



RICK SCOTT
GOVERNOR

STATE OF FLORIDA

Office of the Governor

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September 20, 2017

The Honorable Rick Scott
Governor of the State of Florida
The Capitol, PL 05
Tallahassee, Florida 32399-0001

Dear Governor Scott:

In accordance with section 20.055, Florida Statutes, I am pleased to submit the Office of the Chief Inspector General's Annual Report for fiscal year 2016-2017. This report highlights our efforts and activities during the preceding fiscal year.

As this report exemplifies, the Office of the Chief Inspector General is committed to providing leadership in the promotion of accountability, integrity and public trust in government.

Sincerely,

A handwritten signature in blue ink that reads "Eric W. Miller".

Eric W. Miller
Chief Inspector General

EXECUTIVE OFFICE OF THE GOVERNOR

OFFICE OF THE CHIEF INSPECTOR GENERAL



2016-2017 Annual Report

Presented

September 20, 2017

The Honorable Rick Scott
Governor of Florida

Eric W. Miller
Chief Inspector General



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EXECUTIVE SUMMARY



In accordance with sections 14.32 and 20.055, Florida Statutes (F.S.), the Office of the Chief Inspector General is responsible for promoting accountability, integrity, and efficiency in the Executive Office of the Governor and in agencies under the jurisdiction of the Governor.

Consistent with these responsibilities, the Office of the Chief Inspector General completed the following activities during fiscal year 2016-2017:

- Received, reviewed, and processed 1,921 complaints and requests for assistance by Florida's citizens and government employees and closed 1,945 complaints and requests;
- Received, reviewed, and processed 1,568 pieces of additional information for existing correspondences by Florida's citizens and government employees;
- Received and processed 208 final audit reports and corrective actions, pursuant to sections 20.055(6)(f) and 20.055(6)(h), F.S., respectively, which requires Inspectors General in agencies under the jurisdiction of the Governor to submit final audit reports and provide information related to significant findings and related corrective action plans to the Chief Inspector General;
- Received 15 annual audit plans pursuant to section 20.055(6)(i), F.S., which requires Inspectors General to develop long-term and annual audit plans based on the findings of periodic risk assessments. In agencies under the jurisdiction of the Governor, Inspectors General are required to submit their annual audit plans to the Chief Inspector General;
- Received, reviewed, and processed 72 notifications pursuant to the Chief Inspector General's protocol and section 20.055(2)(f), F.S., which requires Inspectors General in agencies under the jurisdiction of the Governor to keep the Chief Inspector General informed concerning fraud, abuses, and deficiencies related to programs and operations administered or financed by the state agency, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action;
- Reviewed 115 personnel actions pursuant to the Chief Inspector General's protocol and section 20.055(3)(b), F.S., which requires Inspectors General in agencies under



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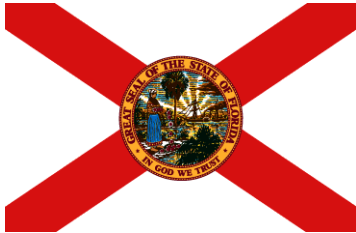
the jurisdiction of the Governor to consult with the Chief Inspector General prior to hiring or removing inspector general personnel;

- Received 182 whistle-blower determinations made by agency Inspectors General for compliance with sections 112.3187-112.31895, F.S., Florida's Whistle-blower's Act, resulting in 7 approved whistle-blower designations by agency Inspectors General and 4 approved whistle-blower designations by State Universities;
- Provided oversight for 2 whistle-blower investigations completed by agency Inspectors General, including reviews of final investigative reports and issuance of 2 final reports to mandatory recipients in compliance with applicable statutes;
- Completed or assisted with 9 investigations, reviews and audits that resulted in recommendations for improvement of efficiency, effectiveness and accountability in state programs;
- Reviewed a number of investigative reports for sufficiency and accuracy at the request of agency Inspectors General;
- Contacted 54 local governmental entities to gather information for use in determining their financial emergency status in accordance with the provisions of section 218.503, F.S.;
- Served as a liaison between the Executive Office of the Governor and external auditors and investigators;
- Served as the Governor's designee for financial emergencies pursuant to Chapter 218, F.S.;
- Demonstrated compliance with an Auditor General Quality Assurance Review of the Office of the Chief Inspector General's Internal Audit Activity; and,
- Provided training on Florida's Whistle-blower's Act to members of the Inspectors General community.



