

AGENCY FOR PERSONS WITH DISABILITIES



OFFICE OF INSPECTOR
GENERAL

Enhancing Public Trust



Barbara Palmer, Director

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Project # 130702-01

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***2013-2014 Annual Risk Assessment
and Work Plan***

The Office of Inspector General (OIG) prepared this plan pursuant to Section 20.055(5)(i), Florida Statutes, and in accordance with the standards used by the OIG including the *International Standards for the Professional Practice of Internal Auditing (Standards)* as published by the Institute of Internal Auditors, Government Auditing Standards, and Standards for the Operation of Office of Inspectors General. In the case of this OIG, the topics are limited because of limited staff (Inspector General, Director of Auditing, a Senior Management Analyst and an Inspector Specialist) and other work demands such as enterprise wide issues.

The development of the annual plan was based on an awareness of the issues within the agency's programs and operations, the agency environment, the political climate, availability of resources, and proposed and on-going changes within the agency. Throughout the year the OIG staff has the opportunity to seek an understanding about these areas and add to our knowledge of the Agency for Persons with Disabilities (APD). The risk factors are reviewed and refined as needed. The risk assessment process is applied to potential work such as business processes, programs or other areas deemed necessary.

Signature on file

7/2/2013

Marvin Doyal, Inspector General

Date

Signature on file

7/2/2013

Barbara Palmer, Director

Date

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INSPECTOR GENERAL MISSION

The Office of Inspector General is an independent appraisal function established in APD under Florida Statute 20.055 as a central point for coordination of activities that promotes accountability, integrity, efficiency and compliance in APD programs and activities. The Office of Inspector General is to increase assurances that:

- APD assets are safeguarded.
- Operating efficiency is promoted.
- Compliance is maintained with prescribed laws, rules and regulations.

The OIG increases assurances by independently performing and reporting, objective

analyses¹ of APD operations. These analyses must be informed, logical, supportable² and timely³ and be about issues and matters of importance to APD and its stakeholders.

A second and equally important part of this operating philosophy is to perpetuate the ability of the OIG to provide these assurances by recruiting, training and retaining appropriate staff.

ALTERNATIVES AND PRIORITIES

The OIG will never be large enough to do all of the work that is waiting to be done. Therefore, the priorities for the work of the office are:

1. Respond to true emergencies (these could be any type of serious situation that might arise but could also include requests by members of APD Management, the Governor, the Chief Inspector General or other appropriate parties);
2. Execute approved individual assignments which are designed to answer questions about the effective, efficient, economical and legal operation of APD;
3. Continuously study and evaluate the system of internal controls over APD's assets and liabilities⁴; and,
4. Develop the information and databases necessary to respond to questions that are raised about whether the APD is operating in an effective, efficient, economical and legal manner.

These priorities are interrelated and doing any one of them provides information useful in doing the others. All four are important and continuing tasks.

¹ The mission statement uses the term "objective analyses" rather than terms such as audit, internal audits, administrative investigations, evaluations, reviews or surveys which are traditionally associated with this body of work. The focus is on the end product rather than on the means by which the analysis was performed. All of the means of performing an analysis – audit, investigation, review, survey - are valid ways of performing objective analyses and the OIG will employ the method most appropriate under the circumstances.

² The terms "informed," "logical" and "supportable" concern the quality of work that is produced by the OIG and to the performance of each person associated with the office. Meeting the expectation requires that sufficient competent evidence is obtained to support the analyses and the quality and integrity of evidence is tested and assured before reporting the analyses.

³ An analysis must be reported and the report must be timely. An analysis that is otherwise well done but not reported to the decision-maker is a waste of resources. An analysis that is otherwise well done but reported after a decision-maker has acted is also a waste of resources.

⁴ The system of internal controls is both the people and the processes that provide assurance to managers and stakeholders that APD's assets are safeguarded and access is granted only by management's authorization. Knowing this system and how well it works is a necessary step in determining the strengths and weaknesses of the operation. Audits, investigations, evaluations, reviews, surveys and other such techniques that are appropriate will be directed against the identified weaknesses. Additionally, this effort provides the basis for determining an audit universe that is an important part of the work plan.

