



**Glenn Sutphin**  
Executive Director

State of Florida  
**DEPARTMENT OF VETERANS' AFFAIRS**  
**Office of the Inspector General**

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Chief Financial Officer  
**Adam Putnam**  
Commissioner of Agriculture

15 September 2017

Colonel Glenn Sutphin  
Executive Director  
Florida Department of Veterans' Affairs

Dear Colonel Sutphin:

Subject: Florida Department of Veterans Affairs Office of Inspector General Annual Report for Fiscal Year 2016 - 2017.

In accordance with section 20.055(7) Florida Statutes, I am pleased to submit the activities of the Office of Inspector General for the State Fiscal Year 2016 - 2017. This is a continuing effort to provide the agency a central point for the promotion of accountability, integrity, and efficiency.

The Office of Inspector General will continue to work with Senior Management to identify major areas of concern that require review, analysis, and evaluation to arrive at workable solutions for improved effectiveness. I wish to express my thanks for all the support from staff personnel and I look forward to continued efforts to support the Department in fulfilling its mission.

Sincerely,

David M. Marzullo  
Inspector General

cc: Auditor General  
Chief Inspector General  
Legislative Auditing Committee

*"Honoring those who served U.S."*

# **OFFICE OF INSPECTOR GENERAL**

## **Department of Veterans' Affairs**



FLORIDA DEPARTMENT OF VETERANS' AFFAIRS

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*Honoring those who served U.S.*

## **Office of Inspector General Annual Report Fiscal Year 2016 - 2017**

## Mission Statement

The Office of Inspector General's mission is to promote integrity, accountability, and process improvement. This is accomplished by providing objective, timely, value-added audit and investigative services that examine and evaluate the adequacy and effectiveness of the Florida Department of Veterans' Affairs' internal controls and risk management systems.

## Core Values

- **Integrity** – we govern ourselves honestly and ethically.
- **Impartiality** – we conduct our work objectively and independently.
- **Professionalism** – we maintain a staff of skilled professionals.
- **Accountability** – we take responsibility for providing thorough and fair findings and recommendations.

## Responsibilities

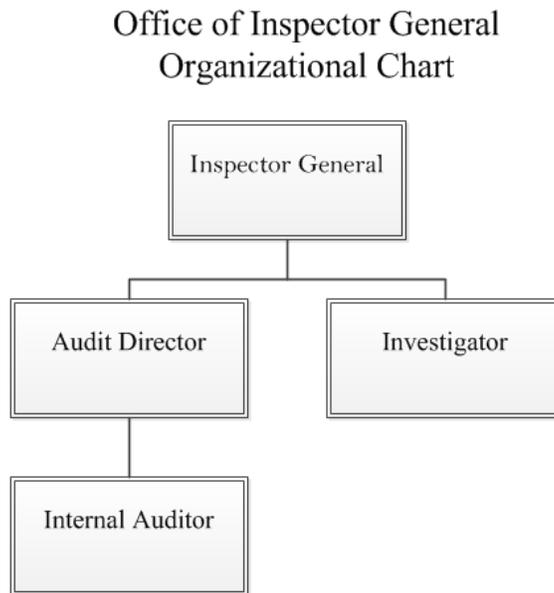
The specific duties and responsibilities of the Inspector General, according to Florida Statute 20.055, Section (2) include:

- Advise the agency on the development of performance measures, standards and procedures for the evaluation of state agency programs.
- Assess the reliability and validity of the information provided by the Agency on performance measures and standards and make recommendations for improvement, if necessary, prior to submission of those measures and standards to the Executive Office of the Governor.
- Review the actions taken by the Agency to improve program performance, meet program standards and make recommendations for improvement, if necessary.
- Provide direction for, supervision, and coordination of audits, investigations and management reviews relating to the programs and operations of the state agency.
- Conduct, supervise and/or coordinate other activities carried out or financed by the Agency for the purpose of promoting economy and efficiency in the administration of its programs and operations while preventing and detecting potential fraud and abuse.
- Keep the agency Director informed of fraud, abuses, and deficiencies relating to programs and operations administered or financed by the state agency, recommend corrective action for fraud, abuses, and deficiencies and report on the progress made in implementing corrective action.
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with the goal of avoiding duplication.
- Review rules relating to the programs and operations of such state agency and make recommendations concerning their impact.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.

## Organization and Staff

The Executive Director of the Florida Department of Veterans' Affairs (FDVA) appoints the Inspector General with the concurrence of the Governor's Office of the Chief Inspector General. The Executive Director has the ultimate responsibility for the operation of the Department and for ensuring its goals are met. The Inspector General reports directly to the Executive Director of FDVA.

