

**AGENCY FOR PERSONS WITH  
DISABILITIES**

**RESIDENTIAL FACILITY LICENSING AND  
FOLLOW-UP ON PRIOR AUDIT FINDINGS**

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**Operational Audit**

For the Period July 2007 Through January 2009  
and Selected Actions Through March 2009



## DIRECTOR OF THE AGENCY FOR PERSONS WITH DISABILITIES

Section 20.197, Florida Statutes, creates the Agency for Persons with Disabilities. The head of the Agency is the Director, who is appointed by the Governor, subject to confirmation by the Senate. The following Directors served during the audit period:

James DeBeaugrine	From August 2008 May 2008 to August 2008 (Interim)
Jane Johnson	To May 2008

The audit team leader was Samantha Colbert, CPA, and the audit was supervised by Karen Van Amburg, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail at [janeflowers@aud.state.fl.us](mailto:janeflowers@aud.state.fl.us) or by telephone at (850) 487-9136.

This report and other reports prepared by the Auditor General can be obtained on our Web site at [www.myflorida.com/audgen](http://www.myflorida.com/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

## AGENCY FOR PERSONS WITH DISABILITIES

### Residential Facility Licensing and Follow-Up on Prior Audit Findings

#### SUMMARY

This operational audit of the Agency for Persons with Disabilities (Agency) focused on the Agency's residential facility licensing process and tests of expenditures related to two intermediate care facilities managed by the Agency (Sunland Marianna and Tacachale). The audit covered the period July 2007 through January 2009, and selected actions through March 2009, and included a follow-up on prior audit findings. Those matters requiring corrective actions are described below.

#### RESIDENTIAL FACILITY LICENSING

**Finding No. 1:** The Agency's facility licensure processes needed improvement, as evidenced by the numerous instances in which residential facilities were not able to provide documentation of staff qualifications and background screenings.

**Finding No. 2:** The Agency's standard renewal application for residential facilities did not contain some statutorily required elements. In addition, we noted instances in which the standard application form had been modified by Area Offices, and, as a result, the receipt and evaluation of all required facility information was not documented in Agency licensing files.

**Finding No. 3:** In most cases, Agency residential facility licensing files did not contain documentation of the calculation of the facility's capacity.

**Finding No. 4:** The Agency had not adopted some of the statutorily required rules relating to the licensing of residential facilities.

#### QUALITY ASSURANCE REVIEWS – HOME AND COMMUNITY-BASED SERVICES PROGRAM

**Finding No. 5:** Improvements continue to be needed in the timeliness of the Agency's resolution of issues reported in quality assurance reviews of Home and Community-Based Services Program direct service providers and waiver support coordinators. A similar finding was previously included in audit report No. 2008-180.

#### BACKGROUND

The mission of the Agency for Persons with Disabilities (Agency) is to support persons with developmental disabilities in living, learning, and working in their communities. The Agency is organized into a Central Office and 14 Area Offices. Each Area Office administers Agency functions in geographic areas which are composed of one or more counties.

Pursuant to Florida Statutes, among the responsibilities of the Agency is the licensure and regulation of residential facilities for the developmentally disabled, including group homes and foster homes.<sup>1</sup> As shown in EXHIBIT A, there were 1,601 group home facilities and 315 foster care facilities licensed by the Agency during the audit period.

The Agency is also responsible for administration of three developmental disability centers: Sunland Marianna, Tacachale, and the Gulf Coast Center (scheduled to close in 2010). According to Agency records, expenditures at the facilities during the audit period totaled approximately \$200 million: \$63.5 million at Sunland Marianna, \$95 million at Tacachale, and \$39.5 million at the Gulf Coast Center.

<sup>1</sup> Section 393.067, Florida Statutes.

**FINDINGS AND RECOMMENDATIONS**

**Residential Facility Licensing**

Agency guidance and oversight related to the residential facility licensure processes were insufficient. As described in the following findings, our audit tests disclosed that the Agency had not developed comprehensive written procedures and comprehensive rules addressing the licensing of the residential facilities that serve Agency clients. Our tests also disclosed numerous instances in which the Agency could not demonstrate that residential facility application information and facility staff qualifications were reviewed and verified prior to license issuance.

