STATE OF FLORIDA

MANAGEMENT’S CORRECTIVE ACTION PLAN

PREPARED AND SUBMITTED BY MANAGEMENT IN ACCORDANCE WITH THE UNIFORM GUIDANCE

FOR THE FISCAL YEAR ENDED
JUNE 30, 2016
Finding Number: 2016-001

Planned Corrective Action: The Department concurs with the finding. The Department's procedures regarding unrecorded payables clearly documents the responsibility of staff to ensure the appropriate recording of liabilities and expenditures as of June 30. The Department will completely adhere to its established procedures to ensure the appropriate accrual of liabilities and expenditures at fiscal year end.

Anticipated Completion Date: 12/06/2016 and to be demonstrated during fiscal year end 2017.

Responsible Contact Person: Jason Adank, Deputy Comptroller, General Accounting Office
Finding Number: 2016-002

Planned Corrective Action: The FAHCA BFS will create a year-end memorandum that will be provided to the Division of Medicaid, the division responsible for the identification and correction of errors in the Florida Medicaid Management Information System (FMMIS). This memorandum will ask the Division of Medicaid to provide a list of all known corrections to provider payments that may result in a correction to previously issued financial statements. For purposes of the statewide financial statements, the materiality level will be set at $1 million.

Anticipated Completion Date: 02/28/17

Responsible Contact Person: Anita B. Hicks
(850) 412-3815
Finding Number: 2016-003
Planned Corrective Action: We concur with the finding. Both financial reporting positions responsible for fiscal year-end financial reporting were vacant during year-end. These positions have both been filled as of December 31, 2016. These employees are currently in training to be prepared for the upcoming fiscal year end activities. Additionally, our year-end financial reporting procedures are under review and being updated to provide more detailed descriptions and instructions. With adequate staff, review procedures will be followed to detect issues before final submission of information to Statewide Financial Reporting Section (SFRS).

Anticipated Completion Date: May 31, 2017
Responsible Contact Person: Robin Holley, 717-6127
Finding Number:  2016-004

Planned Corrective Action:  We concur with the finding. Both financial reporting positions responsible for fiscal year-end financial reporting were vacant during year-end. These positions have both been filled as of December 31, 2016. These employees are currently in training to be prepared for the upcoming fiscal year end activities. Additionally, our year-end financial reporting procedures are under review and being updated to provide more detailed descriptions and instructions. With adequate staff, review procedures will be followed to detect issues before final submission of information to Statewide Financial Reporting Section (SFRS).

Anticipated Completion Date:  May 31, 2017

Responsible Contact Person:  Robin Holley, 717-6127
Finding Number: 2016-004

Planned Corrective Action: The Department will take steps to ensure that only amounts recorded to GLCs 121, 122, and 224 are considered when reconciling to Cash with the State Treasury.

Anticipated Completion Date: January 27, 2017

Responsible Contact Person: Danta White, Financial Administrator
Statewide Financial Reporting Section
(850) 413-5746
Finding Number: 2016-005

Planned Corrective Action: State Agency Response and Corrective Action Plan

To ensure future year end taxes receivable and the related distributions are recorded in the financial statements, the Bureau of Finance and Accounting has updated the year-end checklist to include the confirmation of the taxes receivable from AB&T Cigarette Tax Collection Trust Fund and at the same time compare the year end trial balance from the prior year to the current year to make sure the receivable has been recorded with the related distributions to other state agencies. This update to the checklist will also ensure the related supervisory review.

Anticipated Completion Date: 1-18-2017

Responsible Contact Person: Ruth Dillard
Finding Number: 2016-006


Planned Corrective Action: FDACS has developed enhanced procedures to ensure all amounts in each Part of the FNS-10 are correctly reported.

All information reported in the FNS-10 is subject to revision based on audits, investigations, or management evaluations, and amounts may alter from month to month as Program Operators make administrative adjustments; however, the FNS-777 report, which is submitted to the U.S. Department of Agriculture following the end of the 4th quarter of the fiscal year reconciles the monthly FNS-10 amounts with final financial data for all Child Nutrition Cluster programs. It is considered the final financial reconciliation and closeout for each fiscal year. Part B of the FNS-10 for October 2015 has been revised to reflect the most up to date information from FANS for that reporting period, including revisions as described above.

Anticipated Completion Date: Completed

Responsible Contact Person: Christine Meresse
Finding Number: 2016-007

Finding: FDACS procedures were not adequate to ensure that sub-recipient audit reports were obtained and reviewed for all subrecipients and subrecipient deficiencies were timely followed up on.