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INTRODUCTION



The Chief Inspector General has a broad range of responsibilities outlined in sections 14.32 and 20.055, F.S. These responsibilities include: carrying out activities designed to deter, detect, prevent, and eradicate fraud, waste, abuse, mismanagement, and misconduct in government; initiating, supervising, and coordinating investigations; coordinating complaint handling activities with agencies; coordinating activities of the Whistle-blower's Act and maintaining the Whistle-blower's Hotline; conducting, directing, and supervising audit activities; monitoring activities of agency Inspectors General; issuing and serving subpoenas; and conducting special investigations and management reviews at the request of the Governor. The Chief Inspector General is also responsible for appointing and removing Inspectors General in agencies under the jurisdiction of the Governor. In addition, when a local governmental entity meets statutory conditions specified in section 218.503(1), F.S., the Governor has delegated responsibilities described within sections 218.50–218.504, F.S., *Local Governmental Entity and District School Board Financial Emergencies*, to the Chief Inspector General.

Our mission is to assist the Executive Office of the Governor in the accomplishment of its objectives by conducting, supervising, and coordinating accountability activities in order to enhance public trust in government. During the past year, the Office of the Chief Inspector General worked diligently to meet statutory mandates and to ensure standards of excellence were applied consistently across state agencies by agency Inspectors General. This report details our efforts toward achieving our mission.

INDEPENDENCE

According to sections 14.32(4) and 20.055(3), F.S., the Chief Inspector General serves as the Inspector General for the Executive Office of the Governor and reports directly to the Governor to ensure audits, investigations, and other activities are performed with competence and independence, and to ensure findings and conclusions are developed in accordance with professional standards. Additionally, by statute, the Chief Inspector General is not subject to supervision by any other employee except the Governor, and the agency head or staff shall not prevent or prohibit the Chief Inspector General from initiating, carrying out, or completing any audit or investigation.



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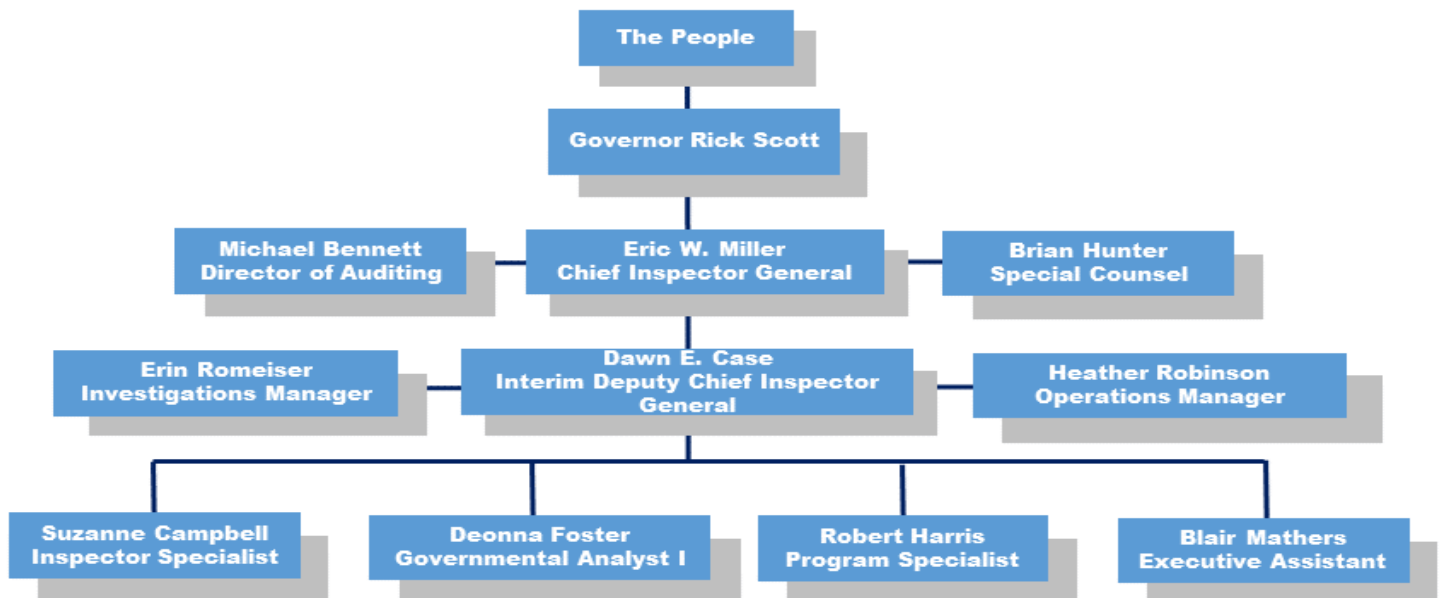
PROFESSIONAL STANDARDS AND CODE OF ETHICS