**Finding No. 1: Residential Facility Licensing**

State law and Agency rules define the licensure requirements applicable to residential facilities.<sup>2</sup> As part of the initial licensure and subsequent renewal licensure of each facility, Area Office licensing staff were responsible for verifying, through review of documentation maintained by the facility, information relating to the qualifications and backgrounds of all facility employees.

To measure the effectiveness of the Agency’s licensure processes, we requested documentation required by State law and Agency rules relating to staff qualifications and background screenings for 205 employees of 25 licensed group home facilities and 5 licensed foster care facilities. As shown in Table 1, in numerous instances, facilities were unable to provide the documentation requested, thereby raising questions as to the thoroughness of the Agency’s licensure processes, as well as the qualifications of the selected facility employees for whom documentation was not provided.

**Table 1  
Required Facility Staff Documentation Not Provided by Facilities**

Documentation Requested	Relevant Florida Statute (FS) or Agency Florida Administrative Code (FAC) Rule	No. of Facilities that were Unable to Provide the Requested Documentation	No. of Employees for whom Requested Documentation was Not Provided
<b>Group Home and Foster Care Facilities:</b>			
Background Screening	Section 393.0655(1), FS	3	4
Fingerprinting	Sections 393.0655(1) and 435.04(1), FS	1	1
Florida Department of Law Enforcement Statewide Criminal and Juvenile Records Checks	Sections 393.0655(1) and 435.04(1), FS	2	2
Local Law Enforcement Criminal Records Check	Sections 393.0655(1) and 435.04(1), FS	3	11
Employment History Check	Sections 393.0655(1) and 435.03(1), FS Rule 65G-2.012(5)(d), FAC	20	89
Attestation of Good Moral Character Form	Section 435.04(5), FS	6	47
Basic First Aid Course	Rules 65G-2.011(13)(c) and 65G-2.012(12)(d), FAC	8	40
Verification of Age	Rules 65G-2.011(5)(b) and 65G-2.012(5)(b), FAC	2	3
Three Character References	Rules 65G-2.011(5)(g) and 65G-2.012(5)(d), FAC	16	73 <sup>a</sup>
<b>Group Home Facilities - Written Evidence of Staff Qualifications:</b>			
Ability to Perform Duties in Job Description	Rule 65G-2.012(5)(b), FAC	15	79
Appropriate Life Experience	Rule 65G-2.012(5)(b), FAC	16	78
Eighth Grade Education	Rule 65G-2.012(5)(b), FAC	16	56

<sup>a</sup> Documentation of at least one character reference was provided for 16 of the 73 employees.

<sup>2</sup> Sections 393.0655 and 393.067, Florida Statutes, and Agency Rules, Chapter 65G-2, Florida Administrative Code.

Further examination disclosed that the Agency did not have in place comprehensive written procedures addressing the residential facility licensing process. Agency management provided a revised licensing checklist, effective January 28, 2009, and indicated that the Agency was in the process of developing comprehensive written operating procedures for licensing.

In the absence of procedures, Agency Area Office licensing staff lacked direction as to the steps to follow in obtaining and reviewing the required documentation of all facility employee qualifications. The failure to ensure the conduct of required background screenings and training could compromise the Agency's ability to ensure the safety and well-being of individuals in residential care settings.

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**Recommendation:** The Agency should ensure that written procedures addressing the residential facility licensing process include a description of the acceptable forms of documentation Agency Area Office licensing staff must obtain and review to verify that facility staff meet the requirements established in State law and Agency rules. The procedures should also describe how licensing staff are to document the review and verification work performed.

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## Finding No. 2: Residential Facility Application

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State law requires residential facilities to submit a license application to the Agency on a form furnished by the Agency.<sup>3</sup> The law describes the elements that are to be contained in the Agency's standard residential facility application, including the name and address of the applicant, location of the facility, and a description of the types of services and treatment to be provided by the facility. When submitting the application, facilities must provide a signed affidavit of compliance with all background screening requirements, proof of financial ability to operate, and a sworn statement of the costs of providing care to clients.