Planned Corrective Action: As identified in the Office of the Inspector General Report 2016-02, Enterprise Assessment of Single Audit Act Activities Across Selected State Agencies, the State of Florida does not maintain a public database of completed Single Audit Reports. In lieu of a central repository, FDACS will continue to utilize Child Nutrition Cluster reimbursement data from the prior fiscal year to identify subrecipients who are most likely to expend $750,000 or more in Federal awards each fiscal year. FDACS will contact each identified subrecipient to determine whether an audit is required. FDACS will also conduct monthly reviews of the audit tracking log to ensure all subrecipient audit reports are obtained, reviewed, and timely followed up on.

Award amounts from the Federal Child Nutrition Cluster for the four identified subrecipients totaled $173,945.42 or approximately .002% of total federal awards from FDACS. The Federal Single Audit reports for the four identified subrecipients were obtained by FDACS by November 22, 2016. The audit reports were reviewed and no findings related to the Federal award were identified. The FDACS audit tracking log has been updated to reflect these actions.

FDACS also issued a management decision letter on December 22, 2016 to the one identified subrecipient with a Federal awards finding. A follow-up request to the subrecipient was submitted on January 25, 2017 and included a 15-day notice of due date for the corrective action response. The corrective action response for the subrecipient's audit report was received by FDACS on February 7, 2017. The corrective action was determined to be sufficient and a closure letter was issued to the subrecipient the same day.

Anticipated Completion Date: Completed

Responsible Contact Person: Christine Meresse
Finding Number: 2016-008
Finding: The FDACS did not notify Child Nutrition Cluster sponsors that, as of October 1, 2015, the terms and conditions of the federal award had been revised.

Planned Corrective Action: FDACS has established a temporary procedure to annually notify its subrecipients of the Federal Award Identification Number (FAIN); the Federal Award Date; and the Subaward Period of Performance Start and End Date of each Federal award as specified in 2 CFR 200.331(a). This information is available for Fiscal Year 2016-2017 in the “Download Forms” section of the Florida Automated Nutrition System (FANS) under the “Federal Award Information” tab. Subrecipients were advised of the availability of this information through the FDACS weekly communication. Moving forward, FDACS will notify subrecipients on November 1st annually using the same procedure until final guidance is received from the U.S. Department of Agriculture.

During fiscal year 2015-2016, FDACS provided five webinar trainings on the new Uniform Guidance and all applicable policy changes identified as a part of the Omni Circular, 2 CFR 200. FDACS Child Nutrition Program participants were invited to participate in these training sessions during the week of April 18th, 2016.

FDACS will also continue to provide web-based and in-person trainings on the Uniform Guidance and all applicable policy changes identified as a part of 2 CFR 200 as it did during FY 2015-2016

Anticipated Completion Date: Immediately
Responsible Contact Person: Christine Meresse
Finding Number: 2016-010

Planned Corrective Action: **UI Allowable Costs/Cost Principles and Eligibility** - The FDEO has identified an enhancement that is presently in progress to address this finding.

The first phase is currently scheduled for implementation on 4/29/17, and will address programmatic changes needed to display all of the details entered by the claimant during the Continued Claims process on the PDF.

Several fields are required to be entered by the claimant during the continued claims process, but only the Date of Contact, Employer Name, Person Contacted, Phone, Email, Method of Contact and Comments are displayed on the PDF.

Additional phases will include:

- Corrections will be made to the validation logic for the work search fields (i.e. If the claimant indicated “In-Person” method of contact, the claimant would be required to enter the Employer’s address).

- Messaging and validation logic to prevent claimant’s from entering the same employer multiple times in one week will be added to the system.

Anticipated Completion Date: July 2017 (all phases)

Responsible Contact Person: Karel Clark
Finding Number: 2016-011

Planned Corrective Action: **UI – Reporting – 227** - Some of the issues identified with the Federal Financial Reports (i.e. ETA 227) reviewed during this audit were due to reversals and data patches occurring between the end of the quarter and the time the report ran.

The problems identified were addressed by modifying the code to use the historical data. This historical data was not available to reports prior to 3rd quarter of 2015.

The 4th quarter of 2015 was successfully submitted on Feb. 1, 2016.

A fix was identified to address the additional issues discovered to correct Section B and Section D Overpayment Fraud Detection and Investigation sections mentioned in the finding. The fix is scheduled for completion on 4/29/17.

Once the issues are resolved, the prior reports will be re-run and re-submitted.