To carry out its duties and responsibilities, the Office of Inspector General (OIG) is organized into two sections: Audit and Investigation. The OIG has a staff of four professional positions. The organizational structure is:



### **Certifications**

- Certifications held by the Inspector General and staffs include:
- Certified Inspector General - 1
- Certified Inspector General Investigator - 1
- Certified Inspector General Auditor - 3
- Florida Department of Law Enforcement Certification – 1

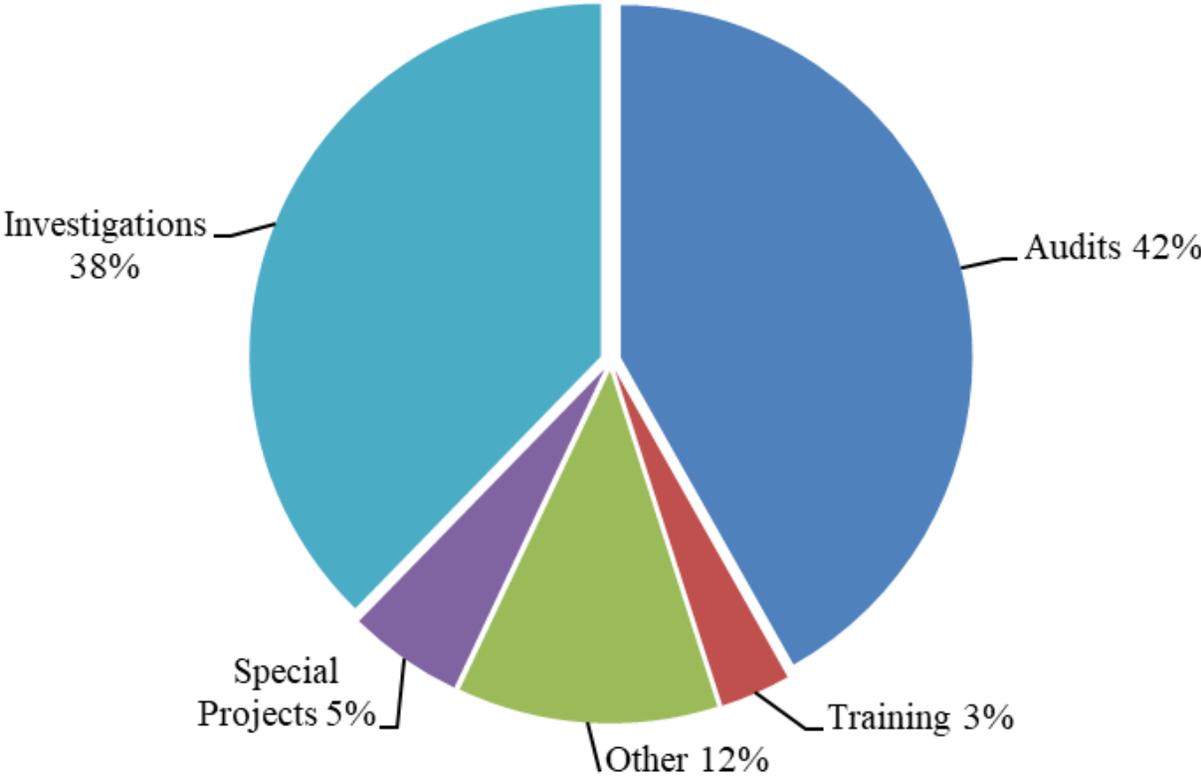
### **Professional Affiliations**

OIG employees are affiliated with:

- Association of Inspectors General
- Institute of Internal Auditors
- International Association of Chiefs of Police

OIG employees stay current with trends in internal auditing and investigations and maintain professional proficiency through membership in the aforementioned professional organizations. The required training hours are met through participation in conferences, webinars, attendance in relevant training, or through continued professional education programs.

# Staff Resources



## Summary of Audit Activities

### Internal Audits

The Internal Audit section conducts independent, objective audits and consulting engagements to promote economy and efficiency in administration and operations, and prevent and detect fraud, waste and abuse. Findings and recommendations were communicated to management at reasonable times throughout the audit process. This action resulted in management being able to take corrective action prior to the completion of the audit. Additionally, updates on the status of recommendations were obtained from management at three-month intervals for all open findings. Internal audit activities are conducted in accordance to International Standards for the Professional Practice of Internal Auditing.

### Fiscal Year 2017 – 2018 Audits

#### IA-1607: Pharmacy Audit

**Objective:** To evaluate the adequacy of FDVA's governance, risk management, and control processes in providing reasonable assurance for the proper use of controlled substances including their physical safeguard and accountability, and to evaluate compliance with contracts related to Pharmacy services provided by the U.S. Department of Veteran Affairs (USDVA).