The Agency had developed standard applications for both initial and renewal residential facility licenses. Our audit disclosed that two required elements: information relating to the number, experience, and training of employees of the facility or program; and certification that the staff of the facility or program will receive training to detect and prevent sexual abuse of residents and clients, were not included on the standard renewal application. In addition, we noted that the Agency permitted Area Offices to modify the Agency standard application forms or develop alternate forms and, for 25 of the 30 facilities included in our tests, the application forms used by the Area Offices omitted required information. Specifically, we noted the following information missing from these facilities' license applications:

- In 17 instances, a description of the number and type of residents or clients for whom maintenance, care, education, or treatment is to be provided by the facility.
- In 20 instances, a description of the types of services and treatment to be provided by the facility.
- In 20 instances, the name of the applicant, director, or officers.
- In 20 instances, the name of the person or persons who managed or supervised the facility.
- In 8 instances, a signed affidavit of compliance with all background screening requirements.
- In 11 instances, proof of the financial ability to operate.
- In one instance, a sworn statement of the cost of providing care to clients. In 8 additional instances, a statement was provided but was not signed.
- In one instance, the Area Office could not locate the facility's licensure application.

Failure to maintain or collect required licensing information upon a facility's initial or renewal licensure limits the Agency's ability to ensure that licenses are only issued to qualified facilities.

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<sup>3</sup> Section 393.067(3) and (4), Florida Statutes.

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**Recommendation:** We recommend that the Agency amend the standard renewal license application to include all the elements required by law. In addition, the Agency should ensure that Agency Area Offices utilize the standard license applications, and the Agency should consider implementing a review process that includes Central Office review of selected licensing files to verify that all required information was obtained and evaluated prior to license issuance.

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### Finding No. 3: Residential Facility Capacity

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State law and Agency rules provide requirements relating to the number of individuals that may reside in group home facilities and foster care facilities for the developmentally disabled.<sup>4</sup> The Agency is responsible for determining whether the capacity of each facility meets the requirements of law and rule. Information that is to be used in making a facility's capacity calculation includes the physical size of the facility, the types of programs and services offered, the level of client care, and the number and qualifications of facility personnel. A failure to correctly calculate capacity could result in health and safety issues for individuals residing in facilities licensed by the Agency.

During our tests of licensing files for 25 group home facilities and 5 foster care facilities, we noted that only 3 files contained documentation of the Agency licensing staff's calculation of the facilities' resident capacity. Further inquiries disclosed that, as similarly discussed in finding No. 1, the Agency had not developed written procedures addressing the residential facility licensure processes.

In response to our inquiry, Agency management indicated that Area Office licensing staff considered the requirements of law when calculating capacity. However, absent written procedures that provide guidance for performing and documenting the capacity calculation, the Agency has reduced assurance that the capacity calculations will be properly computed and properly applied during licensing and monitoring activities. Further, absent evidence of the residential capacity calculation, Agency supervisory staff lack the information necessary to effectively monitor the work of licensing staff.

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**Recommendation:** We recommend that the Agency ensure that written procedures addressing the residential licensing process include guidance for Agency licensing staff use when performing resident capacity calculations and should also require documentation to evidence the calculation performed.

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### Finding No. 4: Residential Facility Administrative Code

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State law requires the Agency to adopt rules relating to residential facilities for the developmentally disabled.<sup>5</sup> In response to the requirements of law, the Agency established Agency Rules, Chapter 65G-2, Florida Administrative Code. However, we noted that, while most areas required by law were included in the rules, three areas were not addressed: license application procedures, requirements for monitoring group home and foster care facilities, and the frequency of facility staff background screenings.