PLANNING

Planning is required by Florida Statute (Section 20.055(5)(i)), the standards that the OIG follows, and good business practice. The plan is a guide for the OIG to meet the goals and objectives of the office and to maximize the OIG's contribution to the mission of APD. The work plan and schedule benefit the organization by:

- Decreasing the potential for overlapping the work of other entities.
- Preventing work in areas in transition.
- Expanding our understanding of the operations of the agency and current issues and events affecting the agency.
- Determining the priority for work on an annual basis.
- Permitting a more efficient allocation of limited resources.
- Providing a more flexible basis for managing personnel.
- Projecting an estimated timetable for initiating work for the year.

Planned work is based upon an assessment of risk and knowledge of the current events affecting APD's operations. We apply the OIG's accumulated knowledge of agency operations and internal controls to identify work areas.

Risk assessment is a process that we use to evaluate potential work based upon specific risk factors related to APD's operations, internal controls, and estimated liability to APD. Examples of risk factors used to formulate the plan include: complexity of operations, quality of internal controls, prior work, media interest or "front page risk", management accountability, and changes in the operations of APD.

MATTERS OF INTEREST TO THE OIG IN ASSESSING RISK

FY 2012-2013 CHANGES IN ADMINISTRATION AND ORGANIZATION

Changes in administration and organization can increase the risk associated with the agency as a whole. APD continues to have a high turnover in executive management and a recent restructuring of its statewide operations and is moving from 14 areas to 6 regions. The central office will be restructured to align with the new regional structure.

See Appendix A for a listing of the changes that occurred at APD during the 2012-2013 FY.

SENIOR MANAGEMENT INPUT

We sent Risk Assessment Questionnaires to 14 key managers, which included Deputy Directors for Operations, Programs, and Budget, Planning and Administration, Chief of Staff, Chief Information Officer, General Counsel, Superintendents, and Regional Administrators. We received 10 (or 71%) responses to our Risk Assessment Questionnaire and gave consideration to areas of risk that the managers reported. The Inspector General interviewed the Agency Director to obtain her input into areas of risk for the agency.

OIG EFFORTS AND PRODUCTS FY 2012-2013

Cases open at beginning of fiscal year	71
Cases opened during 2012/2013	105
Cases closed during 2012/2013	103
Cases open at end of fiscal year	73

See Appendix B for examples of products produced during the 2012-2013 FY.

EXTERNAL AUDIT COORDINATION AND FOLLOW-UP

The OIG is the primary liaison with other State of Florida audit and investigative entities and is responsible for coordinating and facilitating responses to audits, investigations and reviews by those entities. The *Standards* and Section 20.055(5)(h), Florida Statutes, require the Inspector General to monitor and report on the status of action taken in regard to such work by external entities. The following are external entity work where coordination and/or follow-up may be required in Fiscal Year 2013-2014:

CURRENT AUDITS & REVIEWS

- The Auditor General's Office is currently conducting an operational audit which is focusing on the iBudget Florida, including the Northeast and Northwest regions.
- The Auditor General's Office is currently conducting an audit of the State of Florida's Federal awards for the 2012-2013 fiscal year.
- The Office of Program Policy Analysis and Government Accountability is performing a review of the implementation of iBudget Florida.
- The Office of Program Policy Analysis and Government Accountability is performing research on the Adults with Disabilities Program administered through the Division of Vocational Rehabilitation.

AUDITS & REVIEWS PERFORMED DURING FY 2012-2013

- Auditor General Report No. 2013-133, *Public Assistance Eligibility Determination Processes at Selected State Agencies*
- Auditor General Report No. 2013-161, *State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards*
- The Office of Program Policy Analysis and Government Accountability Report No. 13-04, *Juvenile and Adult Incompetent to Proceed Cases and Costs*
- The Office of Program Policy Analysis and Government Accountability Report No. 13-07, *Profile of Florida's Medicaid Home and Community-Based Services Waivers*
- The Department of Financial Services, *Review of Selected Agency for Persons with Disabilities Contract/Grant Agreements*.

