


agency for persons with disabilities
State of Florida

Rick Scott
Governor

August 29, 2018

■ ■
Barbara Palmer
Director

Ms. Barbara Palmer, Director
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Dear Director Palmer and CIG Miller:

I am pleased to submit the Office of Inspector General's Annual Report for Fiscal Year 2017-18 as required by Section 20.055, Florida Statutes. This report summarizes the major work activities of the Office during the previous fiscal year.

We remain committed in our work with the Agency's management and staff to promote efficiency, accountability, and integrity. Thank you for your continued support.

Sincerely,



Carol Sullivan, MBA, CIA, CIGA, CIG
Inspector General

Enclosure



Barbara Palmer
Director



Carol Sullivan
Inspector General

AGENCY FOR PERSONS WITH DISABILITIES OFFICE OF INSPECTOR GENERAL

ANNUAL REPORT FY 2017-2018



GOVERNOR SCOTT DECLARED FEBRUARY 14 AS DEVELOPMENTAL DISABILITIES AWARENESS DAY IN FLORIDA. PUBLIC AWARENESS AND EDUCATION ENHANCE UNDERSTANDING OF THE ISSUES AFFECTING PEOPLE WITH DEVELOPMENTAL DISABILITIES. THE STATE OF FLORIDA WORKS WITH DOZENS OF PARTNER ORGANIZATIONS AND THOUSANDS OF PRIVATE-SECTOR COMMUNITY PROVIDERS TO SUPPORT THOSE WITH DEVELOPMENTAL DISABILITIES.

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INTRODUCTION

The Office of the Inspector General (OIG) is an integral part of the Agency for Persons with Disabilities (Agency). The purpose of the OIG is to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055, Florida Statutes, requires the OIG to submit to the Agency head and the Executive Office of the Governor's Chief Inspector General an annual report, no later than September 30 of each year. This report includes, but is not limited to:

- A description of activities relating to the development, assessment, and validation of performance measures;
- A description of significant abuses and deficiencies relating to the administration of programs and operations of the Agency disclosed by investigations, audits, reviews, or other activities during the reporting period;
- A description of the recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified;
- The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed; and
- A summary of each audit and investigation completed during the reporting period.

This annual report, presented to the Chief Inspector General and Agency Director, summarizes the activities and accomplishments of the OIG for the 12-month period beginning July 1, 2017, and ending June 30, 2018.

MISSION AND RESPONSIBILITIES

The Agency's mission is to support persons with developmental disabilities in living, learning, and working in their communities.

The mission of the OIG is to protect and promote integrity, efficiency, and accountability within the Agency through audits and investigations that detect fraud, waste, and abuse, and ultimately assist the Agency to achieve its overall mission. The OIG provides an independent appraisal function within the Agency. The OIG performs and reports objective analyses of Agency operations thereby increasing assurances that Agency assets are safeguarded, operating efficiency is promoted, and compliance is maintained with prescribed laws and regulations. Section 20.055, Florida Statutes, defines the duties and responsibilities of each Inspector General with respect to the state agency in which the office is established. The duties and responsibilities of the Inspector General include:

- Advise in the development of performance measures, standards, and procedures for the evaluation of Agency programs.
- Assess the reliability and validity of the information provided by the Agency on performance measures and standards, and make recommendations for improvement.

- Review the actions taken by the Agency to improve program performance, meet program standards, and make recommendations for improvement, if necessary.
- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Agency.
- Conduct, supervise, or coordinate other activities carried out or financed by the Agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Keep the Chief Inspector General and Agency Director informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Agency, recommend corrective action concerning 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 a view toward avoiding duplication.
- Monitor the implementation of the Agency's response to any report issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability no later than six months after report issuance.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- Receive complaints and coordinate Agency activities as required by the Whistle-blower's Act and/or the Chief Inspector General.

To address areas of significant risks and be responsive to the concerns of Agency management, the OIG performs a periodic risk assessment of Agency activities to identify and rank those activities to be included in the OIG Annual Work Plan and considered for future work plans.

To fulfill the responsibilities of the OIG, our priorities are to:

- Promote employee awareness and cooperation to identify fraud, waste, and abuse within the Agency;
- Respond to validated emergencies (these could be any type of serious situation that might arise but could also include requests by the Governor, Chief Inspector General or other parties);
- Execute approved individual assignments which are designed to answer questions about the effective, efficient, economical and legal operation of the Agency;
- Evaluate the internal controls over Agency assets and liabilities, core operations, and information systems to promote effectiveness, efficiency, economy, and compliance.