The need for rules and related Agency procedures in these areas was reinforced by the results of our audit tests. For example, our tests of Agency licensing files for 25 group home facilities and 5 foster home facilities, with a total of 205 staff members, disclosed:

- Instances in which the Statewide criminal records checks, local law enforcement criminal records checks, and attestations of good moral character contained in the licensing files were as much as 10, 10, and 23 years old respectively. Chart 1 provides an indication of the ages of the most recent employment screening documentation on file at the facilities for the 205 facility staff members included in our tests. We also noted 6

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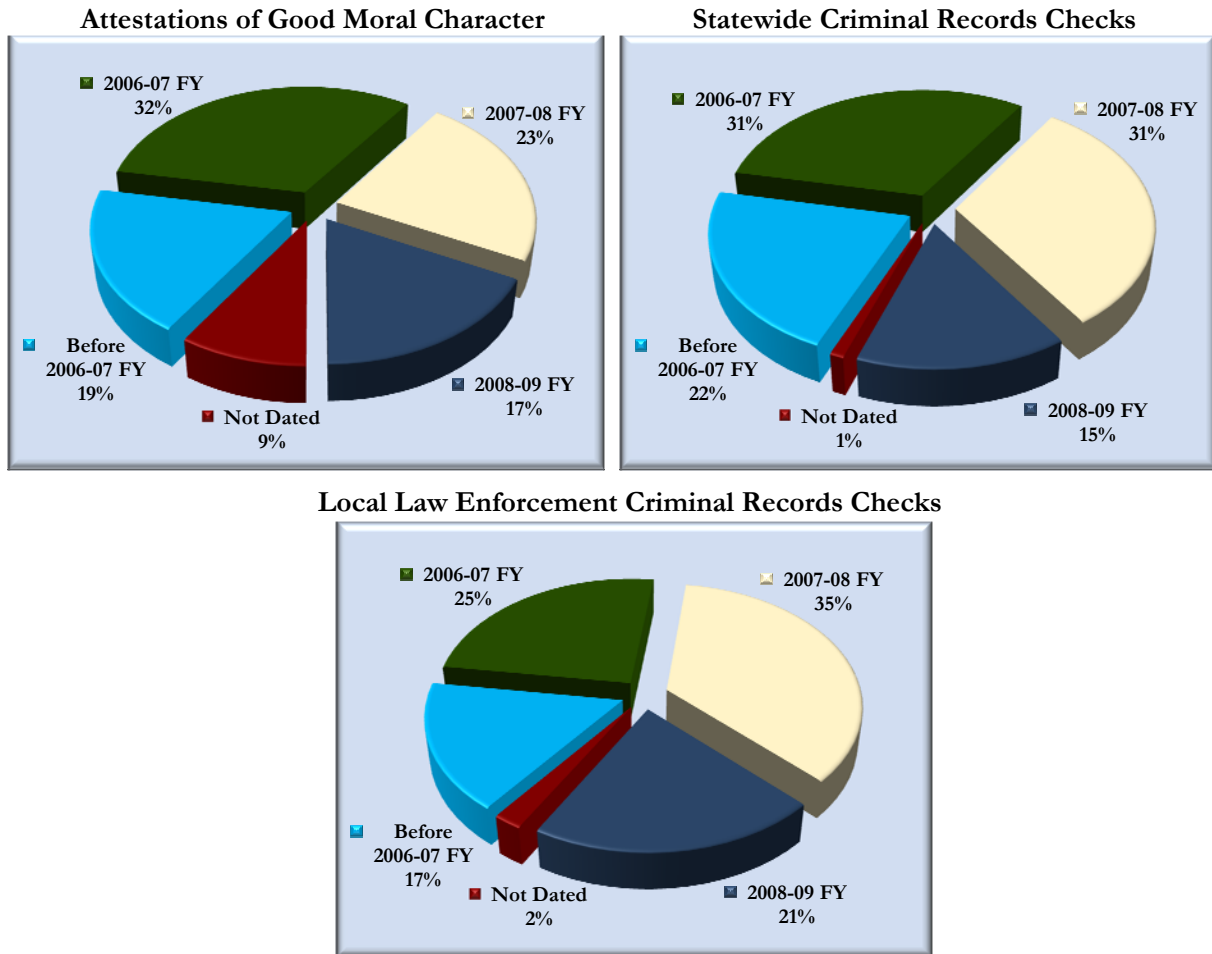
<sup>4</sup> Section 393.063(15) and (16), Florida Statutes, and Agency Rule 65G-2.006, Florida Administrative Code.

