

CF OPERATING PROCEDURE
NO. 75-8

STATE OF FLORIDA
DEPARTMENT OF
CHILDREN AND FAMILIES
TALLAHASSEE, September 2, 2015

Procurement and Contract Management

POLICIES AND PROCEDURES OF CONTRACT OVERSIGHT

This operating procedure describes uniform policies and procedures for Contract Oversight.

BY DIRECTION OF THE SECRETARY:

(Signed original copy on file)

DENNISE G. PARKER
Assistant Secretary for
Administration

SUMMARY OF REVISED, DELETED, OR ADDED MATERIAL

Contracts are selected for monitoring by the DCF Assistant Secretary for Administration with other DCF leaders. Monitoring is performed using the core scope monitoring design. The role of the COU Team Leader is enhanced to include responsibility for quality assurance. The Desk Review is enhanced. Some minor updates are also made to reflect changes in legislation.

Additions, updates, deletions, or revisions may be made to this operating procedure during the year. Consult the Department's Contracted Client Services website for updates.

This operating procedure supersedes CFOP 75-8 dated January 12, 2011.

OPR: ASC

DISTRIBUTION: X: OSES; OSGC; OSIG; OSII; ASC; ASGO; Regional Directors; Region/Circuit Legal Counsel; Contract Managers.

TABLE OF CONTENTS

Paragraph

Chapter 1 – GENERAL PROVISIONS

Purpose and Scope	1-1
Authority	1-2
Overall Policy	1-3
Mission	1-4
Organizational Makeup and Independence	1-5
Security	1-6
Code of Ethics	1-7
Reporting Suspected Abuse, Neglect, Abandonment, Sexual Abuse, Sexual Victimization, and Exploitation	1-8
Reporting Health and Safety Concerns	1-9

Chapter 2 – CONTRACT OVERSIGHT FOUNDATION

Definitions	2-1
Contracts are the Foundation of Contract Monitoring	2-2
Processes	2-3
Individuals and Groups Involved in Contract Oversight	2-4
Approaches Used to Monitor Contracts	2-5
Scope of Monitoring	2-6
Conflict of Interest	2-7

Chapter 3 – ASSESSING RISK AND SCHEDULING

Risk Assessment	3-1
Contract Oversight Monitoring Frequency and Scheduling Limitations	3-2
Annual Contract Oversight Schedule	3-3
Modifying the Schedule	3-4
Scheduled and Special and/or Unannounced Monitoring	3-5

Chapter 4 – PREPARING FOR MONITORING

Overview	4-1
Scope Planning	4-2
The Monitoring Plan	4-3
Requests for Documents	4-4
Sampling	4-5
COU Manager Responsibilities	4-6
COU Team Leader Responsibilities	4-7
COU Team Member Responsibilities	4-8

Chapter 5 – PERFORMING CONTRACT MONITORING

Entrance Conference	5-1
Monitoring Activities	5-2
Adjustments to Scope During Monitoring	5-3
Adjustments to Sample Size During Monitoring	5-4
Debriefing	5-5
Requesting Documents from Providers to Clear Findings	5-6
Exit Log	5-7
Exit Conference	5-8
Ending the Monitoring Without an Exit Conference	5-9
Workpapers	5-10
Record Retention	5-11

TABLE OF CONTENTS

Paragraph

Chapter 6 – REPORTING

Policy	6-1
General Information about Reports	6-2
Responses to Reports.....	6-3
Executive Reports or Summaries	6-4

Chapter 7 – DESK REVIEWS

Policy	7-1
Identifying Providers.....	7-2
Identifying Providers and Contracts That Do Not Require Desk Reviews	7-3
Desk Review Process	7-4
Desk Review Report.....	7-5
Desk Review Workpapers	7-6
Due Dates for Desk Reviews.....	7-7

Chapter 1

GENERAL PROVISIONS

1-1. Purpose and Scope. This operating procedure establishes uniform policies and procedures for Contract Oversight.

1-2. Authority. Sections 402.7305, Florida Statutes (F.S.); 402.7306, F.S.; 287.0575, F.S.; 394.78, F.S.; 394.741, F.S.; and 394.9082, F.S. .

1-3. Overall Policy. Contract Oversight assesses the Department's external service providers for contractual compliance and reports the results to Contract Managers and program management.

1-4. Mission. The mission of Contract Oversight is "Promoting accountability for service delivery."

1-5. Organizational Makeup and Independence. Contract Oversight is a statewide centralized function. It includes Contract Oversight Units (COUs) located around the state and staff at headquarters. COUs are staffed by monitors who are Career Service Employees. Monitors report to COU Managers, who are members of the Select Exempt Service. Monitors are trained to conduct contract monitoring. COU Managers report to the Chief of Contract Oversight, who is a member of the Select Exempt Service. The Chief of Contract Oversight reports to the Director of the Office of Contracted Client Services.

1-6 Security. The nature of the work performed by Contract Oversight requires some work areas and files be secured. Security requirements for COUs will be considered on an individual basis.

1-7. Code of Ethics. Each member of the Contract Oversight staff shall be knowledgeable of the Code of Ethics and of the member's personal responsibilities. Each employee shall be familiar with the contents of Part III of Chapter 112, F.S., entitled "Code of Ethics for Public Officers and Employees," with particular attention to sections 112.311, 112.313, and 112.3185, F.S., and with CFOP 60-5, Chapter 5, "Code of Ethics for Public Officers and Employees."

1-8. Reporting Suspected Abuse, Neglect, Abandonment, Sexual Abuse, Sexual Victimization, and Exploitation. Contract Oversight staff is mandated by sections 39.201, and 415.1034, F.S., to report suspected abuse, neglect, abandonment, or sexual abuse of a child by an adult; suspected victimization of a child by a juvenile sexual offender; and suspected abuse, neglect, or exploitation of vulnerable adults to the Florida Abuse Hotline at 1-800-962-2873 or TDD 1-800-453-5145. This mandate includes reporting knowledge of or suspicion of abuse or neglect. Staff is also instructed to report hearsay information learned during the monitoring process if the staff member cannot confirm it was reported. Staff members should refer to statutes when reporting to the Florida Abuse Hotline for additional details.