Pursuant to section 20.055(2)(j), F.S., the Office of the Chief Inspector General complies with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General. Staff abide by the Florida Code of Ethics for Public Officers and Employees as codified in sections 112.311-112.326, F.S., and the Executive Office of the Governor's Code of Ethics. Internal audits are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics* published by The Institute of Internal Auditors, Inc.

ORGANIZATION AND STAFFING

During fiscal year 2016-2017, the Office of the Chief Inspector General staff included the Chief Inspector General, the Deputy Chief Inspector General, the Director of Auditing, the Special Counsel, two Senior Management Analysts, a Government Analyst, an Executive Assistant, an Inspector Specialist, and a Program Specialist. In April 2017, Eric W. Miller was appointed Chief Inspector General by the Governor.¹

Office Organizational Chart



As of June 30, 2017

¹ Eric W. Miller replaced former Chief Inspector General Melinda M. Miguel, who served in the role of Chief Inspector General for approximately 10 years.



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Professional Certifications

Members of the Office of the Chief Inspector General hold the following professional certifications:

- Certified Inspector General (3)
- Certified Inspector General Investigator (3)
- Certified Financial Crimes Investigator (1)
- Certified EEOC Investigator (1)
- Certified Fraud Examiner (1)
- Certified Internal Auditor (1)
- Certified Government Auditing Professional (1)
- Certified Accreditation Manager (4)
- Certified Accreditation Assessor (2)
- Notary Public (3)
- Certified Project Manager (1)
- Certified Public Manager (1)
- Florida Certified Contract Manager (2)
- Licensed Private Investigator (1)

Professional Organization Affiliations

Members of the Office of the Chief Inspector General are affiliated with the following professional organizations:

- National Association of Inspectors General
- Florida Chapter of the Association of Inspectors General
- The Institute of Internal Auditors, Inc.
- Association of Government Accountants
- International Association of Financial Crimes Investigators
- Association of Certified Fraud Examiners
- Florida Audit Forum
- Florida Bar
- State Law Enforcement Chiefs' Association



Leadership in Professional Organizations

Members of the Office of the Chief Inspector General served in the following leadership roles in professional organizations during the fiscal year:

- Members on the Board of Directors for the Florida Chapter of the Association of Inspectors General;





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- Commission Member, Commission for Florida Law Enforcement Accreditation, Inc.

CHIEF INSPECTOR GENERAL PROJECTS

During the fiscal year, the Office of the Chief Inspector General participated in the following activities:

Review of Lake City Correctional Facility

In January 2017, the Office of the Chief Inspector General initiated a review of the pricing and award of the operations contract associated with Lake City Correctional Facility. Lake City Correctional Facility is a private correctional facility established in 1997 to house male youthful offender inmates. Lake City Correctional Facility is operated by Corrections Corporation of America under contract with the Florida Department of Management Services. The review is currently ongoing.