CURRENT CONCERNS AND RISKS

- Workload on Regions – Incomplete alignment between the central office structure and regional offices creates miscommunications resulting in continual re-dos of projects and redundancies in the workload. The number of activities and initiatives being sent to the regions at once continue to increase.
- iBudget – The agency is implementing individual budgets for individuals enrolled in the home and community based services waivers. iBudget is a way to better manage the waiver system, while giving customers more flexibility. Individuals will have a budget amount at the beginning of the service plan year. They will choose how to use it for waiver services.
- Client Accounts – Group homes maintain individual client accounts for incidental expenses. The agency does not maintain a listing of client accounts. These group homes may have cash accounts, bank accounts, and credit and/or debit cards in the client's name.
- Systems access – There are concerns that employees have access to various data and information that is outside the scope of their job functions.
- Travel – There continues to be issues raised in our Family Care Council Audits with the completion and processing of travel by regional staff.
- Interactions with Other Agencies – It is critical to establish a relationship or continuing a relationship with other agencies and that all parties communicate effectively to ensure the success of their mutual endeavors. There needs to be clear and concise policy guidelines with other agencies (i.e. Department of Children and Families, Agency for Health Care Administration, Vocational Rehabilitation, Department of Education, School Systems, etc.). These interactions at times results in delays and hinders the efficient operations of APD.

- **Communication/Cooperation** – Effective communication and involvement in decision making is critical to the efficient operations of the agency. Clear, concise and consistent communication is essential to developing a cooperative environment not only between the divisions within Central Office but also between Central Office and the Regional offices and Developmental centers. There continues to be issues regarding communication and cooperation within this agency.
- **Agency Underfunded** – There is concern with continued turnover of staff, low morale of staff and salary inequities, lack of IT resources and fixed capital outlay, inability to update systems and equipment, and limited or outdated opportunities for staff training.

POTENTIAL ASSIGNMENTS BASED ON RISK ASSESSMENT

We selected the following potential assignments based on the risk assessment, Florida Statute requirements and our knowledge and experience with the Agency:

- **Client Funds** – Potential for financial exploitation. (Continuation from prior year)
- **Area Family Care Council Expenditures** – required by statute. The OIG audits the expenditures of family care councils on a three year basis, thus five family care councils are scheduled for audit each year.
- **General Revenue Funded Activities** – This includes General Revenue contracts as well as IFS expenditures. Our General Revenue contracts are monitored by Department of Children and Families based on a risk assessment therefore the number reviewed each year is limited.
- **System Access** – Work will focus on employee access to various systems, data and information as it applies to their scope of work.
- **Travel Expenditures** – There continues to be issues raised in our Family Care Council Audits with the completion and processing of travel by regional staff. Work will focus on the documentation, approval and submission for travel reimbursements.
- **Enterprise Projects** – Section 14.32, Florida Statutes, provides that the Governor's Chief Inspector General shall initiate and coordinate activities designed to deter, detect, prevent and eradicate fraud, waste, abuse, and mismanagement in government. Additionally, the Chief Inspector General shall request such assistance as may be necessary to perform the duties of the Chief Inspector General. To plan for both agency specific audit projects and enterprise projects, each agency inspector general was asked to allocate 20 percent of their direct audit hours to enterprise projects.
- **2014-2015 Risk Assessment and Annual Audit Plan** – Section 20.055(5)(h), Florida Statutes, requires the Inspector General to develop long-term and annual work plans based on the findings of periodic risk assessments.

ADDITIONAL AREAS OF CONCERN

- Providers/Stakeholders
 - Possible fraudulent activities by providers
 - Potential for fraud in CDC+ as it is difficult to determine whether services authorized on a Purchasing Plan are being rendered appropriately.
 - ADT programs are not licensed and do not have a great deal of scrutiny
 - Supported living clients are vulnerable to financial exploitation
- Budget
 - Better usage and allocation of funds
 - Clearer distinction of duties and responsibilities between budget and finance and accounting
- Miscellaneous
 - Need Agency rules to support Agency in hearings
 - Lack of standardized policies and procedures for operations at APD.
 - APD has limited access and oversight into FMMIS
 - Lack of distinction between APD Office of Program Integrity, Agency for Health Care Medicaid Program Integrity and Attorney General's Medicaid Fraud Control Unit