1-9. Reporting Health and Safety Concerns. Any concerns to health and safety that are identified by Contract Oversight staff will be reported immediately to the appropriate parties, such as Contract Managers, COU Leadership, or emergency responders.

Chapter 2

CONTRACT OVERSIGHT FOUNDATION

2-1. Definitions.

- a. Actionable describes information in COU reports, meaning the information is capable of being acted on by the contract manager. Actionable information is linked to specific requirements of the Contract, Department policy, rules and regulations, or statutory requirements.
- b. Administrative Monitoring refers generally to monitoring of requirements that are universally applied to all contracts, regardless of program, such as employment of unauthorized aliens.
- c. Contract refers to contracts or grants funded by the Department of Children and Families, with the exception of capital outlay contracts.
- d. Contract Oversight refers to the statewide centralized contract oversight function, including the Chief, the headquarters staff, and all Contract Oversight Units.
- e. Contract Oversight Unit, or COU, refers to an operations unit within Contract Oversight consisting of a COU Manager and the Contract Monitors directly reporting to the COU Manager.
- f. Contractual Compliance means meeting requirements or delivering required levels of service with respect to the administrative, fiscal, and programmatic standards defined by the Department's contract including all contract attachments and exhibits, Department policy, Florida Statutes (F.S.), Florida Administrative Code (F.A.C.), and federal laws and regulations.
- g. Contract Oversight Schedule refers to a list of contracts and providers anticipated to be monitored on-site during the fiscal year, with the anticipated start date of the on-site activity.
- h. Department, or DCF, refers to the Florida Department of Children and Families.
- i. Desk Review refers to a minimal evaluation conducted annually for each contract service provider that does not have at least one contract monitored on-site during the fiscal year. It is required in section 402.7305(4)(c), F.S.
- j. Fiscal Monitoring refers to monitoring of accounting practices and other accountability systems related to management, control, and use of contract funds.
- k. Independent Source refers to a monitoring or review entity that has no actual, potential, or perceived conflict of interest in the contracting process. For example, the Florida Auditor General is a monitoring entity that typically has no actual, potential, or perceived conflict of interest with a given provider.
- l. Meeting refers to the act or process of coming together. Meetings conducted for purposes of this operating procedure may be conducted face-to-face or across distances using technology such as conference calls. In general, face-to-face meetings are preferable, but are not always economical or feasible. When meetings are conducted across distances, common sense adjustments to normal face-to-face meeting procedures are expected and acceptable.
- m. Monitoring refers to activities conducted by Contract Oversight to evaluate a contract provider's or grant recipient's compliance with terms and conditions of one or more contracts or grants in a manner that includes on-site activities. It is conducted to evaluate a provider's performance at a certain moment in time.

- n. Programmatic Core Scope refers to topics that will be considered for inclusion in the scope of monitoring for contracts belonging to a certain program or of a certain program type.
- o. Programmatic Monitoring refers generally to monitoring of requirements that are not standard across all contracts. These requirements are related to the program(s) and/or service(s) being purchased.
- p. Provider refers to a contract service provider or a grant recipient.
- q. Report refers to a document describing the results of monitoring conducted by COU.
- r. Risk Assessment refers to an internal process used by Contract Oversight to evaluate variables associated with contracts and assign a rating for the estimated risk that the provider will be out of compliance with the contract. The information is used for scheduling.
- s. Scope refers to the topics included in a Monitoring. It includes the Universal Core Scope topics and Programmatic Core Scope topics, unless these topics are not relevant to the Contract being monitored or unless the Contract Manager has reports of independent oversight that made this monitoring duplicative. It may also include other topics at the request of the contract manager.
- t. Scope Planning Process refers to the activity of determining the topics that will be included in a particular Monitoring.
- u. Secretary refers to the Department head of the Florida Department of Children and Families.
- v. Universal Core Scope refers to topics that will be considered for inclusion in the scope of any monitoring.

2-2. Contracts are the Foundation of Contract Monitoring.

- a. Contract Basis. The purpose of Monitoring is to provide information to the Contract Manager and program management related to the Provider's compliance with the administrative and programmatic terms and conditions of its contract. Therefore, Monitoring is essentially linked to the current Contract between the Department and the Provider.
- b. Compliance Perspective. Monitoring performed by Contract Oversight is limited to those compliance requirements found in the Contract or incorporated into the Contract by reference, and in applicable statutes, laws, rules, regulations, and operating procedures.
- c. Contract Documents. DCF Contracts include standard requirements universal to all Contracts, and amendments, attachments, and exhibits. Amendments, attachments, and exhibits may be standardized across a given program or type of Contract, modified during the negotiation process with a particular Provider, or uniquely designed for a particular Contract. Standardized Contract documents are typically revised over time, meaning that a particular Contract may include documents that are not the most current versions. Due to these factors and others, each Contract has the potential to be unique.
- d. Requirement for Customization. Each Monitoring will have a unique Scope Planning Process that is based on the Contract(s) being monitored. Statewide tools and approaches are to be considered generic. It is the responsibility of Contract Oversight to customize generic tools or create unique tools as needed for each Monitoring. Tools and Monitoring must always be based on the terms and conditions of the specific Contract being monitored.

2-3. Processes. Contract Oversight operations involve several key processes: assessing risk, scheduling, and conducting oversight activities. Conducting oversight activities includes preparing for monitoring, conducting monitoring, reporting results of monitoring, and maintaining records of monitoring.

2-4. Individuals and Groups Involved in Contract Oversight.

a. Contract Manager. The Contract Manager is the Department's employee responsible for enforcing compliance with administrative and programmatic terms and conditions of a Contract, and is the primary point of contact for contracting information flowing between the Department and the Provider, as stated in section 402.7305(1)(a), F.S. The Contract Manager and program management use information reported by Contract Oversight to determine whether the contractor is in compliance with the terms and conditions of the contract. The COU will keep the Contract Manager informed of communications with the Provider. The Contract Manager is required by the Contracted Client Services playbook to participate in certain on-site monitoring activities, and is additionally encouraged by Contract Oversight to participate in all on-site monitoring activities.

b. Contract Monitor. The Contract Monitor is the Department's employee assigned to Contract Oversight.