Review of North Broward Hospital District

In January 2016, the Office of the Chief Inspector General initiated a review of the North Broward Hospital District (Broward Health). Broward Health is a special taxing district governed by a seven-member Board of Commissioners, each appointed by the Governor to a four-year term. The Board exercises budgetary authority, selects senior executive management, participates in fiscal management, provides taxing authority and determines the scope of services to be provided to the community. The review is currently ongoing.

City of Opa-Locka Financial Emergency Board

In June 2016, the Governor issued Executive Order Number 16-135, declaring the City of Opa-Locka in a state of financial emergency pursuant to section 218.503, F.S. The Governor established a Financial Emergency Board to oversee the activities of the City of Opa-Locka until their financial emergency is resolved, and named the Chief Inspector General as the Governor's designee for carrying out the Executive Order. In addition, the Chief Inspector General served as Chair of the Financial Emergency Board from June 2016 through April 2017.

Enterprise Project - Follow-up Review of Office of the Chief Inspector General Report #2016-02, Enterprise Assessment of Single Audit Act Activities

The Chief Inspector General and several agency Inspectors General initiated an enterprise project to assess Single Audit activities. The team consisted of staff from various Offices of Inspectors General and was led by the Division of Emergency



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Management Deputy Inspector General. The purpose of this engagement was to identify potential enhancements to State of Florida agencies' Single Audit processes and to develop a plan to implement those enhancements. The specific objectives were to:

- Review the conclusions and recommendations from Report Number 2016-02, *Enterprise Assessment of Single Audit Act Activities Across Selected State Agencies*;
- Review the processes, policies, and procedures of state agencies that were not included in Report Number 2016-02;
- Identify potential enhancements to state agencies' Single Audit processes; and
- Develop a plan to implement those recommended enhancements.

Enterprise Project – Identification of Strengths and Weaknesses in the Current Contract and Grant Monitoring Processes throughout State Government

The Chief Inspector General assembled a multi-agency team to identify strengths and weaknesses within the current contract and grant monitoring processes throughout Florida's State Agencies. The purpose of this engagement is to identify various strengths and weaknesses in the current contract and grant monitoring and management processes across the enterprise and to provide results to appropriate authorities with the goal of enhancing the success of contract and grant monitoring and management. The team consists of staff from various Offices of Inspectors General and is being led by the Department of Corrections Inspector General. This enterprise project is ongoing.

Accreditation

The Office of the Chief Inspector General's investigative function is currently accredited by the Commission for Florida Law Enforcement Accreditation, Inc. (Commission). During the fiscal year, the Office of the Chief Inspector General and agency Inspectors General, in collaboration with the Commission, continued efforts to enhance compliance with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General through the advancement and support of the Office of Inspector General accreditation program. Throughout the fiscal year, the Office of the Chief Inspector General held an accreditation workshop for several Offices of Inspectors General seeking initial accredited status, provided accreditation-related assistance to numerous Offices of Inspectors General, conducted mock assessments for five Offices of Inspectors General to assist with preparation for their on-site assessments by Commission assessors, and conducted three on-site accreditation assessments.



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The following Offices of Inspectors General earned accredited status from the Commission during the fiscal year: the Agency for Health Care Administration Office of Inspector General, the Attorney General Office of Inspector General, the Department of Elder Affairs Office of Inspector General, the Division of Emergency Management Office of Inspector General, the Florida Housing Finance Corporation Office of Inspector General, the Florida State University Office of Inspector General Services, and the Okaloosa County Clerk of the Circuit Court Department of Inspector General.

Also, the Department of Highway Safety and Motor Vehicles Office of Inspector General, the Department of Education Office of Inspector General, the Florida Department of Law Enforcement Office of Inspector General, the Florida Lottery Office of Inspector General, and the Palm Beach County Clerk and Comptroller Division of Inspector General achieved re-accredited status during the fiscal year.

In addition, the Office of the Chief Inspector General's Investigations Manager, Erin Romeiser, was recognized as the Commission's 2016 Team Leader of the Year during the Commission's June 2017 conference.