Anticipated Completion Date: May 2017

Responsible Contact Person: Karel Clark
Finding Number: 2016-012

Planned Corrective Action: Special Tests and Provisions – UI Program Integrity – Overpayments - Code Enhancement to CONNECT system - CONNECT does suspend overpayments in certain situations such as being issued past the Statute of Limitations or in cases where a Notice of Determination is not generated in order to ensure that claimants are provided due process and appeal rights.

The Department continues to incorporate enhancements to ensure that all valid overpayments generate Notice of Determinations and the suspension process can be phased out.

Additionally, CONNECT uses live data and does not provide static historical information through extracts. The CONNECT report listing of monthly overpayments has been vetted and provides more precise data and captures a monthly snapshot.

This report enhancement is planned for May 2017, and the Department is currently working to provide the monthly data to the Auditor General to ensure accurate data is provided for overpayment listings included in future audits.

Anticipated Completion Date: May 2017

Responsible Contact Person: Karel Clark
Finding Number: 2016-013

Planned Corrective Action: **UI Benefit Payments – BAM** - The Department has made great progress in completing case investigations within USDOL established time frames after completion of the backlog of cases reviewed during this audit period.

As of January 31, 2017, batches 201627 through 201640 have been assigned. Paid case investigations up through Batch 201640 have been completed. Batch 201640 was completed before its sixty day timeliness due date of November 30, 2016. Florida’s 60 day case completion time lapse for paid case accuracy is 99.22% and 98.41% for denied case accuracy up through batches 201640.

The Department has identified fixes that are presently in progress regarding the NDNH Crossmatch and a summary of investigations being missing from the case file documentation. The fixes for those issues are currently scheduled for June 2017 implementation.

The Internal DEO BAM Manual is currently being revised to comply with the Auditor’s recommendations and scheduled for completion by 3/3/17.

Internal staff training was conducted in-person by USDOL in March 2016. An additional internal BAM investigator training will be conducted by May 2017.

Anticipated Completion Date: June 2017

Responsible Contact Person: Karel Clark
Finding Number: 2016-014

Planned Corrective Action: Agree- The Department agrees with this finding as well as the recommendation.

We are currently in the process of correcting the 13 sample projects where the Federal matching requirement was not met by applying additional toll credits (as soft match) to satisfy the identified shortfalls. We are also correcting the projects where the state and local funds were incorrectly reported to FHWA.

We are currently reviewing all projects closed during the last four years to determine the total number of projects where the Federal matching requirement might not have been met. We will work with the FHWA Florida Division Office to make additional corrections if any are found (in addition to the 13 already identified) that did not meet the Federal matching requirements.

Anticipated Completion Date: February 28, 2017

Responsible Contact Person: Jack May 850-414-4625
Finding Number: 2016-015

Planned Corrective Action: Agree- The Department acknowledges that for 7 of the 18 construction contracts reviewed as part of this audit, it was discovered that 5 various members of the Technical Review and/or Contract Awards Committee did not sign the Conflict of Interest form as required by the FDOT procedures referenced herein. Through the prosecution of this audit, all missing signatures were obtained on the appropriate Conflict of Interest forms and provided to the audit team.

Anticipated Completion Date: Completed- All required signatures were obtained and provided prior to close of the audit.

Responsible Contact Person: Alan Autry 850-414-4195 or Greg Davis 850-414-4170
Finding Number: 2016-016
Planned Corrective Action: Agree- The corrective action plan from the previous audit has been fully executed and the MAC system was brought on-line in October 2016. No further corrective action is planned at this time.
Anticipated Completion Date: June 30, 2016
Responsible Contact Person: Allen Hughes
Finding Number: 2016-017

Planned Corrective Action: Agree. It should be noted that as soon as the Department became aware of the issue regarding the program income, it was rectified. Program income was reported for the quarters ending: December 31, 2015, March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016.

Anticipated Completion Date: Completed, no addition non-reports of program income have been found.

Responsible Contact Person: Ed Coven, 414-4522
Finding Number: 2016-018

Planned Corrective Action: The FDOE Division of Technology and Innovation (DTI) will work to provide guidance around granting and documenting authorized user access and appropriate user privileges to the MSIX and FDOE Monitoring System. Once guidance is developed and communicated, it will be the responsibility of the business unit to establish a process that will assign, review and revoke user access and appropriate privileges.

Additionally, DTI will develop a policy that will require the business units to review existing authorized users and address expired user removals across each application. The policy will include a review of appropriate privileges. Upon development and approval of policy, the new policy will be disseminated accordingly and placed on the FDOE Intranet.

