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REPORT NO. 2025-10

TO: Karen Yatchum, Director
Human Services Department

FROM: Melissa Dondero, Inspector General/Chief Audit Executive *md*
Division of Inspector General

DIST: Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
The Honorable Chair and Members of the Board of County Commissioners
Barry Burton, County Administrator
Lourdes Benedict, Assistant County Administrator
Keri Vizandiou, Director, Business Services Division
Jennifer Artiaga, Director, Contract Services Division

SUBJECT: Follow-Up Audit of Human Services - Directions for Living Services Agreements

DATE: July 1, 2025

This memo serves to inform you that the Division of Inspector General completed a Follow-Up Audit of Human Services - Directions for Living Services Agreements. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The objectives of the original audit were to:

1. Determine if Directions for Living (DFL) internal controls were adequate for the administration of the Homeless Street Outreach (HSO) and Supplemental Security Income/Social Security Disability Insurance Outreach, Access, and Recovery (SOAR) Programs
2. Determine if DFL complied with the requirements of the HSO and SOAR Services Agreements
3. Determine if funds were properly expended for the HSO and SOAR Programs
4. Determine if the Human Services Department (Human Services) had adequate oversight of DFL's HSO and SOAR Services Agreements

To determine the current status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed testing to verify that management's

action plans have effectively addressed the opportunities for improvement (OFIs). The extent and timing of testing was based on the significance of the OFIs and management's planned implementation completion date.

Our follow-up audit was conducted in accordance with the *Global Internal Audit Standards* of The Institute of Internal Auditors and the *Principles and Standards for Offices of Inspector General* of the Association of Inspectors General. Accordingly, it included such tests of records and other auditing procedures as we considered necessary in the circumstances.

Our follow-up testing was performed from April 2025 through June 2025. The original audit period was from January 1, 2020, through December 31, 2023. However, transactions and processes reviewed were not limited by the audit period.

Of the 13 recommendations in the original audit report, we determined that 7 have been implemented, 2 have been partially implemented, and 4 have been identified as acceptable alternatives. The status of each recommendation is presented in this follow-up report.

Original Report Reference

To view the original report (Report No.: 2024-04), published in the report section of our website, please use the following link:

[RPT2024-04 Audit of Human Services - Directions for Living Services Agreements](#)

Recommendation Implementation Status

The table below reports on the status of management's action plans to implement the recommendations contained in the original audit report.

OFI	PREVIOUS RECOMMENDATION	STATUS
1	<i>Invoices Were Not Stamped Consistently And Three Invoices Were Paid Late For HSO And SOAR Program Reimbursements.</i>	
A	Adhere to the 45-day Florida Prompt Payment Act requirement for all future invoice payments utilizing a checklist to ensure payment timeliness. Refer to OFI #3 for more discussion.	Partially Implemented Human Services is actively engaged in the implementation of a contract lifecycle management system. The department executed an agreement with Cobblestone on December 4, 2024, with an anticipated go-live date in 2025. System implementation will reduce the department's reliance on manual processes and ensure compliance with the 45-day Florida Prompt Payment Act. In the meantime, Human Services created a cover sheet and procedures to document critical invoice processing dates, including the date the invoice was received and approved. We recommend the department finalize the implementation of the new system and, once implemented, ensure appropriate monitoring of the system and compliance with the Florida Prompt Payment Act. Until the system is fully implemented, the risk for penalties associated with late payments remains.
B	Stamp all invoices with the received date stamp to ensure that invoices are paid within the 45-day requirement of the Florida Prompt Payment Act utilizing a checklist to ensure completion. Refer to OFI #3 for more discussion.	Partially Implemented Human Services executed an agreement with Cobblestone on December 4, 2024, for a contract lifecycle management system with an anticipated go-live date in 2025. The new system is expected to reduce reliance on manual processes and ensure compliance with the 45-day Florida Prompt Payment Act. While the department works to bring the new system into operation, invoice processing procedures have been updated, and requirements for recording critical invoice dates have been memorialized. While physical