(1) The Contract Monitor is an individual or team member responsible for observing, recording, and reporting to Contract Managers and other designated entities information about the Provider's compliance with the terms and conditions of the contract, as stated in section 402.7305(1)(b), F.S.

(2) Contract Monitors are specifically trained to conduct monitoring.

(3) Each Contract Monitor represents Contract Oversight and the Department. Each Contract Monitor has authority to conduct Monitoring of Providers in compliance with the policies and procedures contained herein.

(4) Contract Monitors are not involved in the administration of any disciplinary action based upon the findings of the Report. Contract Monitors are not involved in development or implementation of corrective action plans.

(5) Contract Monitors may provide technical assistance to Contract Managers regarding procedures or practices that might improve compliance, but this information is to be offered to the Contract Manager in the form of suggestions or ideas. Contract Oversight is not involved in the corrective action plan process.

(6) Contract Monitors may provide technical assistance to Providers directly, but the Contract Manager is to be informed as soon as possible afterward by the Monitor. Information is to be offered in the form of suggestions or ideas that might improve compliance. It is preferable to provide assistance to the Contract Manager directly, since the Contract Manager is assigned responsibility for approving and overseeing corrective actions.

c. Contract Oversight Team. One or more Contract Monitors will be designated as the Contract Oversight Team for conducting a particular Monitoring. One of the individuals on the team will be designated by the COU Manager as the Team Leader, and the other designated individuals serve as Team Members.

d. Contract Oversight Unit Manager. The COU Manager is the leader of a COU. The COU Manager is also responsible for training staff, conducting risk assessment, scheduling, supervising oversight activities, and assuring quality of contract oversight reports and workpapers.

e. Providers. Providers are individuals or organizations with a contract or grant funded by DCF. Some Providers have more than one Contract. Contract Oversight identifies Providers by truncating the last three digits from the Provider's Federal Employer Identification Number (FEIN). Also, under section 287.0575(2), F.S., Providers define themselves to the Department as having multiple Contracts, and this definition may not be based on FEIN. COU may opt to use a particular Provider's definition in place of the truncated FEIN.

2-5. Approaches Used To Monitor Contracts. Monitoring is typically performed by reviewing information found in documents, automated systems, or other sources; interviewing individuals; and making observations. Information is analyzed by Contract Monitors and recorded on tools.

a. Document Review. Information review, called "Document Review," is the most common monitoring technique. Documents commonly reviewed during on-site monitoring include client files, staff personnel files, procedures, reports, and publications. Review of data in data systems and review of electronic information may also occur.

b. Interviews. Interviews may be performed with Provider staff and/or Department staff to obtain information about processes and procedures that is not found in documents or to clarify the information reviewed or gathered.

c. Observation. Certain contract terms may be monitored through actual observation of activities or items. For example, inventory records may be validated by observing property.

d. Tools. Contract Oversight uses monitoring tools customized based on the terms or conditions of a particular contract and the scope of monitoring. While most tools are spreadsheets, a copy of an exhibit from a contract or a page from a report where the Contract Monitor notates compliance with requirements or tasks may also serve as a monitoring tool if the requirements are met. There must be a tool or other document to support the conclusions reached during the Monitoring. Each monitoring tool will:

- (1) Identify the specific requirements monitored, which must be based on contract terms and conditions.
- (2) Utilize a rating system of compliance and non-compliance.
- (3) Document the specific cases, files, or items reviewed.
- (4) Allow for explanations and supporting documentation, especially where the Provider is non-compliant.

2-6. Scope of Monitoring.

a. Potential Scope. Contract Oversight monitors Provider compliance with Contract terms and conditions, including requirements found in associated and referenced documents and in applicable statutes, laws, rules, regulations, and operating procedures. Interim policies issued by the Department may be included also. The potential scope for Contract Oversight monitoring is limited to these topics and standards.

(1) To the greatest extent possible, the COU will use the standards in place at the time the services were delivered to evaluate compliance. This may not be possible when the standards in place at the time are no longer available, or if it is unclear precisely when services were delivered.

(2) The COU may review recent or current performance associated with the current Contract instead of drawing a random sample from the entire performance period. Monitoring is a

snapshot of the Provider's performance, and is not a comprehensive analysis of an entire performance period.

(3) It is not the role of Contract Oversight to investigate allegations of fraud or other wrongdoing. Such allegations are to be reported to the Inspector General of the Department, in the manner described in CFOP 180-4. Investigation of such allegations is not within the potential scope of Contract Oversight.

b. Applying the Universal Core Scope. The Universal Core Scope refers to topics that will be considered for inclusion in the scope of any Monitoring. Some Universal Core Scope topics will be routinely included in any Monitoring, unless a topic does not apply to the Contract or unless the Contract Manager already has information about the Provider's compliance related to a topic from an independent source. Other Universal Core Scope topics are not routine, but would be included depending on circumstances or indicators. The Universal Core Scope is approved by the Director of the Office of Contracted Client Services.

c. Applying the Programmatic Core Scope. Programmatic Core Scope refers to topics that will be considered for inclusion in the scope of Monitoring for Contracts belonging to a certain program or of a certain program type. Each Headquarters program office or the Headquarters office responsible for DCF operations may define additional topics that will routinely be included in Scope for Contracts of a particular type, unless a topic does not apply to a particular Contract or unless the Contract Manager already has information about the Provider's compliance related to a topic from an independent source.

d. Developing the Actual Scope. Contract Oversight staff use the Scope Planning Process (see paragraph 4-2) to evaluate the Contract and its requirements and determine the applicability of the Universal Core Scope topics and any Programmatic Core Scope topics. Based on this analysis, COU will develop a proposed Scope for the Monitoring. Items in the proposed scope may be limited or eliminated if they would duplicate information already provided to the Contract Manager by an independent source. Contract Managers will have the opportunity to request additional topics to be included in Scope, but requests that fall outside of the potential scope (defined in this operating procedure, paragraph 2-6.a.) or within the scope limitations (defined in this operating procedure, paragraphs 2-6.e. and 2-6.f.) will not be accepted.

e. Scope Limitations for SAMH Contracts. Scope for Providers that are accredited by certain accrediting bodies and/or with unqualified audits, as described in section 394.741, F.S., and that have contracts from the Substance Abuse and Mental Health (SAMH) program will be consistent with requirements and limitations of that section and section 402.7306, F.S.