Anticipated Completion Date: September 30, 2017

Responsible Contact Person: Martha K. Asbury, Assistant Deputy Commissioner Finance and Operations
850/245-0420
Finding Number: 2016-019

Planned Corrective Action: Currently, FLMSIX uses the Department’s Single Sign On (SSO). There are approximately six users which are in the DOE office. FDOE is a federated user of SSO and therefore uses their local security administration which for FDOE is the Department’s Active Directory. Thus, to address the finding related to security controls center around user authentication for Florida Migrant Student Information (FLMSIX) and Florida Department of Education (FDOE), DTI is currently working to modify the Active Directory’s password policies and operations. The policies and operations shall include guidance on review of appropriate privileges. Once the policies and operations are revised and approved, communication of the changes will be disseminated accordingly and placed on the FDOE intranet and the DTI SharePoint. Moreover, the FDOE Monitoring System application contains its own security administration module. Thus, DTI will also modify this module to address user authenticity as identified in the findings.

Anticipated Completion Date: August 30, 2017

Responsible Contact Person: Martha K. Asbury, Assistant Deputy Commissioner Finance and Operations
850/245-0420
Finding Number: 2016-020

Planned Corrective Action: The Bureau of Federal Educational Programs (BFEP) identified a monitoring coordinator who is being trained as the system administrator and monitoring coordinator. The coordinator will be responsible for ensuring evidence is accessible during the performance year.

BFEP will further efforts to enhance operational procedures to include creating and storing electronic “backup” files which will include all monitoring evidence uploaded into the Monitoring System.

Anticipated Completion Date: September 20, 2017

Responsible Contact Person: Martha K. Asbury, Assistant Deputy Commissioner Finance and Operations
850/245-0420
Finding Number: 2016-021

Planned Corrective Action: The FDOE Bureau of Federal Educational Programs (BFEP) has identified a monitoring coordinator who is being trained as the system administrator and monitoring coordinator. The coordinator will be responsible for ensuring evidence is accessible during the performance year and for a minimum of three years after the end of the fiscal year.

BFEP will further efforts to enhance operational procedures to include creating and storing electronic "backup" files which will include all monitoring evidence uploaded into the Monitoring System.

NOTE 1: Evidence supporting the four districts referenced in this finding was made available after the audit review period.

NOTE 2: Over the next several years this monitoring system will be incorporated in the enterprise grants management system being procured for the entire department.

Anticipated Completion Date: September 20, 2017

Responsible Contact Person: Martha K. Asbury, Assistant Deputy Commissioner
Finance and Operations
850/245-0420
Finding Number: 2016-022

Planned Corrective Action: For the remainder of the 2016-17 program period, semi-annual certifications for employees paid solely from the CTE Program will be generated manually and signed by the supervisor of each staff member.

Beginning with the 2017-18 fiscal year, FDOE will implement a new time and effort certification for employees paid 100% from a single federal fund source. This new system will utilize the state’s People First personnel system for documentation and certification purposes.

Anticipated Completion Date: June 30, 2017

Responsible Contact Person: Martha K. Asbury, Assistant Deputy Commissioner Finance and Operations 850/245-0420
Finding Number: 2016-023

Planned Corrective Action: The FDOE/Division of Vocational Rehabilitation (DVR) Area office staff will be required to develop corrective action plans that include tracking milestones on a weekly, monthly and quarterly basis.

The FDOE/DVR Area office staff will be required to conduct quality assurance reviews of case notes to ensure that the three requirements for a valid eligibility extension are met for each area office.

The FDOE/DVR Area office staff will be required to conduct “Back to Basics” training that emphasizes timeliness of all milestones.

FDOE/DVR staff will analyze data to identify any patterns or root causes for non-compliance that can be addressed.

The FDOE/DVR will implement a new statewide case management tool that will help staff conduct preliminary assessments that are meaningful and timely.

The FDOE/DVR will complete a comprehensive review and redesign of our quality assurance/quality improvement process at all stages of the casework process.

Anticipated Completion Date: November 2017

Responsible Contact Person: Aleisa McKinlay
Finding Number: 2016-024

Planned Corrective Action: The Department of Management Services will continue to provide annual funding model analyses, including revenue projections and fee options, for the Governor and Legislature to consider. Changing the fee requires legislative action.

Anticipated Completion Date: The funding model analysis will be provided to the Governor and Legislature with the submission of the Legislative Budget Request in September 2017.