**Finding #1:** Contracts for pharmaceutical services are not adequately monitored.

**Recommendation #1.1:** FDVA should request and maintain itemized invoices to support the payment of pharmaceutical services and products. Those invoices should be reconciled to the amounts billed to FDVA in order to provide sufficient back up documentation prior to authorization of payment by the Contract Manager. The Contract Manager should ensure that Chester Sims SVNH is properly billed based on the needs of FDVA and that credits are applied when appropriate.

**Recommendation #1.2:** FDVA should follow the Performance Requirements as set out in "Attachment E" and the Quality Assurance Plan. Pursuant to State law, the Department of Financial Services (DFS) established and disseminated uniform procedures, and various Chief Financial Officer memorandums to State agencies regarding contract monitoring. The procedures should include the creation and monitoring of "Attachment E" requirements, documenting contractor performance, documenting all deliverables for which payment is requested by vendors, providing written certification by the Contract Manager of the agency's receipt of goods and services, and communicating the results in writing to the provider in a timely manner.

**Finding #2:** FDVA State Veterans' Nursing Homes did not assure the review, update, and approval of the Pharmacy Policy and Procedure Manual in a timely manner, and as required annually.

**Recommendation #2.1:** The Homes Program should ensure that all facilities update their Pharmacy Policy and Procedure Manual annually to account for changes in the industry, FDVA standards, and as required by contract. In addition, SVNH's should assure the signature page has an identifiable notation for approval of the Pharmaceutical Policy and Procedure Manual that is independent from other agency policies.

**Recommendation #2.2:** The Homes Program should standardize Pharmacy Policy and Procedures for all nursing homes including procedures for drug destruction, the drug dispense process from the Pharmacy to the floor, the handling of medications while on the floor, and the use and maintenance of documentation for the chain of custody and accountability of controlled substances with the goal of promoting efficiency and consistency across the agency.

As part of the standardization plan, FDVA management should implement monitoring activities which focus on ensuring the standardized policies are appropriate, effective, and in-use by the SVNH's.

**Finding #3:** Procedures and management for Individual Controlled Substance Records needs improvement.

**Recommendation #3.1:** Robert Jenkins Domiciliary should develop a one-sided, single page accountability form for their Individual Resident Controlled Substance Record. The form would detail uniquely identifying attributes for each controlled substance that come under the care of the facility, such as the fill date listed on the packaging prescription label, the prescription number, the resident's name, the strength and quantity, etc.

**Recommendation #3.2:** Chester Sims and Emory Bennett SVNH's should improve upon its current records retention management for controlled substance records to ensure compliance with State of Florida retention policies, GS4 for Public Hospital, Health Care Facilities, and Medical Providers: Patient Medical Records.

**Finding #4:** FDVA State Veterans' Nursing Homes and Domiciliary did not provide complete, accurate, and detailed records to support the Eight (8) Hour Shift Reconciliation of Controlled Substances.

**Recommendation #4.1:** The Homes Program should revise policies to further define the criteria needed for completing a shift change narcotic count log in compliance with applicable laws, and to provide appropriate accountability. Currently many of the logs do not contain enough information for proper tracking or resident identification.

The policy should include but not limited to:

- Standardized Eight (8) Hour Narcotic logs to include:
  - Explanation of the what the signatures are verifying (i.e. card count and dose count).
  - Space to add location and date (i.e. Chester Sims, Wing Alpha 2, March 2016).
  - Three, eight (8) hour shifts with accompanying dates.
  - Signatures of the oncoming and off-going nurse.
  - Number of cards counted per shift.
  - Space to detail the addition and subtraction of cards, to include reason and Rx# of each.
- Periodic review of the log should be made by the Nurse Supervisor and any missing information noted, dated, and initialed.
- Discrepancies should be reported immediately to appropriate supervisor for investigation, and documented accordingly.
- Document the period for which the logs must be retained by Florida Law and the location that they will be stored.

**Finding #5:** Electronic access to Med Carts was not adequately maintained.

**Recommendation #5.1:** The Homes Program should implement a procedure to ensure the timely removal of access privileges for newly separated employees. In addition, random audits should be carried out to ensure that only active employees have passcode entry, and that identifying information for each active user correctly identifies the employee that it belongs to, such as an accurate PeopleFirst ID number, which is the current method, and can utilize a systematic numeric sequence to be assigned to temporary or contract employees.