Implementation of the Customer Relationship Management Database

During the fiscal year, the Office of the Chief Inspector General implemented a new Microsoft Office 365 database, called Customer Relationship Management (CRM). With the implementation of CRM, the Office of the Chief Inspector General has gone paperless and gained numerous efficiencies through electronic record keeping.

INVESTIGATIVE ACTIVITY

Summary of Investigative Activity



Investigations often begin with allegations received by telephone, letter, fax, website or e-mail. Additionally, in accordance with sections 112.3187 – 112.31895, F.S., the Whistle-blower's Act (Act), the Office of the Chief Inspector General maintains a statewide Whistle-blower's Hotline where employees of the state or contract providers may disclose allegations of gross mismanagement, gross neglect of duty or other activities prohibited by the Act.

During fiscal year 2016-2017, the Office of the Chief Inspector General implemented the CRM database which enhanced the way the office captures information. With the implementation of CRM, the Office of the Chief Inspector General can now report the number of complaints or requests received and electronically link additional correspondence or information received related to existing cases and investigations.



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The Office of the Chief Inspector General received the following complaints or requests for assistance during the fiscal year:

Complaints or Requests By Source

Source	Number
Email	446
Fax	39
Mail	396
Telephone	424
WB Hotline	132
Referral from IG Office	119
Referral from Other	121
Walk-in	13
Website	231
Total	1,921

The Office of the Chief Inspector General received the following additional information related to existing cases and investigations during the fiscal year:

Additional Information By Source

Source	Number
Email	785
Fax	18
Mail	195
Telephone	161
WB Hotline	0
Referral from IG Office	308
Referral from Other	68
Walk-in	0
Website	33
Total	1,568

All complaints received and requests for assistance received were documented in the Office of the Chief Inspector General database. Overall, 1,921 complaints and requests were opened and 1,945 complaints and requests were closed during the fiscal year as follows:



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**Summary of Complaint Activity by Quarter
Fiscal Year 2016-2017**

	Q1	Q2	Q3	Q4	TOTAL
Number of Complaints and Requests Opened	474	421	412	614	1,921
Number of Complaints and Requests Closed	486	436	410	613	1,945
Number of Whistle-blower Hotline Calls Received	26	14	26	66	132
Number of Complaints Referred for Handling or Review to Other Entities	325	313	284	452	1,374

Investigative Highlights



The following case summaries provide an overview of cases in which the Office of the Chief Inspector General played a role.

Florida Department of Corrections (FDC)

CIG Case #201610060004

On October 6, 2016, the Office of the Chief Inspector General received complaint information from the Florida Commission on Human Relations in which an FDC employee expressed concerns about retaliation, discrimination, and violations of Florida Statutes by employees of the FDC Office of Inspector General. The Office of the Chief Inspector General met with the complainant to obtain specific complaint details, and requested a response from the FDC Inspector General regarding the complainant's concerns. The Office of the Chief Inspector General conducted a review of the information provided by the FDC Inspector General and found that the complainant's concerns were thoroughly addressed by the FDC OIG and further investigative activity was not warranted.

Florida Department of Health (DOH)

CIG Case #201610270006

On October 27, 2016, the Office of the Chief Inspector General received a complaint from a DOH employee regarding the possible mishandling of an investigation by the DOH Office of Inspector General. The complainant alleged that the DOH Office of Inspector General failed to address policy violations and expressed concerns about the conduct of a DOH Office of Inspector General employee. The Office of the Chief Inspector General contacted the complainant to obtain specific complaint details, and requested a response from the DOH Inspector General regarding the complainant's



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concerns. The Office of the Chief Inspector General conducted a review of the information provided by the DOH Inspector General and found no substantive evidence warranting further investigative activity and no evidence to indicate that the DOH Office of Inspector General handled the investigation outside the parameters of section 20.055, F.S.