<sup>5</sup> Section 393.067(1), (5), and (8), Florida Statutes.

background checks and 14 attestations of good moral character that were not dated. In these instances, we were unable to readily determine the age of the screening information.

Chart 1

Dates of Most Recent Employment Screening Documentation on File



Source: Agency residential facility licensing files.

- Instances in which the forms utilized by licensing staff during annual monitoring activities did not include all of the required facility standards. Specifically, some of the forms reviewed did not address whether there was an individual bed for each resident or whether the grounds surrounding the facility were sufficient to allow social, physical, and recreational activities.

In the absence of rules addressing all the areas required by law, Agency management cannot demonstrate that clear, consistent, authoritative guidance, as anticipated by State law, has been developed and provided to Agency staff and facility management. While, in response to our inquiries Agency staff indicated that guidance was provided to Area Offices through e-mail, policy directives, monthly conference calls, and technical assistance site visits, these communications lack the legal standing and enforceability of administrative rules.

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**Recommendation:** We recommend that the Agency take appropriate action to amend its rules to include all the areas required by law.

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<b>Quality Assurance Reviews – Home and Community-Based Services Program</b>
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**Finding No. 5: Resolution of Quality Assurance Review Findings**


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It is the responsibility of the Agency to ensure the quality of the goods and services delivered to clients. To assist the Agency in meeting these responsibilities, Delmarva Foundation, under contract with the Agency for Health Care Administration, performed quality assurance reviews to monitor the activities of direct service providers and waiver support coordinators. Goods and services provided by direct service providers included, for example, in-home support services, durable medical equipment and supplies, and physical therapy. Waiver support coordinators were responsible for advocating for and assisting individuals in identifying, accessing, and coordinating support and services designed to meet individuals' needs and achieve their personal goals.

In audit report No. 2008-180, finding No. 6, we noted that the Agency did not always timely and appropriately follow up on deficiencies noted in the Delmarva Foundation quality assurance review reports. In response to the finding, Agency management indicated that they had hosted a Quality Management Workgroup to review the Delmarva Foundation quality management system and identify improved methods of utilizing the Delmarva Foundation report findings. In addition, Agency management indicated that operating procedures would be reviewed by the Workgroup to identify the addition of appropriate follow-up timeframes and documentation requirements consistent with audit report No. 2008-180 recommendations.

Although, as described above, the Agency had initiated corrective actions, our audit tests disclosed that improvements were still needed related to the timely resolution of issues disclosed in the Delmarva Foundation review reports. Specifically, our review of ten Delmarva Foundation reports disclosed:

- For one provider, the review report dated June 10, 2008, indicated that required training was not completed for several employees. One employee did not obtain the training until March 30, 2009, subsequent to our inquiry.
- For one provider, the review report dated December 27, 2007, indicated that required training was not completed for two employees. Completion of required training had not been verified by the Agency at the time of our audit inquiry on March 26, 2009.
- For one provider, the review report dated June 4, 2008, indicated that for one employee, a Statewide criminal records check was needed. In addition, for two employees, required training was not completed. The Agency did not initiate the background screening or obtain verification for the required training until subsequent to our audit inquiry.

Delays in the resolution of provider service issues lessen the Agency's ability to ensure the safety of individuals under the Agency's care.

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**Recommendation:** We recommend that the Agency continue to enhance procedures to ensure timely and complete resolution of issues identified by quality assurance reviews.

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<b>PRIOR AUDIT FOLLOW-UP</b>
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As part of our audit, we determined that the Agency had taken corrective actions for the applicable findings included in our report Nos. 2008-025 and 2008-180, except as noted above.