**Recommendation #5.2:** Clyde Lassen and Douglas Jacobson SVNH's should consider utilizing current electronic passcode entry for employees and contractual staff that are using the Med Carts to assure accountability and consistent tracking of Med Cart access.

**Finding #6:** Disposal procedures for Controlled Substances needs improvement.

**Recommendation #6.1:** Clyde Lassen SVNH should ensure that controlled substances are always under double lock in accordance with federal regulations, and in a permanently affixed compartment. In addition, the Homes Program should ensure that controlled substances that have been dispensed and not used by the patient shall not be returned to the pharmacy and shall be securely stored by the nursing home until destroyed according to Florida Administrative Code 64B16-28.301, Destruction of Controlled Substances – Institutional Class I Pharmacies.

**Recommendation #6.2:** Robert Jenkins Domiciliary should improve its destruction procedures by separating the transfer of controlled substances to back-up intended for destruction from those being returned for storage. The log currently used for destruction and back up storage should also be separated to improve clarity of accountability. In addition, destruction of medications should be destroyed beyond reclamation or stored in manner that they are double locked with an appropriate segregation of access until destruction.

**Recommendation #6.3:** SVNH's should consider utilizing their local law enforcement take-back initiative, or some other contract company for the destruction of all controlled substances to replace the current "flush method" for the purpose of reducing potential environmental hazards.

**Finding #7:** Accountability for the handling and management of medications at the Jenkins Lake City Domiciliary needs improvement.

**Recommendation #7.1:** Robert Jenkins Domiciliary should implement procedures to maintain the chain of custody and accountability of controlled substances from arrival to the facility through their life-cycle.

Robert Jenkins Domiciliary should consider implementing a Medications Receipt Register (MRR) that will document all incoming controlled substances at the time of arrival from sources including Hospice, the VA, or other third parties. The MRR would be initiated anytime medications were delivered to the home that the facility has a responsibility to manage. If a Domiciliary employee was to courier the items, the Narc-lock would be recorded upon leaving, and the number verified when returning.

The MRR should have sufficient attributes to be able to uniquely identify each item listed such as fill date listed on the packaging prescription label, prescription number, resident name, strength and quantity, etc.

At this time, each medication should be recorded on the resident's Medication Tracking Log, and a complete Individual Resident Controlled Substance Record created for item in accordance with FDVA SOP 5040-30-15 Storage and Transport of Medications. Both forms should include the same identifying information that is present on the MRR.

**Recommendation #7.2:** Robert Jenkins Domiciliary should implement regular monitoring of controlled substances accountability including periodic reviews from facility senior management and the staff pharmacist. Periodic training should be held based off of the quality review of controlled substance documentation. Errors and omissions should be identified timely by daily operational staff and signed off by senior management. The strike-out method with appropriate authorization provides the most transparency in error resolution.

**Finding #8:** Robert Jenkins Domiciliary did not exercise appropriate reporting protocols with regards to missing controlled substances.

**Recommendation #8.1:** The Homes Program should provide training to all employees involved, on the applicable laws, and policies related to the reporting of a potential loss and/or diversion of controlled substances.

### **IA-1701: Hiring and Retention**

**Objective:** To evaluate FDVA's employment trending and perform an analysis of the agencies hiring and retention experience.

**Finding #1:** Contracts for Temporary Staffing Services did not have adequate back-up documentation for approval and some Homes did not maintain required documentation for Exempt Status Non-Competitive Solicitations for Food and Medical Services.

**Recommendation #1.1:** FDVA should maintain itemized invoices and schedule verification to support the payment of the temporary staffing services prior to authorization of payment by the Contract Manager. The Contract Manager should ensure that any changes in schedules that do not coincide with billing should be noted and proper credits applied when appropriate. In addition, adequate documentation is essential. Often the individual that is the designated Contract Manager is no longer employed, or is not the person reviewing the invoice for approval.

FDVA should verify that all requirements for procurement and contractual services are in accordance with State Law F.S. 287, the Department of Financial Services (DFS) established and disseminated uniform procedures, and various Chief Financial Officer Memorandums to State agencies regarding contract monitoring and threshold procurement.

The procedures should include:

1. The creation and retention of the documentation of all related justification to support the amount of Financial Consequences.
2. Cost Analysis records to support the budget and the determination of what is a fair and reasonable price when the cost is not a competitive basis to assure the rate of payment is not in excess of the competitive prevailing rate for those services.
3. All purchases above the Category II threshold require the designation of Contract Managers. The Contract Manager must be a current employee, obtain and maintain the required certification, and be available to make purchases and approvals from the purchase order/service contract.