Florida Fish and Wildlife Conservation Commission (FWCC)

CIG Case #201611080011

On November 8, 2016, the FWCC Inspector General notified the Office of the Chief Inspector General of a complaint received from a former FWCC employee regarding the possible mishandling of an investigation by the FWCC Office of Inspector General. It was alleged that the FWCC Office of Inspector General violated provisions of Florida's Law Enforcement Officers' and Correctional Officers' rights as enumerated in section 112.532, F.S., violated provisions of the Whistle-blower's Act, falsified documents, and failed to properly investigate the complainant's allegations. The FWCC Inspector General requested assistance from the Office of the Chief Inspector General in reviewing the FWCC Office of Inspector General's response to the complainant's concerns. The Office of the Chief Inspector General conducted a review of the information provided by the FWCC Inspector General and found no substantive evidence warranting further investigative activity and no evidence to indicate that the FWCC Office of Inspector General handled the investigation outside the parameters of section 20.055, F.S., or section 112.532, F.S.

Agency for Persons with Disabilities (APD)

CIG Case #201612300005

On December 30, 2016, the Office of the Chief Inspector General received a complaint from a former APD licensed group home provider regarding the possible mishandling of an investigation by the APD Office of Inspector General. The Office of the Chief Inspector General met with the complainant to obtain specific complaint details, and requested a response from the APD Inspector General regarding the complainant's concerns. The Office of the Chief Inspector General conducted a review of the information provided by the APD Inspector General and found no evidence to indicate that the APD Office of Inspector General handled the investigation outside the parameters of section 20.055, F.S.

Florida Department of Transportation (DOT)

CIG Case #201702020001

On February 2, 2017, the Office of the Chief Inspector General received a complaint from a DOT employee regarding alleged misconduct by employees of the DOT Office of



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Inspector General. It was alleged that DOT Office of Inspector General employees created a hostile work environment and that DOT Office of Inspector General management failed to address the complainant's concerns. The Office of the Chief Inspector General met with the complainant to obtain specific complaint details, and requested a response from the DOT Inspector General regarding the complainant's concerns. The Office of the Chief Inspector General conducted a review of the information provided by the DOT Inspector General and found no substantive evidence warranting further investigative activity.

Florida Commission on Offender Review (FCOR)

CIG Case #201702100003

On February 10, 2017, the Office of the Chief Inspector General received complaint information from the Florida Commission on Human Relations in which an FCOR employee expressed concerns about discrimination and retaliation. FCOR management requested assistance from the Office of the Chief Inspector General with reviewing the complainant's concerns for whistle-blower determination. Upon review of the complainant's concerns, it was determined the complainant's disclosures did not meet requirements under the Whistle-blower's Act, and further investigative activity was not warranted. The Office of the Chief Inspector General subsequently referred the complainant's concerns to FCOR for review and action deemed appropriate by the FCOR.

Executive Office of the Governor (EOG)

CIG Case #201702220005

On February 22, 2017, the Office of the Chief Inspector General received a complaint from a Florida Department of Veterans' Affairs employee regarding concerns about the EOG's drug testing and background screening processes. The Office of the Chief Inspector General met with the complainant to obtain specific complaint details. Upon review of the complainant's concerns, it was determined the complainant's disclosures did not meet requirements under the Whistle-blower's Act, and further investigative activity was not warranted. The Office of the Chief Inspector General subsequently referred the complainant's concerns to the EOG Administrative Director for review and for action deemed appropriate by the Director.

Florida Department of Highway Safety and Motor Vehicles (DHSMV)

CIG Case #201703090002

On March 9, 2017, the Office of the Chief Inspector General received a complaint from a former DHSMV employee regarding alleged misconduct by the DHSMV Inspector General and the possible mishandling of an investigation by the DHSMV Office of



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Inspector General. The Office of the Chief Inspector General met with the complainant to obtain specific complaint details, and subsequently met with the DHSMV Inspector General to request a response regarding the complainant's concerns. The Office of the Chief Inspector General conducted a review of the information provided by the DHSMV Inspector General and found no substantive evidence warranting further investigative activity and no evidence to indicate that the DHSMV Office of Inspector General handled the investigation outside the parameters of section 20.055, F.S.

