Status as of March 15, 2012** The requirements specified in Section 287.057(14), F.S. and Section 287.057(16)(a)&(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		

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