Further, purchases for contractual services should not be split to avoid the appearance of non-compliance with F.S. 287.017 and 216. Additionally, if contractual services are not above the Category II threshold initially and the contractual services purchase orders are later increased, the purchase must come into compliance with the above laws at the time it reaches the threshold.

**Recommendation #1.2:** According to F.S. 287, health services may be exempt from competitive bid. That rule is generally meant for limited services where competitive pricing is not reasonable to a specific specialty or profession, not easily obtainable, and time limitations would hinder prompt service delivery, or that of a single source nature.

In two cases of specific services, the Food Services (Certified Dietary Manager and Temporary Food Services Director) and Medical Staffing Services (Nursing and Certified Nurse's Aides), both appear to be recurring annual costs. As stewards of public funds, and in accordance with F.S. 216.347 and the FDVA Purchasing Manual, and taking into consideration the needs of the agency, ensuring the best price for goods and services are in the best interest of all parties, and creates a competitive environment for best value, cost, and service. These services could be bid on a competitive basis without interruption in service and potentially significantly reduce the cost of services. An example is the Physical, Occupational, and Speech Therapy services, ITN-13-006N, that was competitively bid for a multiple year contract; and taking into consideration the best method of procurement for health/medical services.

**Recommendation No. 1.3:** With respect to Food Service Utilization, future Food Services Director positions in the Homes could be reclassified to include the requirement of Registered Dietitians and phase out consultant dietician services (contracted Registered Dietitians). This would eliminate consultant dietician expenses that could potentially be used for additional dietary positions that focus on food preparation and services, allowing the Food Services Director to perform the consultant dietician services required in Code of Federal Regulation 59A-4.110, Dietary.

Another alternative to this recommendation could be a full-time Registered Dietitian located in Largo that would service all the Homes; or even two full-time Registered Dietitians regionally located in two Homes and responsible for one-half the Homes. Full-time on-staff Registered Dietitians better understand the resident's needs and may produce better clinical results, as well as Homes continuity than those of a revolving consultant service, and could potentially be delivered at a lower cost to the agency. Furthermore, with this alternative, or even the current method of contracting for Registered Dietitians, the Homes Food Service Director position description could be broadened in order to attract a larger qualified group of candidates. Currently FDVA accepts only candidates that are Certified Dietary Managers (section (f) below). Yet according to FAC 59-A-4.110 (3), Dietary Services, and the Agency for Health Care Administration ST-N0081 and ST-N0082 – Dietary Services, a Director of Food Services shall be a person who:

- (a) Is a qualified dietitian as defined in paragraphs 59A-4.110(2)(a), (b), F.A.C.; or*
- (b) Has successfully completed a college or university degree program which meets the education standard established by the Academy of Nutrition and Dietetics for a Dietetic Technician, Registered; or*

- (c) Has successfully completed a Dietetic Assistant correspondence or class room training program, approved by the Academy of Nutrition and Dietetics; or*
- (d) Has successfully completed a course offered by an accredited college or university that provided 90 or more hours of correspondence or classroom instruction in food service supervision, and has prior work experience as a Dietary Supervisor in a health care institution with consultation from a qualified dietitian; or*
- (e) Has training and experience in food service supervision and management in the military service equivalent in content to the program in paragraphs (3)(b), (c) or (d) of this rule; or*
- (f) Is a Certified Dietary Manager who has successfully completed the Dietary Manager's Course and is certified through the Certifying Board for the Association of Nutrition and Food Service Professionals and is maintaining their certification with continuing clock hours at 45 CEU's per three-year period.*

The Pembroke Pines Food Service Director vacancy resulted in excess of \$100,000 in consulting services alone as the position remained vacant. Further, by limiting the requirements in such a narrow manner, the FDVA is potentially eliminating qualified candidates, particularly veterans who may qualify (section (e) above).

**Finding #2:** FDVA Exit Interviews are not consistently distributed and documented on separation checklist form according to policy. Rate of return and participation rate is extremely low.

**Recommendation #2.1:** Assure all Exit Interviews and follow up documentation are completed uniformly and transmitted to the intended destination for appropriate action. FDVA standards, policies, and procedural guidelines should be reviewed periodically and the process audited to assure standardization, sharing of best practices, and routine monitoring of rate of return on Exit Interviews with the goal of increasing employee participation in the process.

Each location should assure the Separation Checklist is completed with both the method of delivery and date of delivery of the Exit Interview.

**Recommendation # 2.2:** Create appropriate segregation of duties between Homes Administration and HR Techs by exchanging supervisory duties over HR Techs from the Homes Administrators to the HR Manager in Largo. This would assure all FDVA Human Resource related Policies, Fair Standard Labor Standards, and FAC Rules are uniformly practiced within the Human Resource function area and prevent conflicts of interest in procedures such as the collection and transfer of sensitive information that may be contained in Exit Interviews.