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<b>OBJECTIVES, SCOPE, AND METHODOLOGY</b>
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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on tests of expenditures related to two facilities managed by the Agency (Sunland Marianna and Tacachale) and the Agency's residential facility licensing process. The audit also included a follow-up on prior audit findings. The overall objectives of the audit were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To determine whether management had corrected, or was in the process of correcting, all applicable deficiencies disclosed in audit report Nos. 2008-025 and 2008-180.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit included examinations of various records and transactions (as well as events and conditions) occurring during the period July 2007 through January 2009, and selected actions through March 2009. In conducting our audit we:

- Interviewed selected Agency personnel.
- Obtained an understanding of internal controls and tested processes and procedures related to areas within the scope of the audit.
- Determined whether expenditures at Sunland Marianna and Tacachale were recorded in the correct amounts and adequately documented; made in accordance with applicable laws, rules, and applicable contract terms; and properly authorized and approved. We examined documentation relating to:
  - Forty payments for general expenditures totaling \$459,761 at Sunland Marianna.
  - Forty payments for general expenditures totaling \$470,884 at Tacachale.
- Determined whether the Medicaid per diem reimbursements were supported by census documentation for 6 months at both Sunland Marianna and Tacachale.
- Performed an analysis to confirm that if a provider from outside the institution (e.g., a hospital) submitted a claim for services on behalf of any facility resident, the facility followed Agency for Health Care Administration Rule 59G-4.170(7)(e), Florida Administrative Code.
- Performed an analysis of unusual balances identified in client trust fund accounts.
- Examined trust fund activity for 20 client accounts at Sunland Marianna and 20 client accounts at Tacachale during one month to determine whether deposits and expenditures were accurately recorded in the appropriate client trust fund accounts and properly supported.
- Examined the licensing files for 30 residential facilities to determine whether:
  - Residential facility applications contained the statutorily required elements.
  - Agency staff documented facility resident capacity calculations.
  - Area Office licensing staff reviewed appropriate facility-maintained documentation to verify the qualifications of facility staff.
  - The Agency timely and properly conducted facility inspections.

- Evaluated the Agency’s corrective actions taken to resolve findings disclosed in report No. 2008-025. Specifically, we:
  - Obtained an understanding of the Agency’s methodology and controls for periodically comparing Consumer Directed Care Plus (CDC+) consumers’ funding amounts to actual expenditures to ensure that excess funds did not build up in the consumers’ accounts.
  - Performed inquiries related to the status of Agency monitoring processes and procedures to determine whether they were in compliance with CDC+ Waiver Program rules.
- Evaluated the Agency’s corrective actions taken to resolve findings disclosed in report No. 2008-180. Specifically, we:
  - Examined the interagency agreement between the Agency and the Department of Children and Family Services (DCFS) to determine whether it included clearly defined terms and conditions and verified that Agency payments to DCFS for information technology services did not exceed the amount authorized.
  - Performed inquiries related to the status of the Agency’s organizational structure and obtained documentation of approval for any revisions.
  - Examined for timeliness the position and salary rate reports submitted to the Legislative Budget Commission.
  - Examined the management report required by Section 393.0061, Florida Statutes, to determine whether the report was accurate, complete, supported, and timely submitted.
  - Reviewed 10 Delmarva Foundation quality assurance review reports and evaluated the adequacy and timeliness of Agency follow-up to address the issues noted.
  - Performed inquiries related to the Agency’s procedures for reconciling the Allocation, Budget, and Contract Control System to the Florida Accounting Information Resource Subsystem. Reviewed 10 reconciliations for timeliness.
  - Reviewed the Agency’s list of missing tangible personal property to determine whether missing items were timely investigated.
  - Performed inquiries related to Agency procedures for accounting for all contracts and related expenditures.
  - Obtained an understanding of the Agency contract management framework, communication efforts, and policies and procedures.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

**AUTHORITY**

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a biennial basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA  
Auditor General

**MANAGEMENT’S RESPONSE**

In a response letter dated October 14, 2009, the Director of the Agency for Persons with Disabilities provided responses to our preliminary and tentative audit findings. The Director’s response is included as EXHIBIT B.