POSSIBLE LONG RANGE TOPICS

- iBudget
- Residential facilities
- Monitoring of providers

APPENDIX A: CHANGES IN ADMINISTRATION AND ORGANIZATION

Date	Position/Action	Incumbent
7/10/12	Chief Information Officer appointed	Mark Ervin
8/16/12	External Affairs Director resigned	Hue Reynolds
8/17/12	External Affairs Director appointed	Joe Chapman
8/20/12	Agency Director resigned	Michael Hansen
8/21/12	Agency Director appointed	Barbara Palmer
9/10/12	Chief of Staff appointed	Michael Ayers
9/14/12	CDC + Program Financial Administrator resigned	Alexandra Weimorts
9/14/12	CDC + Program Financial Administrator position remains vacant	
10/12/12	Superintendent Sunland at Marianna appointed	Merlin Roulhac
10/15/12	Superintendent Sunland at Marianna resigned	Bryan Vaughan
10/15/12	Director of Program Integrity appointed	Bryan Vaughan
11/23/12	Agency Clerk vacant	Pete Mallison
11/23/12	Agency Clerk position remains vacant	
12/31/12	Deputy Director for Planning and Budget resigned	Marta Hardy
1/18/13	Deputy Director for Planning and Budget appointed	Sharon Bradford
1/18/13	Chief of Support Services appointed	Mitch Fenton
1/18/13	Assistant Superintendent Sunland at Marianna appointed	Darlene See
1/18/13	Bureau Chief of Financial Services appointed	Rose Salinas
1/18/13	MRDP is merged into Sunland Center	
1/18/13	Director of Forensic Programs	Charles Ball
1/31/13	Superintendent MRDP retires	Sandy Koon
4/18/13	Director of APD Program Integrity resigned	Bryan Vaughan
5/1/13	Deputy Director for Operations retires	Mac McCoy
5/1/13	Deputy Director for Operations appointed	Tom Rankin
5/1/13	Strategic Planning Coordinator appointed	Lisa Robertson
5/1/13	Director of APD Program Integrity appointed	Bob Brown-Barrios
5/28/13	General Counsel appointed	Richard Tritschler
5/31/13	General Counsel retires	Mike Palecki
6/28/13	Director of Forensic Programs resigned	Charles Ball
6/28/13	Director of Forensic Programs appointed	Paul Coley

APPENDIX B: EXAMPLES OF PRODUCTS PRODUCED DURING FY 2012-2013

- Audit of Area 1 Family Care Council Expenditures for FY 2011-2012
- Audit of Area 3 Family Care Council Expenditures for FY 2011-2012
- Audit of Area 8 Family Care Council Expenditures for FY 2011-2012
- Audit of Area 11 Family Care Council Expenditures for FY 2011-2012
- 120612-01 – Six Month Follow Up for Contract Management Audit
- 120716-01 – Six Month Follow Up for *Auditor General State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards*
- 120510-02 – Investigative Report Alleged Employee Misconduct
- 120529-02 – Report of Investigation of Livingston Morris Group Home
- 120612-02 - Current Status of the Ethics and Ethical Climate Follow-up Audit
- 120905-01 - Status of Corrective Actions, Auditor General Report No. 2012-120, Agency for Persons with Disabilities Individual and Family Supports Program and Prior Audit Follow-Up
- 120906-01 - Whistle-Blower Determination
- 120814-01 - Whistle-Blower Determination
- 120712-02 - Management Review Sunland Center in Marianna
- 120712-01 – Management Review Southern Region
- 120402-02 – Report on Allegations About Nursing Staff at MRDP
- 130214-01 - Whistle-Blower Determination
- 130214-02 - Whistle-Blower Determination
- 111207-01 – Whistle-Blower Determination
- 121026-01 – Investigation into Allegations of Diversion of Benefits Through Use of False Numbers
- 121026-01 – Investigation into Allegations of Improper Payments to Magellan Behavioral Health
- 121026-01 – Investigation into Allegations of Diversion of Benefits to Supported Housing
- 121026-01 – Investigation into Allegations of Theft by Providers
- 121026-01 – Investigation of APD Employees Lying in Hearings
- 121026-01 – Investigation into Allegations of Durable Medical Equipment Purchase
- 121026-01 – Investigation into Allegations of Improper Acts by a Person Named Alday
- 121026-01 – Investigation into Allegations Concerning Hopes Place
- 121026-01 – Investigation into Improper Claim of Employment
- 130511-01 – May 8, 2013 Incident at Sunland