(1) Contract Managers are responsible for providing the COU with information about Provider accreditation and audit status and for communicating any complaints or concerns about the Provider's performance and compliance.

(2) Contract Oversight is responsible for ensuring the actual scope of monitoring for a SAMH contract does not exceed the limits imposed by the statute and this operating procedure.

(3) As required by 394.741(8), F.S., when a Provider with a SAMH contract has an audit from a Certified Public Accountant, the COU will accept the audit in lieu of Fiscal Monitoring. In this circumstance, COU may perform Fiscal Monitoring at the request of the Contract Manager or the Program Office. The scope of fiscal monitoring will be specific to the concerns raised and will be documented by the Contract Monitor.

(4) When a Provider with a SAMH Contract has accreditation for its contracted services from The Joint Commission, the Council on Accreditation, or the Commission on Accreditation of

Rehabilitation Facilities, the COU will limit Administrative and Programmatic Monitoring to once every three years, but the following exceptions are permitted.

(a) Section 402.7306(2)(a), F.S., permits COU to Monitor to ensure services paid for have been provided.

(b) Section 402.7306(2)(b), F.S., permits COU to Monitor to investigate complaints, to identify problems that would affect safety or viability of the Provider, and/or to Monitor compliance with terms and conditions that are unique to a specific service.

(c) Section 402.7306(2)(c), F.S., permits COU to ensure compliance with state and federal statutes, laws, rules, and regulations if this Monitoring does not specifically and distinctly duplicate accreditation standards.

(5) When Monitoring a SAMH managing entity, defined in section 394.9082(2)(d), F.S., to the maximum extent possible, COU shall rely on the Monitoring performed by the managing entity of its client service providers.

f. Scope Limitations for Child Welfare Contracts. Scope for providers of child welfare services that are accredited as described in section 402.7306(1), F.S., will be consistent with requirements and limitations of that section.

(1) Contract Managers are responsible for providing the COU with information about Provider accreditation status and for communicating any complaints or concerns about the Provider's performance and compliance.

(2) Contract Oversight is responsible for ensuring the Scope of Monitoring for a child welfare service contract does not exceed the limits imposed by the statute and this operating procedure.

(3) As specified in section 402.7306(1), F.S., when a Provider with a child welfare service Contract has accreditation from an entity whose standards incorporate child caring or child placing licensure regulations, the COU will limit Administrative Monitoring to once every three years, but the following exceptions are permitted.

(a) Section 402.7306(1)(a), F.S., permits COU to Monitor to ensure services paid for have been provided.

(b) Section 402.7306(1)(b), F.S., permits COU to Monitor to investigate complaints or suspected problems and/or to monitor compliance with terms and conditions that are unique to a specific service.

(c) Section 402.7306(1)(c), F.S., permits COU to ensure compliance with state and federal statutes, laws, rules, and regulations if this Monitoring does not specifically and distinctly duplicate the Administrative Monitoring performed during the accrediting organization's review.

2-7. Conflict of Interest. Contract Monitors are required to render impartial and unbiased judgments. Contract Monitors shall sign a Conflict of Interest Statement before monitoring each Provider. It shall be filed with the monitoring work papers. In cases where potential conflict of interest is noted, the COU Manager shall determine if the staff person is to participate in the Monitoring, or how participation will be modified to address the potential conflict. If the COU Manager has a potential conflict of interest, the Chief of Contract Oversight shall make the determination.

Chapter 3

ASSESSING RISK AND SCHEDULING

3-1. Risk Assessment.

a. Purpose. Risk Assessment is a process required by section 402.7305(4)(a), F.S. The purpose of the Risk Assessment is to provide information for consideration in the scheduling process at the beginning of the fiscal year.

b. Development of the Risk Assessment. The Risk Assessment uses predetermined factors to rank Contracts. The factors and the associated weights and scoring will be evaluated annually and may be updated. The factors, weights, and scoring will be applied uniformly statewide.

c. Completing the Risk Assessment. COU will assemble information for the Risk Assessment process using the best information available at the time. The Risk Assessment will be initially completed by the deadline established by the Chief of Contract Oversight for the fiscal year. At the conclusion of the initial Risk Assessment process, each contract will be assigned a relative rating of high, medium, or low risk based on its score in the Risk Assessment.

d. Updating the Risk Assessment. The Risk Assessment may be updated during the year if the information is needed by DCF leadership to make mid-year scheduling decisions.

3-2. Contract Oversight Monitoring Frequency and Scheduling Limitations.

a. Limitation on Frequency of Monitoring for Child-Caring and Child-Placing Service Providers. COU shall limit monitoring of a child welfare Contract to once per fiscal year, as per section 402.7305(4), F.S. Once the exit conference is completed, the Monitoring of the Provider is concluded for the fiscal year. Any additional requests for Monitoring the Provider during the same fiscal year will be referred to the Contract Manager.

b. Scheduling of Monitoring for Providers with a Lead Administrative Coordinator. If the Provider has a Lead Administrative Coordinator, as described in section 287.0575(3), F.S., the COU will perform Administrative and Fiscal Monitoring during the coordinated schedule period and may not perform Administrative and Fiscal Monitoring outside that schedule.

3-3. Annual Contract Oversight Schedule.a. Responsibility.

(1) The DCF Assistant Secretary for Administration will assemble a team of DCF leaders to consider the results of the Risk Assessment, along with other information, and select which Contracts shall be Monitored on-site during the fiscal year.

(2) The Chief of Contract Oversight and the COU Managers will collaborate to develop the statewide annual schedule by assigning responsibility for each selected contract to a particular COU Manager and identifying the anticipated start date of the on-site activities.

b. Flexibility. The schedule is a plan and is subject to change.

c. Timeframe. The schedule shall be initially completed early in the fiscal year, by a deadline established by the Chief of Contract Oversight for that year, which shall generally be about 90 days after the start of the fiscal year.

d. Content. The statewide annual schedule will identify Contracts planned for Monitoring during the year. The statewide annual schedule may include Contracts which are expiring if it is anticipated a new Contract with the same Provider will be executed to replace the one that is terminated. The current Contract at the time of the Monitoring will be the one that is Monitored. Expired Contracts are not Monitored, however, when the Department has a new Contract in place with a Provider for the same service as an expired Contract, with the same basic requirements, then the services delivered under the expired Contract may be included in the scope of Monitoring the current Contract.

e. Communication. Statewide annual schedule information shall be made available on the Department's intranet website for Contract Oversight, which is currently located at the following web address: <http://ewas.dcf.state.fl.us/asc/cou/>.