Responsible Contact Person: Kelly McMullen
Finding Number: 2016-027
Planned Corrective Action: Completed. The Office of Contracts updated the Financial and Compliance Attachment to FDOH’s contract to ensure all elements required by 2 CFR Part 200.331 were addressed. The Office of Contracts communicated this update to all division and county health department contract liaisons and provided an informational guide of the requirements.
Anticipated Completion Date: N/A
Responsible Contact Person: Antonio Dawkins, Director
Office of Contracts
850-245-4611
Finding Number: 2016-028

Planned Corrective Action: Revise Processes for Federal Fund Draws

The Department concurs with this finding. There was confusion concerning the U.S. Department of Health and Human Services directive to Agencies to transition from the G accounts to the P accounts and how carryforwards were to be handled during the process.

The following processes for cash draws outside of the routine daily draws will be revised to ensure compliance with Title 31 CFR Part 205.33 - How are funds transfers processed?

- Drawdown requests for federal funds other than the routine daily cash draws will require the Budget and Revenue Management Chief's review and approval.
- Supporting documentation of expenditures shall be submitted along with any request for cash draws to ensure an auditable record is provided to evidence compliance with federal regulations governing federal draws.
- Grant analysts will be required to review grant cash and expenditures weekly to ensure timely and accurate cash draws for allowable grant expenditures.
- Grant supervisors will provide weekly updates of the cash draw and expenditure analysis to the Budget and Revenue Management Chief.
- Staff in the Cash Unit will advise the grant analyst, the appropriate grant supervisor and the Budget and Revenue Management Chief of any positive cash balances that are beyond a reasonable threshold for refunds or correcting expenditure entries.

OBRM's cash draw policies and procedures will be reviewed and updated as appropriate.

Anticipated Completion Date: May 31, 2017

Responsible Contact Person: Dawn McWilliams
Office of Budget and Revenue Management
850-245-4227
Finding Number: 2016-029
Planned Corrective Action: Completed. FDOH has identified the cause of the oversight. FDOH submitted a revised *Federal Financial Report* to the Department of Health and Human Services.
Anticipated Completion Date: N/A
Responsible Contact Person: Dawn McWilliams
Office of Budget and Revenue Management
850-245-4227
Finding Number: 2016-030

Planned Corrective Action: FDCF will follow establish procedures for the timely submission of the PACAP and amendments to the PACAP with the estimated timeline listed for submission of the Quarterly CAP Amendments:

**July 1st through September 30th (1st Quarter)**
The Amendment to the 1st Quarter CAP should be submitted by November 30th.

**October 1st through December 31st (2nd Quarter)**
The Amendment to the 2nd Quarter CAP should be submitted by February 28th.

**January 1st through March 31st (3rd Quarter)**
The Amendment to the 3rd Quarter CAP should be submitted by May 31st.

**April 1st through June 30th (4th Quarter)**
The Amendment to the 4th Quarter CAP should be submitted by August 31st.

Anticipated Completion Date: March 15, 2017

Responsible Contact Person: Mark Mahoney
Finding Number: 2016-031

Planned Corrective Action: ACF-199 TANF Data Report – A system enhancement will be made to the FLORIDA system countable months indicator to ensure correct identification of countable months. The Department will prioritize the system enhancement to determine its implementation. However, it is anticipated that implementation may not occur expeditiously due to other competing system enhancements with a higher priority.

In the interim, the Department will continue to use the current workarounds in the programming code used to compile the files for the ACF-199 TANF Data Report and will modify it to account for the anomalies with the FLORIDA system indicator that caused the discrepancies. Once the programming code modification is completed, the report for quarter ending December 31, 2015, will be resubmitted and all reports submitted after quarter ending December 31, 2015, will be resubmitted if there is a change in the number of countable months.

Anticipated Completion Date: June 30, 2017 (system enhancement prioritization)

October 31, 2017 (programming code modification and report submission)

Responsible Contact Person: William Martinez
Finding Number: 2016-032

Planned Corrective Action: **TANF – Subrecipient Monitoring** - Starting April 1, 2017, FDEO will communicate required Federal award identification information, applicable Federal regulations, and any changes in required award information through FDEO’s Notices of Award/Notice of Fund Availability (NFAs). FDEO staff will review each NFA when they are issued to ensure all required Federal award identification information and references to applicable Federal regulations are accurate and complete.