**Finding #3:** Pembroke Pines lacked the back-up documentation to support the accurate check of Pre-Qualifications for Interview of Candidates and did not maintain the supporting documentation for Interview and Selection in accordance with Policy 5030.105.

**Recommendation #3.1:** SVNH's should ensure that proper hiring practices are upheld in accordance with applicable laws and FDVA policies to promote the integrity of the system, specifically in regards to documentation of screening and interview questions as detailed in Attachment 3 and Attachment 7 of FDVA Policy 5030.105, Recruiting, Interviewing, and Selection. Although the policy defines a process for establishing and following selection standards, often times, due to supervisory lack of HR expertise, experience, and knowledge, new-hire documentation is not completed and/or turned over to the HR Largo Headquarters, or are turned in late. The HR Manager in Largo should verify all qualifications requiring

certifications through oversight and direct supervision of the HR Techs in the Homes in order to prevent conflict of interests in the hiring process, and to assure all candidates are treated fairly and properly vetted for job qualification.

**Finding #4:** Timesheets were not completed by submission deadlines, and are at times without appropriate supervisory approval. Supporting documentation was not available for pre-approval of overtime work.

**Recommendation #4.1:** SVNH's and all Departments should ensure that employees are educated on the importance of entering correct time information in PeopleFirst, and ensure supervisors validate that the time entered is in accordance with applicable laws and FDVA policies. This is the responsibility of the employee and supervisors to assure timely submission.

**Recommendation #4.2:** Educate supervisors on the review of Staffing Tracking Reports weekly for resolution of variances/discrepancies. Documentation should be retained for verification.

**Recommendation #4.3:** Create a standardized "Pre-Approval Form" for overtime with corresponding policy and uniform use to assure proper tracking and approval of overtime.

**Recommendation #4.4:** Homes Program should monitor and evaluate nursing staff ratios against overtime tracking, nursing contractual services, and vacancy rates. Establishing and monitoring an FDVA agency staffing model and range will give guidance for standardizing staff ratios and potentially increase staff stability. This action may create a possible reduction in overtime and contractual costs to free up funding for a nurses retention plan through the current budget challenge. Active monitoring creates the continuous opportunity for discussion of causes and possible solutions of long-term retention.

### IA-1703: Purchase Card

**Objective:** To assess compliance with applicable federal and state regulations and department policies and procedure and to determine if adequate controls for P-Card purchases, reconciliations and payments are in place.

**Finding #1:** Documentation Management and Retention Needs Improvement for Cardholders at the State Veterans Nursing Homes.

**Recommendation #1.1:** State Veterans Nursing Homes should improve upon its current records retention management for all original documents received supporting P-Card transactions. In service training is recommended to ensure compliance with State of Florida retention policies, GS1-SL for State and Local Government Agencies and FDVA 5030.300, Section 5, Purchasing (P-Card) Program. In the event an employee's Cardholder privileges are cancelled or are no longer required for any reason, the employee's supervisor should secure all Purchase Card transaction documentation pending disposition instructions from the Purchase Card Administrator.

**Recommendation #1.2:** All State Veterans Nursing Homes should insure that all current purchase transaction forms particularly the (PF-27) are current. During the review, three different forms were being utilized in the Homes including the current form revised (2016), along with (2001) and (2003) outdated forms.

## IA- 1704: Donation Trust Fund, Douglas Jacobson SVNH, Port Charlotte, FL

**Objective:** To assess the effectiveness of the administration of the Donation Trust Fund, the adequacy of related internal controls, and the appropriateness of Donation Trust Fund reporting at the Douglas Jacobson State Veterans Nursing Home.

**Finding #1:** The internal controls documentation related to the administration of donations were not always complete.

**Recommendation #1:** Use of pre-numbered receipts should follow the following guidelines to provide complete accountability of incoming donations:

1. All pre-numbered receipts must be accounted for and in sequence according to number and date.
2. Pre-numbered receipts should at minimum, describe the nature of the donation (cash, check, gift card, items) and/or whether the donation has a value (e.g. \$25.00).
3. Errors, such as lost cards, lost/voided receipts, or change of sequence from a new book, should be documented with managerial approval. The approval must be from a managerial source outside of the complete transaction process (e.g. does not participate in receipt, recording or withdrawal).

### *Fiscal Year 2017 – 2018 Special Project*

## IA-1702: Employee Survey

The survey measured employees' perceptions of whether, and to what extent, conditions that characterize successful organizations were present in the FDVA. The purpose of this survey was to assess changes since fiscal year 2015-16.