3-4. Modifying the Schedule. The statewide annual schedule may be modified for many reasons. Actual dates of monitoring may be earlier or later than anticipated. Contracts may be added to or removed from the schedule by DCF leaders. When an updated statewide schedule is issued, it will be posted on the intranet.

3-5. Scheduled and Special and/or Unannounced Monitoring.

a. Scheduled Monitoring and Advance Notice to Providers. Under normal circumstances, the COU will give Providers notice of monitoring 14 calendar days in advance of the entrance conference.

b. Special Monitoring and Unannounced Visits. Contract Oversight may conduct special Monitoring, which may include unannounced site visits to the Provider.

(1) Requesting Special Monitoring. Any Department staff may send special requests for Monitoring to the local COU Manager or the Chief of Contract Oversight. Requests should specify the reasons for concern and any unique needs, such as the need for an unannounced site visit.

(2) Considering Special Requests. All special requests will be submitted from the Chief of Contract Oversight to the Director of Contracted Client Services for approval.

(3) Responding to Requests. Once approved, the Chief of Contract Oversight and the responsible COU Manager will jointly determine how typical procedures or processes will be modified or customized, based on the needs of the Department, the nature of the request, and any other salient factors.

Chapter 4

PREPARING FOR MONITORING

4-1. Overview. Preparing for Monitoring involves analyzing the Contract and related information, establishing the Scope of the Monitoring with the Contract Manager, communicating with involved individuals or groups, creating a monitoring plan and monitoring tools, and completing pre-site analysis of information or evaluation of documents.

4-2. Scope Planning. A Scope will be established for Monitoring by considering the Universal Core Scope and any Programmatic Core Scope applicable to the Contract, analyzing the Contract documents, meeting with the Contract Manager, and reviewing information provided by the Contract Manager's file other oversight of the provider's performance and compliance.

a. Contract Manager Role in the Process. Contract Managers are expected to gather and maintain current information in the contract file about Provider performance and compliance, including results of reviews by entities such as accrediting bodies, licensing, and programs. Contract Managers will be invited to meet with the COU, typically about 45 to 60 days in advance of the Monitoring, to review the available information, to communicate any complaints or concerns about the Provider, and to communicate about any information needed.

b. Contract Oversight Role in the Process.

(1) COU will analyze the Contract, including the attachments and exhibits, and all amendments. COU will determine how statutory restrictions for Monitoring apply to the Provider and the Contract. COU will consider the Universal Core Scope and any Programmatic Core Scope and determine applicability of the topics to the Contract. At the end of the analysis process, COU will develop a preliminary scope.

(2) COU will request a meeting with the Contract Manager, to be held about 45 to 60 days in advance of the Monitoring. The COU will discuss the preliminary scope with the Contract Manager. If the Contract Manager already has information in the contract file about the Provider's performance and compliance from a reliable independent source, such as an accrediting body or licensing entity, the scope related to that particular topic will be limited or excluded to avoid duplication. If the COU identifies any potential sources of additional information, COU will ask the Contract Manager to obtain any information and share it with COU during the next two weeks to further avoid duplication. COU will also invite the Contract Manager to request topics be added to the preliminary scope. Requests will be accepted as long as they are within the potential scope described in 2-6.a. of this procedure and within the available resources of COU to perform. Requests that may not be met, in the view of the COU Manager, must be discussed with the Chief prior to a final decision being made.

(3) During the two weeks following the planning meeting, the COU will review any additional information provided by the Contract Manager and develop the final scope. The COU will document its decision process.

4-3. The Monitoring Plan. Each Monitoring will have a Monitoring plan developed prior to the start of the on-site activity. At a minimum, the monitoring plan includes the Scope and plans for sampling. Additional information may be documented in the plan at the discretion of the COU Manager and the Monitoring Team Leader and is optional. Monitoring plans will be modified and adjusted as appropriate.

4-4. Requests for Documents. It is expected Monitors will obtain documents directly from Department sources whenever possible. Documents should be requested from Contract Managers or other Department sources prior to requests being made to Providers.

a. Providers Using a Data Warehouse. Section 402.7306(3), F.S., describes a data warehouse for child welfare or substance abuse and mental health Providers' use for storing documents. If a Provider is using such a data warehouse, it is to be used for document requests. Document requests may be made directly to these Providers only when the needed documents already stored in the warehouse are not current, or if the document is unavailable in the warehouse. Providers may be contacted directly to request documents if the Provider does not respond to requests for providing access or posting updated information within 10 business days of the request. The COU Team Leader will track the document request process for these Providers to demonstrate compliance with section 402.7306(3), F.S.

b. Providers with a Lead Administrative Coordinator. Section 287.0575, F.S., describes coordinated monitoring services for providers with more than one contract with one or more designated State of Florida agencies. For Providers with a designated Lead Administrative Coordinator, as described in section 287.0575, F.S., administrative and fiscal documents must be requested from the Lead Administrative Coordinator prior to sending requests directly to the Provider. The COU Team Leader will contact the Chief of Contract Oversight for assistance and will track the document request process for these Providers, to demonstrate compliance with section 287.0575, F.S..