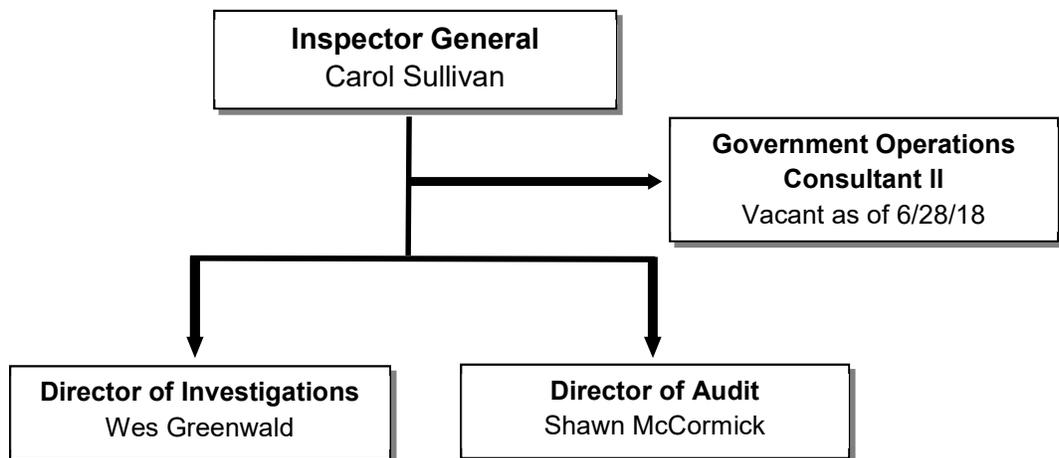
These priorities are interrelated and doing any one of them provides information useful in doing the others.

ORGANIZATIONAL STRUCTURE AND STAFF QUALIFICATIONS

Section 20.055, Florida Statutes, requires the OIG's activities to be independent of Agency operations and the OIG staff to be objective in performing their work. The OIG is under the general supervision of the agency head for administrative purposes, and reports to the Chief Inspector General within the Executive Office of the Governor. The OIG staff refrains from participating in any Agency operational activities that could compromise their independence and objectivity.

The OIG is organized into two sections: Internal Audit and Investigations. However, due to the small size of the organization, audit staff assists on investigations and investigative staff assists on audits. The OIG staff is highly qualified with a range of expertise and backgrounds that enhance the ability of the office to effectively audit, investigate, and review the complex programs within the Agency. Currently, the OIG has a staff of four professional/technical positions.

OIG Organizational Structure



OIG staff members hold specialty certifications that relate to specific job functions within the OIG. These certifications include:

- Certified Inspector General (1)
- Certified Internal Auditor (1)
- Certified Inspector General Auditor (1)
- Certified Public Accountant (1)
- Certified Information Systems Auditor (1)
- Certified Inspector General Investigator (2)
- Certified Fraud Examiner (1)

In addition to maintaining professional certifications, OIG personnel are active in professional organizations that support audits and investigations. This participation assists staff in maintaining a high level of proficiency in their profession and areas of certification. OIG personnel are affiliated with the following professional organizations:

- The Association of Inspectors General (National and Local Chapters);
- The Institute of Internal Auditors (National and Local Chapters);
- Information Systems Audit and Control Association (National and Local Chapters);
- The Association of Certified Fraud Examiners;
- The Association of Government Accountants (National and Local Chapters); and
- The Florida Institute of Certified Public Accountants.

MAJOR ACTIVITIES AND FUNCTIONS

In performing its audit and investigative activities, the OIG follows the Association of Inspectors General's *Principals and Standards for Offices of Inspector General*, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, and the U.S. Comptroller General's *Government Auditing Standards*, as applicable.

Table 1 provides a summary of “cases” (cases include audit activities, investigative activities and other OIG activities) addressed by the OIG during the fiscal year (FY).

Table 2 provides a summary of cases closed by type during the FY.

Table 1
Summary of OIG Cases Addressed during FY 2017-2018

Cases	Count
Cases open at beginning of fiscal year	35
Plus, cases opened during the year	123
Less, cases closed during the year	(114)
Cases open at end of fiscal year	44

Table 2
Summary of OIG Cases Closed by Type during FY 2017-2018

Cases	Count
Audit Activities	24
Investigative Activities	83
Other OIG Activities	7

Section 20.055(2)(i), Florida Statutes, requires each Inspector General to ensure that an appropriate balance is maintained between audit, investigative, and other OIG activities. An OIG can achieve such a balance in a variety of ways. The Agency Inspector General achieves a balance of activities by monitoring the assignments of on-going and completed investigative and audit activities daily.

AUDIT ACTIVITIES

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.” The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. (Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*)

Pursuant to Section 20.055(6), Florida Statutes, the OIG prepared an Annual Work Plan for FY 2017-2018 based on an Agency-wide risk assessment. The Director of Audit was responsible for managing and performing audit activities during the FY, with assistance from OIG staff, as available. Additionally, during the year, the OIG provided formal and informal assistance to Agency personnel in their operational capacities. **Table 3** below provides a summary of the completed audit activities (cases) by type performed in FY 2017-2018.