The sixty-three (63) item survey included four (4) demographic questions and fifty-nine (59) items that measured FDVA employees' perceptions about how effectively FDVA managed their workforce. The sixty-three (63) items in the questionnaire were grouped into six (6) topic areas: (1) Work Experiences, (2) Work Unit, (3) Agency, (4) Supervisor/Team Leader, (5) Leadership and (6) Satisfaction. The survey was anonymous and participation was voluntary. FDVA had 1,040 employees as of December 2016 and 394 employees (38%) took the opportunity to respond. The response rate was nearly 10% less than the prior year. The results from the survey indicated that four of the five indices, Leadership and Knowledge Management, Talent Management, Job Satisfaction, and Global Satisfaction, have increased from 2015; while Results-Oriented Performance Culture stayed the same. Like prior years, the most significant area of employee satisfaction is related to "The Work I do is Important" while the most significant area of employee dissatisfaction is related to "Satisfaction of Pay."

## **Fiscal Year 2016 – 2017, External Audit Liaison Activities**

In accordance with 20.055(1), Florida Statutes, the FDVA OIG served as liaison to:

- *Auditor General Statewide Federal Awards Audit, SFY 2016-17*
- *Auditor General Mobile Device Audit, 2017-201*
- *Auditor General Operational Audit, 2017*
- *Department of Financial Services Grants Contract Awards Audit, 2017*
- *Department of Management Services Florida Retirement Services Audit, 2017*
- *Chief Inspector General Enterprise Project, 2017*

## **Fiscal Year 2017 – 2018 Audit Plan**

Section 20.055(5) (h), Florida Statutes, requires that annual and long-term audit plans be developed based on the findings of periodic risk assessments. This ensures that the OIG is responsive to management concerns and that those activities with the greatest risks are identified and scheduled for review. The top priorities for audits have been identified based on the results of a risk assessment and are included in the audit plan. The Executive Director approved the audit plan for Fiscal Year 2017 – 2018 on August 21, 2017. Planned audits include:

### **Medicaid Billing - Bed Hold Charges**

In accordance with Medicaid billing procedures, FDVA bills Medicaid their portion of the bed hold charge and accordingly the resident is billed their liability for the first 8 days as well. In accordance with FDVA billing procedures, after 8 days the resident is required to pay a standard bed hold rate according to their room type assignment. The audit will test compliance with Institution Care Program Medicaid for bed holds and Therapeutic leave days.

### **Capital Improvement Program**

FDVA is committed to making capital improvements to the Veterans Nursing Homes yearly. The audit will ensure that capital improvements activities such as budgeting, bidding, contract compliance and maintenance tracking are being conducted in such a manner as to maximize the use of funding received by FDVA for capital improvements.

### **Travel 2017-071**

FDVA employees engage in a significant amount of travel throughout Florida, and occasionally outside of Florida. In FY-2018 (July 11, 2017), Florida Law Chapter 2017-071 imposed new travel restrictions for State of Florida employees. The audit will ensure FDVA follows the most recent state travel procedures and policies and are in compliance with the recent changes.

### **Donation Trust Fund**

The State Veterans' Homes and Domiciliary may receive and accept gifts, grants, and endowments in the name of the Homes and Domiciliary. The Administrator and the Director determine how the donation could best benefit the Homes, Domiciliary, and its residents unless the benefactor requests or instructs usage for a specific purpose. The audit will continue to evaluate overall internal controls on the processes for accepting, distributing, and accounting of the donation.

### **Information Technology General Controls, Hardware**

The Florida Department of Veterans' Affairs (FDVA) has an Agency wide network to facilitate its operations. The network uses various features including virtual protocol networks for offsite work, servers for the storage and backup of Agency data, various hardware including printers and mobile devices, and various system configurations to provide security and integrity of data. The objective of the audit would be to evaluate if controls are in place to monitor, record, safeguard, and maintain authorized hardware devices that are connected to the Agency network.

### **Contract Management Designation and Compliance**

FDVA and Florida law mandate requirements in F.S. 287 for Category II procurement. The audit will evaluate the effectiveness of contract activities including contract management designation, monitoring, reporting, certification of services rendered approval.

### **Internal Audit Self-Assessment Audit Quality Assurance**

The Office of Inspector General will conduct a Self-Assessment Audit Quality Assurance of the Internal Audit department. The objective of the self-assessment is to determine whether the internal audit function conforms to the current International Internal Auditing (IIA) standards published by Institute of Internal Auditors.