4-5. Sampling. It is appropriate in most situations for monitors to gather information by examining a limited number of records instead of examining all records. The following guidance is provided.

a. Monitoring Review Period. The Team Leader will identify the Monitoring Review Period. The period limits the timeframe for which a record will be reviewed, to avoid identifying findings of noncompliance that resulted from work that is not recent, or potentially that may have been reviewed and reported in a prior monitoring. Activities, documents, plans, etc. that were due, current, or took place during the monitoring review period will be within the scope of the Monitoring, and otherwise may be excluded as non applicable. For Contracts that were monitored previously by Contract Oversight, the Monitoring review period may not overlap with the prior Monitoring review period used.

b. Population of Interest. For each topic in the scope, there may be one or more particular population(s) of interest that should be identified as specifically as possible. For example, when evaluating requirements for background screening of employees, the population of interest would typically be narrowed to employees required to be screened who were hired during the Monitoring review period and employees with more than five years of service.

c. Data Sources. When identifying the population of records from which a sample will be drawn for a particular topic, Team Leaders will identify a data source. This may be a formal report, an ad-hoc report, or even a list requested from the Provider. Some data sources represent activities during a given time period such as a month, while other data sources may show all active records within the population at a moment in time. As Monitoring typically adds most value by reviewing recent and current performance, the data source selected should include the records that were active most recently within the Monitoring review period. The report or list may be filtered or otherwise modified as needed to exclude records outside the population of interest. If the population of interest identified by the data source is too small to result in an acceptable sample size, the data source may be expanded to include more months or quarters, or the population of interest may be expanded to include additional cases if possible.

d. Sample Size. Based on the best information available, COU will begin to determine planned sample size by calculating a 90/15 sample size, meaning a sample size with a 90% confidence interval and a 15% error rate. The COU will consider the 90/15 sample size, the prior results of Monitoring this

topic with this Provider, the risk associated with the topic, the entire scope, and the available resources and costs associated with the Monitoring in developing the planned sample size, which may be larger or smaller than the 90/15 calculation. The planned sample size will be noted in the monitoring plan, and will be approved prior to the start of on-site activities by the COU Manager.

e. Sample Selection. It is not necessary to select random samples. It is appropriate to identify particular samples for richness or complexity, due to patterns and trends, to avoid selecting the same cases that were selected during a prior monitoring, or for reasons of convenience.

4-6. COU Manager Responsibilities. The COU Manager manages the resources assigned to the COU to carry out work, and is responsible for ensuring monitoring preparation is performed in the manner described in CFOP 75-8. This includes:

a. Modifying the COU schedule for efficient use of resources, including assigning staff resources to Monitoring or modifying the resources already assigned as needed.

b. Ensuring the development of the monitoring plan prior to Monitoring, including documentation of the decision processes used.

c. Ensuring preparation activities are performed efficiently and timely.

d. Reviewing the monitoring plan with the Team Leader, including at least the scope, the decision process used to develop the scope, and the sampling plan.

e. Approving the monitoring plan prior to the start of the on-site activities.

f. Ensuring appropriate and timely communication of information from the Team Leader with Contract Managers, Provider representatives, and any other relevant stakeholders. This includes, under routine circumstances, sending an engagement letter to the provider's representatives at least 14 calendar days prior to the start of the on-site monitoring.

g. Ensuring quality of Monitoring preparation carried out by Team Leaders and Team Members.

4-7. COU Team Leader Responsibilities. The COU Team Leader is responsible for ensuring monitoring preparation is consistent with this operating procedure. Depending on workload, resources, and complexity of the review, and with agreement from the COU Manager, the Team Leader may delegate tasks and activities to Team Member(s). The Team Leader retains ultimate responsibility for timely and quality completion of preparation. The Team Leader responsibilities include:

a. Preparing a proposed monitoring plan and presenting that plan to the COU Manager for approval prior to beginning the on-site activities. The plan will include documentation of the planned scope, the decision process used to determine the scope, and the sample worksheet. The plan may include other optional elements. The Team Leader will document the COU Manager's approval of the initial monitoring plan. The Team Leader will continue to maintain the monitoring plan throughout the monitoring process, documenting any adjustments with explanations and with manager approvals as needed.

b. Carrying out the plan, including making assignments to Team Members.

c. Organizing a project work schedule, as needed.

d. Reviewing, evaluating, and approving the customized tools prepared by Team Members. Team Leaders are responsible to ensure proposed tools have been correctly tailored to address the monitoring plan and the contractual terms and conditions. Completion of this pre-site quality assurance

(QA) will be documented. Tools prepared by Team Leaders will have a pre-site QA check performed by a Team Member or by another COU employee.

e. Managing communications, such as ensuring the Provider is sent notice 14 calendar days in advance or planning with the Provider and the Contract Manager to conduct an entrance conference at the initiation of the on-site activities.

f. Managing information requests and file sharing. Team Leaders will ensure that needed documents are gathered from Department sources or other designated sources whenever possible. Team Leaders will ensure that requirements associated with document requests for particular types of Providers found in paragraphs 4-4.a. and 4-4.b. of this operating procedure are followed. Team Leaders will communicate with providers regarding information needed during the review and ensure information is available from providers or other sources for Team Members to use.

g. Keeping the COU Manager informed of the progress of preparations, and obtaining coaching, direction, guidance, and approvals from the COU Manager regarding key decisions.

h. Providing Team Members with feedback and coaching, as directed by the COU Manager.

4-8. COU Team Member Responsibilities. Each Team Member is responsible for:

a. Tailoring existing tools and/or creating custom tools for each Monitoring.

b. Completing tasks and activities and providing information and work products to the COU Team Leader as assigned and when assigned. This includes the proposed tool(s) prepared for the monitoring, lists of needed documents, sample identification, and so forth.

c. Communicating regularly with the Team Leader, including alerting the Team Leader immediately when circumstances are arising that may prevent the Team Member from carrying out assigned preparation tasks on time or at all.

d. Receiving assignments, direction, coaching, and feedback from the COU Team Leader in a positive and professional manner.

Chapter 5

PERFORMING CONTRACT MONITORING

5-1. Entrance Conference. The COU Team Leader conducts an entrance conference meeting with the Provider's representative(s) at the start of the on-site activity. The Provider may designate its representatives. The Department's Contract Manager and any employee designated by the Department may attend. The entrance typically includes discussion of or information about the following:

- a. Introductions of participants.
- b. Purpose, scope, and schedule of the Monitoring.
- c. Current COU Monitoring processes such as communication during the monitoring, debriefings, exit processes, and report processes. If the provider has been monitored by COU before, the discussion may include information about any process changes since the previous Monitoring.
- d. The COU may have already provided its on-site document request and sample list, but if not this is generally provided during or immediately following the entrance conference.
- e. The COU may have already made arrangements for interviews or scheduled times for debriefing meetings with Provider staff, but if not these arrangements may be made during or immediately following the entrance conference.