**EXHIBIT A  
STATEWIDE DISTRIBUTION OF GROUP HOMES  
AND FOSTER CARE FACILITIES BY COUNTY**

County	Group Homes	Foster Care Facilities
Alachua	61	1
Baker	1	0
Bay	5	1
Bradford	5	1
Brevard	14	8
Broward	176	27
Charlotte	20	10
Citrus	13	4
Clay	12	2
Collier	2	0
Columbia	12	1
Miami-Dade	306	6
DeSoto	4	1
Duval	52	24
Escambia	11	37
Flagler	15	1
Gadsden	5	1
Gilchrist	2	0
Gulf	1	0
Hamilton	1	0
Hardee	24	0
Hendry	6	1
Hernando	10	7
Highlands	18	0
Hillsborough	108	28
Holmes	0	1
Indian River	9	0
Jackson	10	1
Jefferson	2	0
Lake	33	7
Lee	82	32

County	Group Homes	Foster Care Facilities
Leon	13	0
Levy	4	0
Liberty	2	0
Manatee	20	3
Marion	42	9
Martin	8	0
Monroe	2	0
Nassau	2	0
Okaloosa	4	13
Orange	98	7
Osceola	1	0
Palm Beach	77	2
Pasco	21	12
Pinellas	76	14
Polk	42	5
Putnam	15	1
St. Johns	21	3
St. Lucie	56	5
Santa Rosa	2	3
Sarasota	7	7
Seminole	14	1
Sumter	2	3
Suwannee	2	0
Taylor	2	1
Union	3	0
Volusia	37	23
Wakulla	1	0
Walton	1	1
Washington	6	0
<b>Grand Total</b>	<b><u>1,601</u></b>	<b><u>315</u></b>

Source: Agency licensed facility data.

EXHIBIT B  
MANAGEMENT'S RESPONSE



Charlie Crist,  
Governor  
..  
Jim DeBeaugrine,  
Director  
..  
4030 Esplanade  
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October 14, 2009  
  
David W. Martin, CPA  
Auditor General  
State of Florida  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-0950

Re: Preliminary and Tentative Audit Findings – Agency for Persons with Disabilities – Residential Facility Licensing and Follow-up on Prior Audit Findings

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, we have prepared the attached response to the preliminary and tentative findings and recommendations to your operational audit on the Residential Facility Licensing and Follow-up on Prior Audit Findings, for the period July 2007 through January 2009, and selected actions taken through March 2009.

I want to thank you for this opportunity to respond to your preliminary findings. I hope this response satisfies your requirements. If you have any questions or need additional information, please contact Carol Sullivan, Director of Audit at (850) 414-7166.

Sincerely,

Jim DeBeaugrine  
Director

JD/cs  
Enclosure

<http://apd.myflorida.com>

**EXHIBIT B**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

RESIDENTIAL FACILITY LICENSING

**Finding No. 1 – Residential Facility Licensing**

The Agency's facility licensure processes needed improvement, as evidenced by the numerous instances in which residential facilities were not able to provide documentation of staff qualifications and background screenings.

**Recommendation:** The Agency should ensure that written procedures addressing the residential facility licensing process include a description of the acceptable forms of documentation Agency Area Office licensing staff must obtain and review to verify that facility staff meets the requirements established in State law and Agency rules. The procedures should also describe how licensing staff are to document the review and verification work performed.

**APD Response:**

Background screening is a key element in ensuring the ongoing health and safety of our clients, we consider even one violation of this requirement by our residential facilities to be unacceptable. To that end, APD Central Office staff is finalizing an operating procedure specifically intended to provide clear direction to area office licensing staff regarding the residential facility licensing process. This operating procedure, which we expect to have completed and disseminated by the end of November 2009, will provide area office staff with information regarding the specific types of documentation they must obtain from residential providers in order to ensure compliance with both the background screening and staff qualification requirements of statute and rule.

**Finding No. 2 – Residential Facility Application**

The Agency's standard renewal application for residential facilities did not contain some statutorily required elements. In addition, we noted instances in which the standard application form had been modified by Area Offices, and as a result, the receipt and evaluation of all required facility information was not documented in Agency licensing files.