**Florida Department of Business and Professional Regulation (DBPR)
CIG Case #201705180004**

On May 18, 2017, the Office of the Chief Inspector General received a complaint from a DBPR employee regarding the alleged mishandling of complaints by the DBPR Office of Inspector General. The Office of the Chief Inspector General contacted the complainant to obtain specific complaint details, and requested a response from the DBPR Inspector General regarding the complainant's concerns. The Office of the Chief Inspector General conducted a review of the information provided by the DBPR Inspector General and found no evidence to indicate that the DBPR Office of Inspector General handled the complainant's concerns outside the parameters of section 20.055, F.S., and did not identify any issues warranting further investigation.

Summary of Whistle-blower Activity

During the fiscal year, the Office of the Chief Inspector General played a vital role in processing requests for whistle-blower protection in accordance with the Whistle-blower's Act (Act). The Office of the Chief Inspector General ensured a consistent assessment process for applying statutory requirements by agency Inspectors General and provided coordination and oversight of investigative activities involving the most serious allegations.



Each of the 1,921 complaints and requests for assistance received by the Office of the Chief Inspector General was screened for compliance with the provisions of the Act. A total of 182 complaints warranted a more in-depth review resulting in seven approved whistle-blower designations by agency Inspectors General and four approved whistle-blower designations by State Universities.

During the fiscal year, agency Inspectors General closed two whistle-blower investigations. Twenty-two whistle-blower investigations remain ongoing. The Office of the Chief Inspector General monitored each case for completion and compliance with statutory timeframes and granted extensions in accordance with statutory requirements when circumstances warranted. In addition, final investigative reports were submitted to



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and independently reviewed by the Office of the Chief Inspector General for investigative sufficiency prior to final release. Whistle-blower cases which produced evidence of criminal violations were referred, as required by statute, to the Florida Department of Law Enforcement.

Whistle-blower Case Highlights

The following case summaries represent examples of the types of investigations conducted in accordance with the Act.



Whistle-blower Case Summary #1

CIG Case #201303080005

On March 22, 2013, the Agency for Healthcare Administration (AHCA) Office of Inspector General initiated an investigation to address multiple allegations involving a pediatric clinic. The allegations included concerns about the mailing of narcotic prescriptions, payments for vaccinations, falsified employee timecards, and Medicaid billing violations. The AHCA Office of Inspector General determined that one allegation regarding a Medicaid billing violation was substantiated, while a second allegation relating to a billing violation was unsubstantiated. The AHCA Office of Inspector General referred the other allegations to the appropriate entities with jurisdiction over the alleged violations.

Whistle-blower Case Summary #2

CIG Case #201406180001

On June 26, 2014, the Department of Health (DOH) Office of Inspector General initiated an investigation to address multiple allegations involving the Florida Department of Health in Duval County. The allegations included concerns about falsified records, medical billing violations, and employee misconduct. The DOH Office of Inspector General determined that all allegations were unsubstantiated, unfounded, or did not violate DOH policy, rule, or statute.

AUDIT ACTIVITY

In accordance with sections 14.32 and 20.055, F.S., the Office of the Chief Inspector General is responsible for carrying out auditing duties and reviewing, evaluating, and monitoring the policies, practices, and operations of the Executive Office of the Governor. In addition, section 20.055(2), F.S., includes a description of activities related to the development, assessment, and validation of performance measures. These activities are integrated into the audit process, if applicable. During fiscal year 2016-2017, this office completed an annual audit plan, provided audit assistance to other



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agency Inspectors General, monitored the status of external audits, and participated in an Auditor General Quality Assurance Review as follows:

Internal Audit Activities

The approved audit plan for the fiscal year 2016-2017 included a project to audit Information Technology controls within the Executive Office of the Governor, Office of Policy and Budget. Prior to the commencement of this audit, the Office of the Auditor General commenced an Operational Audit within the Executive Office of the Governor that included many of the objectives that were to be conducted through the planned internal audit. A decision was made with the approval of the Chief Inspector General that the planned internal audit should not be conducted as it would be duplicative of the Operational Audit by the Auditor General, completed and published by the Auditor General as Report Number 2017-213.