5-2. Monitoring Activities. Contract Monitors complete prepared approved tools by synthesizing information and analyzing the results relative to the contract compliance requirements. Each item is rated for compliance or noncompliance, as nonapplicable, or as questionable if the monitor is not able to make another determination.

a. Supporting Information and Workpapers.

(1) When an item is rated as in compliance, additional commentary by the monitor or collection of supporting documentation is not required.

(2) When rating an item as not applicable (N/A), additional comments or explanation are usually necessary to explain how or why the item was N/A. Some tool items contain guidance indicating the requirement should be N/A in certain circumstances, and in these cases a rating of N/A does not require a comment unless there are different circumstances in the particular case being reviewed that results in the N/A rating. If there is no such guidance on the tool, comments or notes should be added to explain the circumstances. If a portion of the tool is N/A, a comment may be made at the beginning of that portion or section to apply to the entire section.

(3) If the monitor is not able to determine if the Provider is in compliance or not, the monitor may rate the item as unsure, along with comments, but should consult with the Team Leader for assistance. Questions or requests for clarification may need to be elevated to the COU Manager or the Chief for resolution. Additional documents may be requested, or an interview with the provider may be needed to clear the rating. Unsure ratings should be cleared by the end of the Monitoring whenever possible. If the unsure rating cannot be cleared by the end of the Monitoring, additional notes or comments will be added to explain the circumstances and the efforts made to clear the unsure rating.

(4) When rating an item as not in compliance, the Monitor will include comments or notes on the tool describing the issue or situation. The Monitor will collect a copy of supporting documents for items rated as noncompliant whenever such documents exist, for inclusion in the

workpapers. For an item that is consistently out of compliance at a review, such as a form that does not meet requirements, collecting a sample of this documentation is sufficient. If a document cannot be found, it will be requested from the provider.

b. Team Leader Role in Quality Assurance (QA). COU Team Leaders are ultimately responsible for assuring tools are fully and correctly completed and that supporting documentation has been gathered. Team Leaders may delegate certain tasks or responsibilities to Team Members for QA, but the Team Leader remains ultimately responsible. Team Leaders will assign a Team Member or another employee to perform QA checks on tools completed by the Team Leader. Completed tools will be evaluated while still on-site whenever possible. Incomplete tools will be returned to the assigned Team Member for completion. Team Members may be asked to explain certain ratings. Team Leaders will determine if tools are completed and if appropriate supporting documentation was gathered, or if more is needed. A Monitor may not perform post-site QA on the tools he or she completed. Completion of post-site QA for each tool will be documented.

5-3. Adjustments to Scope During Monitoring.

a. Increasing or Adding to Scope. During the course of Monitoring, the COU may become aware of a compliance problem in an area that was not originally included in the monitoring plan. When this happens, the Team Leader will consult with the COU Manager to determine if additional activities will be conducted to evaluate compliance related to the emerging issue, and if so, the extent of activities. Information about the compliance problem will be discussed in daily debriefings, will be included in the exit log, and may be included in the final report, even though it was outside the planned scope.

b. Reducing Scope. If the Team Leader learns information which suggests a planned topic or element of scope should not be evaluated, the Team Leader must consult with the COU Manager and receive verbal approval to remove it from scope. The Team Leader will make annotations to the monitoring plan regarding the nature of the change and the reason for change and will also document the COU Manager's approval. The Contract Manager and Provider will be informed.

5-4. Adjustments to Sample Size During Monitoring.

a. Increasing or Decreasing Sample Size. It is reasonable to adjust the planned sample size. At least ten cases or at least half of the planned sample size, whichever is larger, shall be reviewed before considering whether the sample may be reduced. Sample sizes might be reduced if results are extremely consistent for the first ten records reviewed. Sample sizes could be reduced for operational reasons. Sample sizes might be increased if the team identifies even a single instance of a high-risk problem. Team Leaders will obtain verbal approval from the COU Manager for any adjustments to the planned sample size. Team Leaders will document the verbal approval received on the monitoring plan, along with notes explaining changes.

b. Planning Problems. Occasionally, it becomes clear during the Monitoring that there were problems in the initial identification of the population size and/or population members, or some other unanticipated problem. The Team Leader should evaluate the situation and consult with the COU Manager regarding the best action to take, given the specific circumstances. Once on site, it may be too late to identify a new sample, have new records pulled, or take other action to address the problem. The Team Leader shall document decisions, approved by the COU Manager, to adjust sample size or scope as appropriate.

5-5. Debriefing. Team Leaders will offer Providers and Contract Managers the option to participate in regular debriefing meetings. Potential agenda items include the progress of monitoring and any emerging concerns, issues, and/or findings. Typically, an area of scope is not debriefed until the area is completely monitored, which may mean that, at the end of a day and particularly the first day, there is

nothing to discuss at the debriefing. These debriefings may be held daily or less often if the Provider chooses, and are generally scheduled for the convenience of the Provider. The Provider may choose not to participate in some or all of the debriefings, in which case the debriefings will be held daily or less often as requested by the Contract Manager. Debriefings will be led by the Team Leader.

5-6. Requesting Documents from Providers to Clear Findings. During monitoring, at the conclusion of the on-site monitoring, and/or shortly following the conclusion of on-site activities, Contract Oversight will communicate information to the provider to show the preliminary results of monitoring, which may include circumstances where decisions about compliance are not clear because documentation was not found. This may be done by providing the completed tools in draft form to the provider. Providers will be invited to deliver any additional documents to clear findings, and will be given a deadline for providing documents. Any additional documents provided will typically be reviewed by the team members after the conclusion of the on-site activity. The tools will be updated based on any information provided, after which the Exit Log will be prepared.

5-7. Exit Log. In preparation for the exit conference, the COU Team Leader will prepare an exit log. The log will be prepared in the format approved by the Chief of Contract Oversight. It will provide information on areas of noncompliance identified during the Monitoring. The exit log may contain additional details related to findings that may not appear in the final report. The exit log may also contain concerns that are not findings. The exit log will typically be given to the Provider and the Contract Manager in advance of the exit, but this may not be the case if the exit conference takes place on the last day of monitoring. When the Exit Log is sent to the provider, the provider will be notified it may schedule the exit conference during the next 10 DCF business days, and if this time elapses the COU will proceed to prepare the report without an exit conference.