**Recommendation:** We recommend that the Agency amend the standard renewal license application to include all the elements required by law. In addition, the agency should ensure that Agency Area Offices utilize the standard license applications, and the Agency should consider implementing a review process that includes Central Office review of

**EXHIBIT B**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

selected licensing files to verify that all required information was obtained and evaluated prior to license issuance.

**APD Response:**

A uniform licensing application form has been developed which contains all statutorily-required elements. This uniform licensing application will be disseminated to all area staff by October 16, 2009, with direction to commence use on October 19, 2009. In addition, the aforementioned operating procedure will delineate a process for Central Office review and oversight of area office licensing activities. This process will include (1) a review of random samples of licensing files (to be supplied by both the area offices as well as the homes themselves), (2) electronic oversight via our current and proposed licensing-related databases, and (3) site visits by Central Office staff to selected residential facilities (assuming sufficient travel funding is available). These activities will help us to ensure that area licensing staff is following established procedures prior to the issuance of facility licenses.

**Finding No. 3 – Residential Facility Capacity**

In most cases, Agency residential facility licensing files did not contain documentation of the calculation of the facility's capacity.

**Recommendation:** We recommend that the Agency ensure that written procedures addressing the residential licensing process include guidance for Agency licensing staff to use when performing resident capacity calculations and should also require documentation to evidence the calculation performed.

**APD Response:**

Under the current process, an applicant for licensure specifies how many individuals they wish to serve. Our area licensing staff then considers the request in terms of the requirements of law and rule (such as the maximum capacity of a group home per Section 393.063, Florida Statutes, how many bathrooms are in the home, square footage of the bedrooms and living areas, etc.). When a license is granted to the applicant, the capacity that is listed on the license will be consistent with the requirements of law/rule for that number of residents. Nevertheless, our forthcoming licensing operating procedure will contain clear guidelines and documentation requirements for area staff members to utilize capacity calculations.

**EXHIBIT B**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

**Finding No. 4 – Residential Facility Administrative Code**

The Agency had not adopted some of the statutorily required rules relating to the licensing of residential facilities.

**Recommendation:** We recommend that the Agency take appropriate action to amend its rules to include all the areas required by law.

**APD Response:**

The Agency is initiating the rulemaking process in order to ensure that all licensing-related requirements which are identified in state law are incorporated into Chapter 65G-2, F.A.C.

**QUALITY ASSURANCE REVIEWS – HOME AND COMMUNITY-BASED SERVICES PROGRAM**

**Finding No. 5 – Resolution of Quality Assurance Review Findings**

Improvements continue to be needed in the timeliness of the Agency's resolution of issues reported in quality assurance reviews of Home and Community-Based Services Program direct service providers and waiver support coordinators. A similar finding was previously included in audit report No. 2008-180.

**Recommendation:** We recommend that the Agency continue to enhance procedures to ensure timely and complete resolution of issues identified by quality assurance reviews.

**APD Response:**

APD is taking the following actions to address this finding:

- Upon receipt of the preliminary Auditor General report, the Agency notified all Areas of the findings and the need to improve our follow-up on issues cited through Delmarva quality assurance reviews with particular attention focused upon training and background screening. Areas were informed to begin addressing this issue immediately and that further instruction for statewide uniformity will be forthcoming.
- The Agency will develop a set of uniform expectations and specific timeframes for follow-up of issues cited in quality assurance reviews by Area staff responsible for this function as a revision to Operating Procedures APD 18-001. Changes to this operating procedure will be implemented by January 2010, consistent with

**EXHIBIT B**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

selection and implementation of the next contracted quality assurance vendor.

- The current quality assurance contract held by Delmarva Foundation is due to expire at the end of December 2009. The procurement document, an Invitation to Negotiate, has been designed to change and strengthen quality assurance reviews of health and safety concerns, including those related to staff training requirements and background screening. Selection of the new quality assurance vendor will include negotiation of changes to review tools and partnership with Agency Area offices responsible for following up on review findings to ensure corrections and improvements to services for timely completion and resolution of issues identified by quality assurance reviews. The selected quality assurance vendor is scheduled to commence operations under the new contract in January 2010.