Table 3
Audit Activities Completed during FY 2017-2018

Type of Audit Activity	Number of Cases
Internal Audits	5 (1)
Follow-up Audit Activities	2
Statutorily Required Activities	3
Management Assistance Services	4
External Audit Assistance	7
CIG Enterprise Activities	3
Total Audit Activities	24

Note (1): The five internal audits resulted in seven audit reports issued this fiscal year and two reports that were issued and included in the prior fiscal year and prior annual report.

The following are summaries of completed internal audits; follow-up audit activities; statutorily required activities; management assistance services; and external audit assistance. Additionally, we included a description of significant outstanding recommendations described in prior annual reports on which corrective action has not been completed.

COMPLETED INTERNAL AUDITS

161109-01 RANDOM MOMENT SAMPLING (RMS) OPERATIONS AUDIT

Release Date: November 2017

The Agency utilizes the Random Moment Sampling (RMS) allocation methodology to determine the allowable portion of its administrative costs allocable to Medicaid that are eligible for Federal reimbursement. Based on our review of RMS operations, we noted that RMS Transmittal Letters did not agree with the Public Assistance Cost Allocation Plan (PACAP) RMS instructions, RMS instructions were not clear and consistent, and there were areas of noncompliance with PACAP RMS instructions. Recommendations were provided to State Office management to revise RMS Transmittal Letters to agree with the PACAP RMS instructions, to revise RMS instructions to provide clear and consistent guidance to employees, and RMS Coordinators ensure the accurate completion and sufficient review of all RMS observation forms.

FAMILY CARE COUNCIL AUDITS

Family Care Councils (FCCs) were created in 1993 through the implementation of Section 393.502, Florida Statutes. Local FCCs are located within each of the Agency's six regions and are organized within those regions by area (there are 14 areas). Council members serve on a voluntary basis without payment for their services but are reimbursed for per diem and travel expenses as provided for in Section 112.061, Florida Statutes. Section 393.502(9), Florida Statutes, requires an annual financial review of expenditures of the FCCs. During FY 2017-2018, the Internal Audit Section selected five FCCs to audit. These audits were conducted to determine whether the FCC expenditures complied with Florida Statutes, and other applicable State laws and rules. The results of the five FCC audits performed in FY 2017-2018 are presented below.

170811-03 AUDIT OF NORTHWEST REGION FCCs – AREAS 1 AND 2

AREA 1 FCC

Release Date: January 2018 (OIG #170811-03.1)

In FY 2016-2017, the Agency allocated \$9,000 of General Revenue to the Area 1 FCC. Based on our review, we noted one instance where the point of destination of travel included on the traveler's *Voucher for Reimbursement of Traveling Expenses* form did not match the airline receipts, one unallowable cost for travel protection coverage, five payments for travel reimbursements were incorrectly coded, FCC meeting minutes did not always include the FCC members' decisions to approve expenditures, eight noncompliant expenditures related to travel reimbursements, two after-the-fact requisitions that failed to contain required information, and one expenditure that had an incorrect object code. Recommendations were provided to Region Office staff to work with the Area 1 FCC members to enhance procedures to ensure that all expenditures incurred by the FCC comply with applicable State

expenditure requirements; to determine if additional costs incurred should be reimbursed by the traveler; verify the appropriate accounting codes are recorded on the reimbursement forms and input into FLAIR¹ prior to completing the transactions; ensure expenditures are authorized by the FCC members and recorded in the minutes prior to approving expenditures for payment; enhance procedures to ensure that all travel authorization forms are appropriately completed and approved prior to making any travel arrangements; ensure requisitions and purchase orders are issued and approved prior to the procurement of goods and services; and ensure expenditures are correctly coded.

AREA 2 FCC

Release Date: January 2018 (OIG #170811-03.2)

In FY 2016-2017, the Agency allocated \$9,000 of General Revenue to the Area 2 FCC. Based on our review, we noted FCC meeting minutes did not always include the FCC members' decisions to approve expenditures and there was one noncompliant expenditure related to travel reimbursements. Recommendations were provided to Region Office staff to work with the Area 2 FCC members to ensure expenditures are authorized by the FCC members and recorded in the minutes prior to approving expenditures for payment; and ensure that all travel authorization forms are appropriately completed and approved prior to making any travel arrangements.