5-8. Exit Conference. The exit conference is a formal meeting between the COU and the provider that represents the conclusion of the Monitoring. The exit conference will be held within 10 DCF working days of the date the exit log is issued, unless an extension is approved by the COU Manager or the Chief of Contract Oversight. The exit conference is conducted by the COU Team Leader. The Team Leader will thank the Provider for its efforts and cooperation during the Monitoring. The Team Leader will offer to review the exit log, and as requested will review any findings and discuss particular results. The Team Leader will respond to any questions from the Contract Manager or the Provider. The exit conference is the last opportunity for the Provider to produce information to clear findings. If it becomes evident during the exit conference that the results of the Monitoring are still unclear, the COU may terminate the exit conference and continue analysis, after which a new exit log will be prepared and a new exit conducted. When multiple exits are conducted, such as for providers with multiple contracts, the last exit conference will be considered the concluding date of the Monitoring. Any changes to the exit log as a result of information produced at the exit will be hand noted by the Team Leader on the exit log. At the conclusion of the exit conference, the Provider's representative and Contract Manager(s) will be asked to sign the exit log to attest that the exit log was received, and the signed copy will be retained for the COU workpapers.

5-9. Ending the Monitoring Without an Exit Conference. If the Provider declines to have an exit conference, then the date that communication is made to COU will be considered the conclusion of the Monitoring for the purpose of generating the report, and any written documentation of the provider's communication will be retained in the workpapers. If the Provider does not schedule the exit conference to be held within 10 DCF business days from the issuance of the exit log, then the next day following the 10th business day will be considered the conclusion of the Monitoring for the purpose of generating the report. In either of these situations, there will typically be no signatures on the exit log, since there was no exit conference.

5-10. Workpapers. The COU Team Leader will assemble and organize workpapers following the conclusion of the Monitoring. Workpapers will include correspondence, planning documents,

monitoring documents including completed tools and information to support findings, exit log(s), and the report. Workpapers will be maintained within each COU following unit procedures.

5-11. Record Retention. Records are subject to general record retention schedules. The Monitoring report will be retained on the same schedule as other contract documents. Workpapers and supporting documentation are viewed as supporting documents for audits and must be retained for 3 full fiscal years from the conclusion of the monitoring. As some records for a particular fiscal year will still be active early in the subsequent year, an additional year of retention is necessary. For example, Fiscal Year 2010-2011 monitoring records will be retained at least through June 30, 2015. COU Managers will consult with the Chief of Contract Oversight prior to any record destruction.

Chapter 6

REPORTING

6-1. Policy. The Contract Oversight Report summarizes information gathered during the Monitoring for the Contract Manager and program management.

6-2. General Information about Reports. The Contract Oversight Report is produced in the format specified by the Chief of Contract Oversight. It is issued to the Contract Manager in an electronic format. It is due to the Contract Manager 30 calendar days from the date of the exit conference, unless the contract manager is informed in writing of the need for an extension, as required by section 402.7305(d), F.S. The Contract Oversight Report summarizes information about noncompliance.

6-3. Responses to Reports. The Contract Manager's file is the official file of record, and any individual or group wishing to respond to a report should ensure the response is placed in the contract file by contacting the Contract Manager.

6-4. Executive Reports or Summaries. An executive report or executive summary may be issued in addition to the usual Contract Oversight Report. It may be issued at a later time. Any such report or summary is designed particularly to meet the special needs of DCF leadership, and will therefore not meet statutory or procedural requirements for content or timeliness of normal Contract Oversight Reports, which are intended for Contract Managers and program management.

Chapter 7

DESK REVIEWS

7-1. Policy. In order to comply with section 402.7305(4)(c), F.S., Contract Oversight performs a desk review for each Provider that was not Monitored on-site during the fiscal year. To optimize the resources available for Monitoring, the desk review is designed to be a minimal process.

7-2. Identifying Providers. Providers are identified by truncating the federal employer identification number (FEIN) or based on lists produced by providers in response to section 287.0575, F.S. Please see 2-4.e. in this procedure.

7-3. Identifying Providers and Contracts That Do Not Require Desk Reviews.

a. Providers with a Contract that was Monitored On-Site During the Fiscal Year. Section 402.7305(c), F.S., requires desk reviews for providers that are not monitored on-site during the year.

b. Contracts with Outsourced Contract Monitoring. Desk reviews will not be performed for contracts that have outsourced contract monitoring, since monitoring is the responsibility of the outsourced provider.

c. Capital Outlay Contracts. Section 287.012, F.S., defines contractual service as not including contracts for construction, renovation, repair, modification, or demolition of a facility, structure, or building. Therefore, desk reviews will not be performed for such contracts.

d. Other Unusual Circumstances. The Chief of Contract Oversight may determine that a desk review is not required for a particular provider, using common sense in unusual circumstances. For example, contracts may be active for accounting or other Departmental purposes during a fiscal year, but no contract services have been provided during the current fiscal year.

7-4. Desk Review Process. For each provider that requires a desk review, a particular contract shall be selected to be the focus of the desk review. This will typically be the highest dollar contract, but another contract may be selected for operational reasons. The Contract Manager will be invited to provide ratings and comments about the provider's performance and compliance in surveys. Other interested individuals such as the contract manager supervisor may also be offered the opportunity to provide ratings and comments. COU will follow up with respondents who request additional discussion. Considering the information provided, COU will request invoice(s) and deliverable(s) from the Contract Manager, and will review documents received to determine if the provider is in compliance with contractual requirements.

7-5. Desk Review Report. A report for the Provider will be issued to the Contract Manager summarizing the information gathered and conclusions reached during the desk review regarding the Provider's performance and compliance. The report is to be issued within 30 days of the completion of the desk review. Any contract manager whose contract was not selected for the desk review process may request a copy of the desk review report from the Chief of Contract Oversight, and/or may request an additional desk review be performed for his or her contract. In responding to requests for additional desk reviews, the Chief will consider the reason for the request and the availability of resources.

7-6. Desk Review Workpapers. The completed surveys and the desk review report will be retained as work papers.

7-7. Due Dates for Desk Reviews. Desk reviews will usually be completed during the fiscal year, but may be completed during the sixty days following the end of the fiscal year. The desk review will be based on performance of the provider during the fiscal year.