OFI	PREVIOUS RECOMMENDATION	STATUS
		<p>invoice date stamping is no longer required due to the emphasis on less manual processing, the department created a cover sheet with a "Date of Complete Invoice Submission" field to ensure compliance with the 45-day Florida Prompt Payment Act. In order to eliminate the risk of non-compliance with the Florida Prompt Payment Act and penalties associated with late payments, we continue to recommend that Human Services complete the full implementation of the new contract lifecycle management system and, once implemented, periodically monitor the new system to ensure compliance with the Florida Prompt Payment Act.</p>
C	<p>Require all provider emails to be retained in NextGen with the invoices and supporting documentation in the event the received date stamp is missing.</p>	<p>Acceptable Alternative</p> <p>The Human Services Department revised the Contracts Procedure Manual in April 2024 to include document retention and storage requirements. In April 2025, an independent Fiscal Management of Contracted Service Providers Procedure was finalized, requiring the entire invoice, cover sheet, and all invoice-related correspondence to be stored in the contract file rather than NextGen, as recommended in the original audit. Maintaining supporting documents in the contract file is an acceptable alternative to storing the documents in NextGen.</p>
D	<p>Revise the Accounts Payable Policy to include requiring that the provider email be attached to the invoice and supporting documentation before submission to Business Services. Business Services should upload the email into NextGen with the invoice and supporting documentation. Refer to OFI #3 for more discussion.</p>	<p>Acceptable Alternative</p> <p>The Human Services Department revised the Contracts Procedure Manual in April 2024 to include document retention and storage requirements and finalized the requirements in the independent Fiscal Management of Contracted Service Providers Procedure in April 2025. The original audit recommended that document retention take place within NextGen. As an acceptable alternative solution, Human Services chose to save all invoice-related documentation within the contract file.</p>

OFI	PREVIOUS RECOMMENDATION	STATUS
E	Collaborate with the Finance Division to discuss the invoice review process in Human Services. This will assist the Finance Division in understanding the sequence of the process and how to proceed if the received date stamp is missing.	Implemented To prevent inconsistencies with invoice received dates, Human Services conferred with the Finance Division and obtained agreement to use the "Date of Complete Invoice Submission" found on the Invoice Processing and Program Compliance Cover Sheet as the invoice received date.
2	<i>Discrepancies Were Noted During Sample Testing Of The HSO And SOAR Programs.</i>	
A	Revise the SOAR Services Agreement to clarify the mileage rate to be used for travel reimbursement. Future HSO Services Agreements should also contain clarification on the mileage rate to be used for travel reimbursement.	Implemented Human Services was in the process of closing the SOAR Services Agreement at the time of the original audit. As a result, the recommendation to revise the SOAR Services Agreement was no longer applicable or beneficial to the department. Human Services addressed the audit recommendation with revisions to its documents and procedures to clarify the mileage rate to be used for travel reimbursement for all future services agreements. Revisions to the Human Services Funding Agreement, the Contracts Procedure Manual, the Invoice Processing and Program Compliance Cover Sheet, and the Fiscal Management of Contracted Service Providers Procedure require travel reimbursement to align with either the County's adopted rate or the travel policy on file, whichever is lower.
B	Maintain all pre-approval emails and attach them to the invoice and supporting documentation in NextGen when received from the provider.	Acceptable Alternative Human Services revised the Contracts Procedure Manual and the Fiscal Management of Contracted Service Providers Procedure to require staff to ensure appropriate pre-approvals were documented with the invoices and stored in the contract file folder. This is an acceptable alternative to the original audit recommendation to store invoices and supporting documentation in NextGen.

OFI	PREVIOUS RECOMMENDATION	STATUS
C	Utilize a checklist to ensure sales tax is not reimbursed for applicable expenditures. Refer to OFI #3 for more discussion.	Implemented To address the original audit recommendation, Human Services created a cover sheet and procedures to ensure the review of invoices for unallowable sales tax reimbursement. In April 2024, Human Services trained staff on the revised documents and procedures. The procedures, along with any updates, are available on SharePoint. To reduce the department's reliance on manual processes, including staff verification of allowable expenditures, Human Services exceeded the original audit recommendation with the procurement and ongoing implementation of a contract lifecycle management system. The department executed an agreement with Cobblestone on December 4, 2024, with an anticipated go-live date in 2025. We recommend the department finalize the new system's implementation and ensure appropriate monitoring of the system and compliance with sales tax exemption policies once implemented.
D	Monitor the timeliness of invoice submittals through the utilization of a checklist. Refer to OFI #3 for more discussion.	Implemented To ensure invoice submissions occur within the timeframes required for all services agreements, Human Services enhanced written procedures, revised the contract template, and created a cover sheet. Management provided training on the revised documents and procedures in April 2024, and updates to the established procedures are available for review on the department's SharePoint page. To reduce the department's reliance on manual processes and ensure the timely submittal of invoices, Human Services exceeded the original audit recommendation with the procurement and ongoing implementation of a contract lifecycle management system. The department executed an agreement with Cobblestone on December 4, 2024, with