Anticipated Completion Date: April 1, 2017

Responsible Contact Person: Damon Steffens/Caroline Womack
Finding Number: 2016-033

Planned Corrective Action: TANF Child Support Enforcement (CSE) Sanctions – To ensure CSE sanction requests are imposed/lifted properly, a statewide in-service training will be provided to all eligibility and supervisory staff on the following:

- Requirement to impose/lift CSE sanctions
- Imposing/lifting CSE sanctions on child-only cases

The file retention for Florida Department of Revenue (FDOR) files will be increased to the maximum output to ensure that documentation is available to support the receipt of FDOR sanction requests.

A system enhancement will be made to create child support data exchanges (DECS) for FDOR sanction requests received for individuals with no valid SSN (including no SSN) to ensure CSE sanctions for these individuals are posted for worker action. Current system functionality does not support the creation of a DECS (the system notification to the eligibility worker to impose/lift a CSE sanction) for individuals with no valid SSN (including no SSN).

Anticipated Completion Date: March 31, 2017 (file retention)
June 30, 2017 (training)
June 30, 2017 (system enhancement)

Responsible Contact Person: Cindy Mickler (training)
David Ciabotti (file retention and system enhancement)
Finding Number: 2016-034

Planned Corrective Action: TANF Income Eligibility and Verification System (IEVS) – The Department implemented a system enhancement on September 26, 2016, to no longer allow staff to authorize or deny benefits at application, renewal or when processing a change when there are unreviewed/unworked or pending data exchange (DE) responses (this includes IEVS DE responses). This ensures that all DEs associated with a case at the time action is taken are reviewed/worked.

The system enhancement also no longer allows DEs to be in a pending status. (Prior to the system enhancement, although action, in most instances timely, had been taken on DEs as denoted by their pending status, this status did not stop the clock for DE processing days.) With this enhancement, once action is taken on the DE, the clock for processing days stop.

A refresher training on processing DEs (including IEVS DE responses) timely was completed by eligibility staff and supervisors statewide by June 24, 2016. The IEVS data exchange responses for the three cases cited occurred prior to the completion of the training.

Anticipated Completion Date: September 26, 2016 (system enhancement)
June 24, 2016 (training)

Responsible Contact Person: Cindy Mickler
Finding Number: 2016-035

Planned Corrective Action: SMI, Inc. began operations as the SDU vendor on October 1, 2016. The first annual SOC1 and SOC2 audit reports are due to DOR by the end of the state fiscal year.

Anticipated Completion Date: June 30, 2017

Responsible Contact Person: Chris Butterworth
Finding Number: 2016-036

Planned Corrective Action: The Department has already taken actions to ensure subrecipient audit reports are received timely, reviewed annually and any related management decisions issued timely. The Department's Subrecipient Federal Award Notification and Single Audit Review Procedure is currently in the review and approval process (full approval anticipated March 31, 2017). All subrecipient Single Audit assessments for Federal FY 2014-15 have been completed with no findings identified. Subrecipient Single Audit assessments for FFY 2015-16 will begin June 1, 2017.

Anticipated Completion Date: March 31, 2017

Responsible Contact Person: Chris Butterworth
Finding Number: 2016-037

Planned Corrective Action: The Department's Subrecipient Federal Award Notification and Single Audit Review (final approval anticipated March 31, 2017) include steps to notify subrecipients of Federal award identifying information and major changes to the terms and conditions. In October 2016 and January 2017, the Department sent the quarterly Federal award notification to each subrecipient.

Anticipated Completion Date: March 31, 2017

Responsible Contact Person: Chris Butterworth
Finding Number: 2016-038
Planned Corrective Action:

Control: Operating system changes follow a defined change control process.

Procedures were modified to ensure that all Windows operating system patches are appropriately documented in accordance with the change control process.

Implemented on April 6, 2016.

Control: The Account Solution Architect (SA) and independent reviewer verified all Switch User (SU) production activity was appropriate by agreeing each production change to a valid change ticket on a daily basis.

The FLXIX Security Policies and Procedures Manual was modified (version 1.1) to add security procedures for monitoring and auditing Switch User ID access to production. Section 17.1.6 of the Procedure Manual – post implementation of corrective action states, “The access is monitored on a daily basis by a HPES Solution Architect and a Systems Engineer who do not have the access to the super user ID.” Therefore, two independent individuals are conducting the reviews.

On a weekly basis, Switch User ID access is reviewed to verify if the level of access is appropriate for the individual’s job responsibilities.

This corrective action was applied to production level access and not applicable to test environments.

Implemented on March 26, 2016.

Control: The Team Leaders review user IDs for appropriateness on a quarterly basis.

Reviews are conducted each quarter and a report is delivered to FAHCA’s Medicaid Fiscal Agent Operations (MFAO).

