

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Rick Scott
Governor

John H. Armstrong, MD, FACS
State Surgeon General & Secretary

Vision: To be the **Healthiest State** in the Nation

December 30, 2013

John H. Armstrong, MD, FACS
Surgeon General & Secretary
4052 Bald Cypress Way
Tallahassee, Florida 32399

Dear Dr. Armstrong:

Attached is our report on the *Review of Federal Time Keeping at the Florida Department of Health in Duval County, #R-1213DOH-021*. This report provides an independent evaluation of relevant internal controls relating to federal time keeping at the Florida Department of Health in Duval County for the period of July 1, 2012 through June 30, 2013.

This review was conducted by Tony Hernandez, CIA, CISA and reviewed by Michael J. Bennett, CIA, Director of Auditing.

If you wish to discuss this report, please let us know.

Sincerely,

James D. Boyd, CPA, MBA
Inspector General

JDB/th
Attachment

cc: C. Meade Grigg
Deputy Secretary for Statewide Services
Kelli T. Wells, MD
Director, Florida Department of Health in Duval County



REVIEW OF FEDERAL TIME KEEPING AT
THE FLORIDA DEPARTMENT OF HEALTH IN DUVAL COUNTY

Report # R-1213DOH-021 • December 30, 2013

EXECUTIVE SUMMARY

Purpose of this project:

Management requested that we review federal time keeping at the Department of Health in Duval County (DOH-Duval) and specifically examine how employees account for their time when paid via a single federal grant to ensure time was being charged in accordance with federal and DOH guidelines.

What was reviewed:

We reviewed judgmentally selected grant agreements and performed testing of federal time keeping documentation of judgmentally sampled employees within the selected grants. We determined whether controls related to employee time charged to DOH-Duval federal grants are in place and operating as intended with specific focus on employees paid via a single federal grant.

What was found:

- ❖ Based upon the grants selected in our sample and the employees sampled from those grants, we did not find any instances of failure to comply with regulations related to federal time keeping requiring periodic certifications for employees paid via a single federal grant.
- ❖ However, discrepancies were noted between the various DOH-Duval time keeping systems for sampled employees charging 100% of their time to federal grants.

What is being recommended:

DOH-Duval management should strengthen controls to ensure all DOH-Duval employee time keeping systems reconcile each reporting period for employees charging time to federal grants.

Details supporting the statements listed in this Executive Summary can be found in the remainder of this report. DOH-Duval management agreed with all findings and has submitted corrective action plans, which have been included in this report. The Office of Inspector General will conduct a follow-up six months from the publication date of this report to assess the status of management's corrective actions.

BACKGROUND

Management requested that our office review certain topics related to operations and programs at the Florida Department of Health (the Department) in Duval County (DOH-Duval). The results of our review regarding most of the topics were published under a previous report (R-1213DOH-017 – *Review of Duval County Health Department*).

One of the topics not addressed in the previous report was federal time keeping for DOH-Duval federal grant-funded positions. Initial concerns were raised by DOH-Duval management that employees were being asked to work outside of grants for which they were to be 100% funded. The objective of this review was to determine the validity of these concerns. This report addresses the results of our review specific to this topic.

Department of Health Policy (DOHP) 57-01-12, VII (O), Grants Management – Federal Timekeeping, states:

“Recipients of federal awards are required to follow the standards set forth in [Title] 2 [Code of Federal Regulations (CFR)] Part 225 regarding time distribution in addition to the standards for payroll documentation. For payroll charges to be allowable under a federal grant, charges must meet certain criteria and be adequately documented. This includes direct federal awards from federal agencies as well as federal awards received from pass-through agencies and state funds used as match to federal programs. DOH allows three different time keeping methodologies to be used within the department. These include periodic certifications, 100% actual time keeping documentation, and random moment sampling...”

Department of Health (DOH) Financial Memorandum FM 12-01, dated July 1, 2011 states the following:

“County Health Departments (CHDs) are responsible for:

- Ensuring salary costs have the required documentation (100% time keeping or periodic certification).*
- Ensuring time coding in Employee Activity Record System (EARS) or manual time keeping record is accurately recorded and certified.”*

Furthermore, Department of Health (DOH) Financial Memorandum FM 12-02, dated July 1, 2011 states:

“100% Time Keeping - EARS documentation used in conjunction with PeopleFirst (PF) will act as the official records to support salary charges on federal grants for CHD staff. PF is the book of record for human resource charges; however, detailed supporting allocation documentation is collected and stored in EARS. EARS time allocation input is advisable on a daily basis. The employee certification of the time allocation entered will concur with the pay period and be certified by the supervisor during the same pay period. EARS times must be reflected and supported with the time worked in PF. Managers/Supervisors are to validate EARS with the timesheet they approve in PF.”

DOH-Duval utilizes four separate DOH sanctioned time keeping systems to assist in complying with two of the permissible federal time keeping methodologies. Two systems are electronic: EARS and PeopleFirst. The other two systems are manual time keeping: the Employee Daily Time Record and the Daily Activity Record. EARS is used by all units at DOH-Duval to support salary charges on federal grants. PeopleFirst is required of all State employees to officially track time for salary purposes. The manual time keeping Employee Daily Time Record and Daily Activity Record (DAR) are used by some units at DOH-Duval with the information entered into EARS either by the employee or support staff. The DAR is used to report all environmental health services and direct service time.