OFI	PREVIOUS RECOMMENDATION	STATUS
		<p>an anticipated go-live date in 2025. We recommend the department finalize the new system's implementation and ensure appropriate monitoring of the system and compliance with the required invoice submittal timelines once implemented.</p>
E	<p>Monitor the mileage rate for travel reimbursements through the use of a checklist. Refer to OFI #3 for more discussion.</p>	<p>Implemented</p> <p>In order to clarify the mileage rates used for travel reimbursement for all services agreements, Human Services revised its documents and procedures. Revisions to the Human Services Funding Agreement, the Contracts Procedure Manual, the Invoice Processing and Program Compliance Cover Sheet, and the Fiscal Management of Contracted Service Providers Procedure require travel reimbursement to align with either the County's adopted rate or the travel policy on file, whichever is lower.</p> <p>To reduce the department's reliance on manual processes, including staff monitoring of mileage rates, Human Services exceeded the original audit recommendation with the procurement and ongoing implementation of a contract lifecycle management system. The department executed an agreement with Cobblestone on December 4, 2024, with an anticipated go-live date in 2025. We recommend the department finalize the new system's implementation and ensure appropriate monitoring of the system and compliance with mileage reimbursement rates once implemented.</p>
F	<p>Document invoice submission extensions in an email and attach them to the invoice and supporting documentation in NextGen.</p>	<p>Acceptable Alternative</p> <p>Human Services revised the Contracts Procedure Manual and the Fiscal Management of Contracted Service Providers Procedure to require staff to ensure invoice submission extensions were documented with the invoices and stored in the contract file folder. This is an acceptable</p>

OFI	PREVIOUS RECOMMENDATION	STATUS
		alternative to the original audit recommendation to store supporting invoice documentation in NextGen.
3	<i>The Process Used To Update Written Policies And Procedures For Contract Monitoring Was Insufficient.</i>	
	<p>A Implement a process to periodically review, approve, and execute changes to the contract compliance and monitoring policies and procedures.</p>	<p>Implemented</p> <p>Human Services created a Policy and Procedure Development Standard Operating Procedure (SOP) and template to <i>"guide and standardize the development, review, and approval process for Human Services operational policies and procedures."</i> The template will support the completion of additional SOPs. Human Services management extracted the Fiscal Management of Contracted Service Providers Procedure from the Contracts Procedure Manual in April 2025 and transitioned to the new SOP template as a standalone document. The remaining sections of the Contracts Procedure Manual are undergoing review and will also be transitioned to the new SOP template as they are finalized. The Policy and Procedure Development SOP requires all procedures to be reviewed at a minimum of every two years by the Human Services Executive Leadership Team. All new procedures must be approved by the Human Services Director, unless otherwise delegated. Once procedures are reviewed and approved, they are available to staff via the internal department SharePoint site.</p>
	<p>B Develop, implement, and incorporate into the policies and procedures the use of a detailed review checklist to include, at a minimum, the following services agreement requirements for provider reimbursement:</p> <ul style="list-style-type: none"> Received date stamp 	<p>Implemented</p> <p>In order to <i>"guide and standardize the development, review, and approval process for Human Services operational policies and procedures,"</i> Human Services created a Policy and Procedure Development SOP and template to support the completion of additional SOPs. Currently, the department utilizes a cover sheet, the Contracts Procedure Manual, and the standalone Fiscal Management for Contracted Service Providers Procedure</p>

OFI	PREVIOUS RECOMMENDATION	STATUS
	<ul style="list-style-type: none">• Email received from the provider attached to the invoice and supporting documentation• Payment timeliness• Mileage rate validation• Email(s) for the pre-authorization of applicable expenditures attached to the supporting documentation• Sales taxes not charged and reimbursed• Email(s) and/or documentation of other provider correspondence approving the extension of the invoice submission	<p>to ensure invoices meet the services agreement requirements for provider reimbursement. The cover sheet requires the following information: date of complete invoice submission, validation of mileage rates, no reimbursement for sales tax, and notes related to revision requests. The Contracts Procedure Manual and the standalone Fiscal Management for Contracted Service Providers Procedure outline requirements for document management and retention, invoice date documentation, and acceptable timeframes for the review and processing of invoices.</p> <p>Human Services has surpassed the original audit recommendation through its proactive engagement in implementing a contract lifecycle management system to reduce reliance on manual processes and modernize the department's approach to contract management. The department is actively engaged in implementing the system with an anticipated go-live date in 2025. System implementation is expected to reduce the department's reliance on manual processes. We recommend the department finalize the transition to the new SOPs and contract lifecycle management system. Upon completion of system implementation, we recommend Human Services update written procedures to reflect any modifications resulting from the new system.</p>

We appreciate the cooperation shown by the staff of the Human Services Administration Department during the course of this review.

MD/CS