All subcontractor access was reviewed on March 1, 2016 and access was confirmed as appropriate.

Procedures were modified on March 1, 2016 to ensure all HPE and subcontractor Medicaid Enterprise User Provisioning System (MEUPS) IDs are reviewed for appropriateness on a quarterly basis.

The MFAO reviews the report as part of the HPES Report Card process. The HPE Report card assigns a score for measurable performance measures and when the Fiscal Agent receives an unacceptable score, they are liable for liquidated damages under the current contract.
Implemented on March 1, 2016 for the July quarterly MEUPS audit.

**Control: For the UNIX environment,**

1. **Access is approved and appropriate to job functions.**
2. **Programs or processes that operate in "supervisor/privileged state", or are otherwise unlimited by system security, are appropriately defined and restricted.**
3. **The use or special privileges and powerful system commands are logged.**

The FLXIX Security Policies and Procedures Manual was modified (version 1.1) to add security procedures for monitoring and auditing Switch User ID access to production.

The access reviews are conducted as follows (per Security Policies and Procedure Manual):

- For the identified issues, the UNIX account access was removed on March 21, 2016. All audit files were inspected and no inappropriate activity was found.
- Switch User activity is recorded for each system and uploaded daily to the FLXIX SharePoint site.
- The activity is reviewed and signed off by the Leveraged Security Administrator (or FLXIX Security Officer (SO)).
- Any questions about the activity are directed to the Solution Architect and the Systems individuals who performed the activity.
- The review must verify that a valid Change Order (CO) or Florida Interactive Portal (FIP) was recorded for all the Switch User usage.

Implemented on March 26, 2016.

**Control: For the Windows environment, access is approved and appropriate to job functions.**

The Windows accounts were removed as of March 15, 2016, according to the Security and Policies Procedure Manual. The systems were inspected and no inappropriate activity was found.

Implemented on March 15, 2016.

**Control: Password parameters for Oracle databases are in place and are communicated to all users.**

HPES has the system parameters appropriately configured. The result of the change is to call a verification function.

Execution of this function results in the verification of the password length, as well as approximately a dozen other verifications.

Implemented April 2016.

Anticipated Completion Date: Implemented April 2016
Responsible Contact Person: Cheryl A. Travis
Finding Number: 2016-039

Planned Corrective Action: The FAHCA will make every effort to ensure that FLAIR data submitted to FDFS for CMIA clearance patterns is accurate and complete. The CMIA clearance pattern spreadsheet has been updated to include the one category that was not reported to FDFS as being related to the CHIP program and to remove the five categories that were mistakenly reported to FDFS as being related to the CHIP program. For the clearing pattern process that will be due on August 2017, a second level review will be added to this process.

Anticipated Completion Date: February 8, 2017

Responsible Contact Person: Anita B. Hicks
Finding Number: 2016-040

Planned Corrective Action: To ensure the CHIP Federal subaward is clearly identified to the subrecipient at the time of the subaward and any subsequent changes, FAHCA staff developed a Federal Award Notification form addressing specified requirements identified in 2 CFR 200.331(a), Requirements for Pass-through Entities. On January 30, 2017, FAHCA notified the subrecipient of the CHIP grant award approved for the period of 10/1/2015 through 9/30/2017 under the CHIP Appropriation No. 7560515, dated March 9, 2016.

A provision will be incorporated in the Scope of Services section of the CHIP administration contract between FAHCA and the subrecipient to ensure every CHIP federal subaward is clearly identified to the subrecipient and includes the elements identified in 2 CFR 200.331(a), Requirements for Pass-through Entities.

The CHIP contract manager has been added to FAHCA’s Bureau of Financial Services CHIP Federal Grant Award distribution list to ensure notification of all new CHIP subawards and any subsequent subaward modifications.

Anticipated Completion Date: January 30, 2017

Responsible Contact Person: Angela M. Wiggins
Finding Number: 2016-041

Planned Corrective Action: FAHCA anticipates that by the end of 2017, Molina will be replacing the Pharmaceutical Rebate Information Management System (PRIMS) with a new baseline system. Once this transition is complete, FAHCA will amend the contract to require the service organization (Molina) to obtain an SSAE-16 Audit Report that would ensure that the service organization internal controls are appropriately designed and operating effectively.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Paula McKnight
Tom Wallace
Finding Number: 2016-042

Planned Corrective Action: FAHCA initiated a Customer Service Request to modify the Florida Medicaid Management Information System (FMMIS). The system modification requests that the FMMIS be changed to require that an active Medicaid Provider Agreement be present for all providers before reimbursement of services can occur, including out-of-state providers.