Title 2, CFR Part 225 requires employees who work solely on a single federal award have their charges for salaries and wages supported by periodic certifications that they worked only on that program for the period covered by the certification. At a minimum, these certifications must be prepared semi-annually and signed by the employee or supervisor having first-hand knowledge of their work.

To meet this federal requirement, EARS is used to validate salary and fringe benefit expenditures of employees paid and working 100% of their time on a single federal grant on a biweekly basis. This is more frequent than the minimum semi-annual requirement but still permissible. This certification method must be consistently used at the employee level and not changed between biweekly pay periods. Because of this, DOH-Duval management is allowed to re-assign employees from a single federal grant if the need arises, to another program area after their biweekly certification.

The other periodic certification allowed and used by DOH-Duval is semi-annual through the Single Federal Award Certification form. This is a manual form to be completed by the employee and supervisor twice a year asserting the employee spends 100% of their employment working within a single federal grant and no other grants.

FINDINGS AND RECOMMENDATIONS

During the course of our review we sampled various federal grants awarded to DOH-Duval during fiscal year 2012-2013. We then sampled employees charging time to those grants. Based upon this sampling methodology, we did not find any instances of failure to comply with regulations related to federal time keeping requiring periodic certifications for employees paid via a single federal grant. All instances of certifications tested, either bi-weekly or semi-annually, were handled in accordance with federal and DOH requirements.

However, the following finding reflects issues noted during our testing that should be addressed by management to help improve accuracy in federal time keeping accountability at DOH-Duval:

Finding 1: Discrepancies were found between DOH-Duval time keeping systems for sampled employees charging 100% of their time to federal grants.

During testing, we compared the time keeping records of several systems used by DOH-Duval for various purposes. While the intent of the test was to ensure compliance with federal and state regulations, we noted the following discrepancies between the various DOH-Duval time keeping systems:

Position #	Pay Period	Discrepancy Noted	
003835	02/01/13 – 02/14/13	Employee Daily Time Record - 40 hrs. charged to ABE 13 grant	EARS – 1 hr. charged to ABE 13 grant
003830	02/15/13 – 02/28/13	Employee Daily Time Record – 47 hrs. charged to EWF 13 grant	EARS – 47 hrs. charged to FMP 13 grant
051599	01/18/13 – 01/31/13	Daily Activity Record – 8 hrs. charged to LSJRS grant	EARS – 16 hrs. charged to LSJRS grant
001391	9/14/2012 – 9/27/2012	PeopleFirst – 8 hrs. worked on 9/21/12	EARS – 8 hrs. leave time on 9/21/12
004768	01/04/13 – 01/7/13	PeopleFirst – no leave	EARS – 8 hrs. total leave time
085728	8/31/13 – 9/13/13	PeopleFirst – 16 hrs. total leave time	EARS – 12 hrs. total leave time

Our sample found an additional discrepancy in salary expenditures for one position:

Position #	Pay Period	Discrepancy Noted	
068289	FY 2012-2013	Reported time spent working on both FMP 13 grant and ABE 13 grant	FLAIR – salary expenditures were charged to the FMP 13 grant, no salary expenditures were charged to the ABE 13 grant

We recommend DOH-Duval management strengthen controls to ensure all DOH-Duval employee time keeping systems reconcile each reporting period for employees charging time to federal grants.

Management's Response: We concur. DOH-Duval management will take the following actions:

1. Develop a process to systematically review time keeping systems. Due: 12/31/13
2. Identify all staff that charge 100% of their time to federal grants. Due: 1/15/14
3. Conduct internal audit to establish baseline data and to identify/address time keeping issues. Due: 1/22/14
4. Develop trainings on how to correctly complete time keeping systems (EARS, DARs, Federal Timesheets and PeopleFirst) and how to review/reconcile time keeping systems. Due: 3/14/14
5. Schedule and train identified staff and their supervisors with the above training. Due: 3/31/14 and ongoing
6. Conduct ongoing monthly audits to determine performance gaps and identify time keeping issues. Ongoing

SUPPLEMENTAL INFORMATION

Section 20.055, *Florida Statutes*, charges the Department's Office of Inspector General with responsibility to provide a central point for coordination of activities that promote accountability, integrity and efficiency in government. Audits are conducted to review and evaluate internal controls necessary to ensure the fiscal accountability of the Department.

This review was conducted by Tony Hernandez, CIA, CISA, Senior Management Analyst II, under the supervision of Michael J. Bennett, CIA, Director of Auditing.

The scope of this review was DOH-Duval federal grants and samples of employee time charged to selected federal grants during Fiscal Year 2012/2013.

Our methodology included interviews with management and staff. We also reviewed judgmentally selected grant agreements and performed testing of federal time keeping documentation of judgmentally sampled employees within the selected grants. Additionally, we determined whether controls related to employee time charged to DOH-Duval federal grants are in place and operating as intended.

This project was not an audit, as industry-established auditing standards were not applied. Internal Audit Unit procedures for the performance of reviews were followed and used during this project.

CLOSING COMMENTS

We want to thank management and staff of the DOH-Duval for providing their cooperation and assistance to us during the course of this review.

Copies of final reports may be found on our website at:

<http://www.floridahealth.gov/public-health-in-your-life/administrative-functions/inspector-general/index.html>

Questions or comments related to the information provided in this report should be addressed to the Director of Auditing, Florida Department of Health by the following means:

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