## **Summary of Investigative Activities**

### **Investigations**

Investigations are initiated to deter, prevent and eradicate fraud, waste, mismanagement, misconduct, and other abuses. The FDVA Office of the Inspector General (OIG) intakes and logs every inquiry, complaint, and referral which are received in many forms including email, telephone, letter, walk-in, the Chief Inspector General's Office, and other Federal, State, and City agencies. The OIG evaluates the provided information and makes a determination to initiate an investigation, or opt for an alternate form of resolution described as follows:

- **Inspector General Investigation:** When the information received indicates that an FDVA employee or contractor may have violated FDVA policies; or has potentially committed a violation of law. Results of investigated allegations are reported to the FDVA Executive Director, Deputy Executive Director and the affected areas top manager. All allegations result in one of the following findings:
  - ✓ **Sustained** - by the preponderance of the evidence (>50%) the complaint occurred as alleged.
  - ✓ **Unfounded** - by the preponderance of the evidence (>50%) the complaint did not occur as alleged.
  - ✓ **Not Sustained** - there is insufficient evidence to determine if the complaint occurred as alleged.
  - ✓ **Exonerated** – the complaint occurred as alleged and was justified.

- **Referral to Management:** When the information received indicates some type of misconduct, malfeasance, misfeasance or conflict on the part of, or between, FDVA employees or contractors where an initial determination has been made that a violation of FDVA policies was not committed and an Inspector General investigation is not warranted. The OIG may assist in the resolution if necessary.
- **Referral to Another Agency:** When the information received regards an agency other than the FDVA, the OIG refers the information to that agency OIG.
- **External Assistance or Monitor:** When another agency is conducting an investigation into activities affecting the FDVA, or its employees or residents and requests assistance from the FDVA OIG to facilitate their investigation; or when the FDVA OIG requests assistance from another agency (including law enforcement) regarding activities affecting the FDVA, its employees or residents.
- **No Action:** When the OIG is able to come to a resolution with a complainant, or satisfactorily solve a particular issue without any further action.

### **Fiscal Year 2016 – 2017 Investigations**

During the fiscal year the OIG received one-hundred and eleven (111) inquiries, complaints, and referrals resulting in fourteen (14) investigations. Some investigations involved a single allegation while others involved multiple allegations. The overall findings of the fourteen (14) investigations were as follows:

- ✓ Sustained – Eight (8)
- ✓ Unfounded – Five (5)
- ✓ Not Sustained – One (1)
- ✓ Exonerated – Zero (0)

The following is a summary of investigations resulting in a sustained finding:

#### OIG-2017-002

An FDVA manager provided a subordinate a substantially lower performance evaluation than the prior year, yet provided no quarterly reviews, or written or oral consultations to notify the employee of their declining performance and an opportunity for improvement as required by FDVA policy.

#### OIG-2017-003

An FDVA direct care employee falsified FDVA records and attempted to have other FDVA employees falsify FDVA records.

#### OIG-2017-004

An FDVA employee created a hostile work environment by using threatening and abusive language, refusing to follow directions and being insubordinate.

#### OIG-2017-006

An FDVA employee knowingly falsified invoices and failed to follow the provisions of a purchase order contract, including knowingly approving invoices for services not performed by the vendor. Additionally, the vendor knowingly requested payment for purchase order services not performed.

#### OIG-2017-009

An FDVA manager yelled at a subordinate in an abusive manner.

#### OIG-2017-010

An FDVA employee provided their personal telephone number to another FDVA employee in an inappropriate manner.

#### OIG-2017-012

An FDVA manager engaged in bullying, harassing, and demeaning behavior toward subordinates creating a hostile environment.

### **Other Significant Investigative Activities**

#### OIG-2017-011

A significant amount of inventory was missing for the second straight year at the same FDVA nursing facility. The investigation determined that the employee responsible for the inventory displayed an inability or unwillingness to follow FDVA policies and State statutes to secure and properly dispose of FDVA property.

## **Contacting the Office of Inspectors General**

### *Contact us when you believe ...*

- As an FDVA employee, you believe you are being harassed, discriminated against, retaliated against, or working in a hostile work environment.
- Someone may be engaging in wasteful, inefficient or the illegal use of FDVA resources.
- Someone may be using FDVA property for personal gain.
- Someone may be intentionally misleading FDVA for financial gain.
- Someone at FDVA may be receiving a benefit to “look the other way.”

**How to Contact Us**

 **Telephone** - (727) 518-3202, Extension 5570

 **Mail/Walk In** - 11351 Ulmerton Rd, Suite 311-K, Largo, FL 33778

 **E-Mail** - MarzulloD@fdva.state.fl.us

 **Fax** - (727) 518-3403



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