Anticipated Completion Date: Currently, FAHCA is researching options to validate that out-of-state providers have an active Medicaid Provider Agreement with Florida Medicaid. The initial Corrective Action Plan was to automate the validation process by making FMMIS modifications. The results of the systems analysis documented that the modifications needed to automate this process will be extensive and therefore, FAHCA is exploring alternative options to meet the corrective action. In the meantime, FAHCA will institute a manual process to review provider eligibility by June 30, 2017.

Responsible Contact Person: Cheryl A. Travis
Finding Number: 2016-043

Planned Corrective Action: FAPD issued a Request for Information to ascertain if there are vendors interested in contracting to provide the UR/CSR function. FAPD is now working on a Request for Proposal in hopes that a vendor can be secured. In the meantime, FAPD is advertising for temporary OPS positions for each of the regions to help support the workload issue. These temporary positions will be dedicated to the completion of Continued Stay Reviews.

FAPD will continue to conduct monthly Medical Case Manager conference calls (statewide and Regional) for staff (including supervisors). ICF UR/CSR is a standard topic on the agenda.

FAPD does not have rule making authority specific to the ICFs. The Agency for Health Care Administration promulgated their revisions to the ICF Handbook and the State Plan July 2016. FAPD is working on updating our procedures and forms.

FAPD will continue to monitor Regional completion of Continued Stay Reviews and Certificates of Need completed by the facilities. An updated CSR form will help in the monitoring process.

Anticipated Completion Date: 12-31-2017

Responsible Contact Person: Lori Gephart
State of Florida
Management’s Corrective Action Plan –
Florida Agency for Health Care Administration
For the Fiscal Year Ended June 30, 2016

Finding Number: 2016-044

Planned Corrective Action: Medicaid Program Integrity has contracted with a vendor to perform the necessary programming to the case tracking system to ensure all complaints and case numbers generated by the tracking system are sequential, identifiable, maintained by the system, and have a historical utilization audit trail. The enhancement is in testing.

Anticipated Completion Date: March 15, 2017

Responsible Contact Person: Kenneth Yon
Finding Number: 2016-047

Planned Corrective Action: Office of Budget and Revenue Management staff are working with HIV Prevention Program staff to submit a revised Federal Financial Report for that grant that will include adjustments for the questioned cost amount.

Anticipated Completion Date: March 31, 2017

Responsible Contact Person: Dawn McWilliams
Office of Budget and Revenue Management
850-245-4227
Finding Number: 2016-048
Planned Corrective Action: Completed. FDOH will ensure that an obligation is based on a bona fide need that exists within the federal fiscal year (October 1 through September 30) and will be made no later than six months after the close of that fiscal year (March 30).
Anticipated Completion Date: N/A
Responsible Contact Person: Brian Garber, Interim Director
Division of Disability Determinations
850-488-4222, #5411
Finding Number: 2016-049

Planned Corrective Action: Concur - Protocols have been established through PeopleFirst (State of Florida Pay System) to ensure that salary and benefit costs charged to Homeland Security Grant Program (HSGP) are appropriately supported. Effective February 1, 2017, project codes have been added to the 12 employees of the Domestic Security grants unit to show hours worked on the State Homeland Security Grants Program (SHSGP) or Urban Area Initiative Security (UASI) grant program.

Anticipated Completion Date: Complete

Responsible Contact Person: Linda McWhorter (850) 813-9899
Finding Number: 2016-050

Planned Corrective Action: Concur - The Domestic Security Programmatic Unit will review Sam.gov to verify sub-recipients are registered and not suspended or debarred, which will include checking one level below our sub-recipients. Once the process for reviews for suspension or debarment is established, it will be documented in the Sub-recipient Grant Guidance Handbook. For the eight subrecipients identified in the audit, the Division verified in Sam.gov that the subrecipients and their principals were not suspended, debarred, or otherwise excluded.

Anticipated Completion Date: June 1, 2017

Responsible Contact Person: Linda McWhorter (850) 813-9899
Finding Number: 2016-051
Planned Corrective Action: Concur - Currently the reports are due to the reviewer at any time within the thirty-day federal requirement. We will change the requirement for submission to the reviewer to one week before the federal due date. This should allow sufficient time for the reviewer to adequately review and approve the information before submission.

Anticipated Completion Date: April 30, 2017
Responsible Contact Person: Karen Peyton (850) 408-3888