External Audit Liaison Activities

In accordance with 20.055(2), F.S., staff of the Office of the Chief Inspector General served as the liaison between the Executive Office of the Governor and the Auditor General on projects related to the Executive Office of the Governor. During fiscal year 2016-2017, there were no external audit report findings requiring follow-up.

Quality Assurance Review

During the fiscal year, the Auditor General conducted a Quality Assurance Review of the Office of the Chief Inspector General's internal audit activity to confirm that the Office's charter, policies and procedures, quality assurance and improvement program, and work products conform to applicable professional auditing standards. The Auditor General also reviewed the Office's compliance with the provisions of section 20.055, F.S., that relate to internal audit activities and identified opportunities to enhance the management of the Office's internal audit activity and work processes, as well as its value to agency management. The Auditor General found that the Office of the Chief Inspector General's internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance to applicable professional auditing standards. The Auditor General also found that the Office of the Chief Inspector General complied with the provisions of section 20.055, F.S., that govern internal audit activities.



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Financial Emergency Responsibilities

Sections 218.50–218.504, F.S., *Local Governmental Entity and District School Board Financial Emergencies*, describes the responsibilities delegated to the Office of the Chief Inspector General by the Governor for determining if state assistance is needed when a local governmental entity meets one or more of the conditions specified in section 218.503(1), F.S. The Office of the Chief Inspector General collaborates with representatives from the Department of Economic Opportunity, the Department of Financial Services, the Joint Legislative Auditing Committee, the Auditor General, and the Executive Office of the Governor’s Legal Office and Office of Policy and Budget in carrying out these responsibilities.



Local Governmental Entities in Financial Emergency Status

There are over 2100 local governmental entities² in Florida. As of July 1, 2016, there were 30 entities in financial emergency status as defined in section 218.503(3), F.S. During the fiscal year, no local government entities were released from financial emergency status and thirty entities remain in financial emergency status as of June 30, 2017. These are listed in the following table:

LOCAL GOVERNMENTAL ENTITIES IN FINANCIAL EMERGENCY STATUS	
•	Caryville, Town of
•	Crossings at Fleming Island Community Development District
•	Disston Island Conservancy District
•	Eastpoint Sewer and Water District
•	Eatonville, Town of
•	Falls Chase Community Development District
•	Gretna, City of
•	Hamilton County Development Authority
•	Hampton, City of
•	Hawthorne, City of
•	Heritage Harbor Community Development District
•	Heritage Isles Community Development District
•	Indian Creek Village
•	Leon County Educational Facilities Authority

² Local governmental entities, as defined in section 218.502, F.S., are counties, municipalities, and special districts.



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•	Noma, Town of
•	Ocean Highway and Port Authority of Nassau County
•	Opa-Locka, City of
•	Pahokee, City of
•	Paxton, City of
•	Reserve Community Development District
•	South Bay, City of
•	St. John's Water Control District
•	St. Lucie West Services District
•	Stoneybrook Community Development District
•	Suwannee Valley Transit Authority
•	Suwannee Water and Sewer District
•	Viera East Community Development District
•	Wausau, Town of
•	Webster, City of
•	Westville, Town of

During the year ended June 30, 2017, the Chief Inspector General received notices from the Auditor General or from local governmental entities that 61 local governmental entities met one or more of the conditions specified in section 218.503(1), F.S. The Office of the Chief Inspector General requested additional information from 54 entities for use in determining the entities' financial emergency status. The Office of the Chief Inspector General also monitored the financial condition of various local government entities based on concerns discovered through Joint Legislative Auditing Committee meetings, news articles, and correspondence from citizens and questions from state and local government officials. During fiscal year 2016-2017, no new entities were declared to be in a state of financial emergency as defined in section 218.503(3), F.S.

CONCLUSION

It is an honor and privilege to serve and to provide a report on the accomplishments of the Office of the Chief Inspector General for fiscal year 2016-2017.



Executive Office of the Governor
Office of the Chief Inspector General
The Capitol, Suite 1902
Tallahassee, FL 32399-0001

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