170811-02 AUDIT OF NORTHEAST REGION FCCs – AREAS 3, 4 AND 12

AREA 3 FCC

Release Date: January 2018 (OIG #170811-02.1)

In FY 2016-2017, the Agency allocated \$9,000 of General Revenue to the Area 3 FCC. Based on our review, we noted FCC meeting minutes did not always include the FCC members' decisions to approve expenditures, an additional travel form that is not required, nor Agency approved, was being utilized by the Region, and there were seven noncompliant expenditures related to travel reimbursements. Recommendations were provided to Region Office staff to work with the Area 3 FCC members to ensure expenditures are authorized by the FCC members and recorded in the minutes prior to approving expenditures for payment; cease using the *Travel Reimbursement Information* form; provide training to the Area 3 FCC members regarding the Agency's policies and procedures; and enhance procedures to ensure that all travel expenditures are appropriately supported and approved, and the review of travel vouchers is documented.

¹ Florida Accounting Information Resource Subsystem (FLAIR)

AREA 4 FCC

Release Date: January 2018 (OIG #170811-02.2)

In FY 2016-2017, the Agency allocated \$9,000 of General Revenue to the Area 4 FCC. Based on our review, we noted FCC meeting minutes did not always include the FCC members' decisions to approve expenditures and there were six noncompliant expenditures related to travel reimbursements. Recommendations were provided to Region Office staff to work with the Area 4 FCC members to ensure expenditures are authorized by the FCC members and recorded in the minutes prior to approving expenditures for payment; provide training to the Area 4 FCC members regarding the Agency's policies and procedures; and enhance procedures to ensure that all travel expenditures are appropriately supported and approved, and the review of travel vouchers is documented.

AREA 12 FCC

Release Date: January 2018 (OIG #170811-02.3)

In FY 2016-2017, the Agency allocated \$9,000 of General Revenue to the Area 12 FCC. Based on our review, we noted there were seven noncompliant expenditures related to travel reimbursements, one payment that did not contain supporting documentation, and one expenditure had an incorrect object code. Recommendations were provided to Region Office staff to work with the Area 12 FCC members to enhance procedures to ensure that all travel expenditures are appropriately supported and approved, and the review of travel vouchers is documented; verify the appropriate accounting codes are recorded on the reimbursement forms and input into FLAIR prior to completing the transactions; and enhance procedures to ensure the receipt, inspection, and acceptance of purchases are documented and to ensure expenditures are correctly coded.

171107-01 MANAGEMENT OF INFORMATION TECHNOLOGY (IT) ACCESS PRIVILEGES AUDIT

Release Date: June 2018

This audit focused on evaluating selected IT controls applicable to Active Directory and SharePoint during the period July 2017 through November 2017. We determine whether IT access privileges granted to users were authorized by the data owner, appropriately assigned to the authorized file shares, folders, and groups, periodically reviewed for appropriateness, and timely deactivated upon separation from the Agency. Our audit disclosed five areas that needed improvement.

- 1) Enterprise Security Policy, Standards, and Practices. Our audit disclosed the following, the Agency's Information Security Program needed improvement, the Agency has not developed procedures for authorizing and assigning user access privileges to Active Directory, a lack of an IT process framework, a lack of adequate supervisory practices, the System Access Request Form (SARF) instructions do not identify all IT resources and do not identify the owners of the IT resources, the Agency does not maintain an inventory of Active Directory groups, the paper-based SARF process is inefficient and lacks adequate management controls. Recommendations to IT management included: 1) revise the Agency Information

Security Program document; 2) develop written security administration procedures for authorizing and assigning user access privileges to Active Directory, this will ensure that access privileges granted are appropriately controlled according to management's expectations; 3) establish a documented IT process framework; 4) ensure access control staff have sufficient training and skills to execute their roles and responsibilities and that they are adequately supervised; 5) revise the SARF instructions to include all IT resources and the owners of those resources; 6) establish an inventory of Active Directory groups, including the group's access, business owner, and functionality, in accordance with an approved data classification policy; and 7) continue to develop and implement the electronic access request application to eliminate the paper-based SARF process.

- 2) Access Authorization and Assignment. Our review of SARFs for members of selected State Office SharePoint groups disclosed that some SARFs were not complete, did not include business owner approval, or did not match the access privileges granted and, as a result, Agency records did not demonstrate that the access privileges granted were authorized by management. Recommendations to IT management included: 1) improve controls to ensure access privileges are only granted pursuant to appropriately completed and approved SARFs and are properly assigned; and 2) continue to develop and implement the electronic access request application to eliminate the paper-based SARF process.
- 3) Appropriateness of Access Privileges. Our review of groups in Active Directory that have the most powerful rights, privileges, and permissions granted, disclosed accounts that had excessive and unjustified administrative access privileges, and these accounts were not being logged and monitored to ensure access privileges are being used appropriately. We also noted other Active Directory groups and accounts that had inappropriate and unnecessary access privileges. Recommendations to IT management included: 1) continue to review the membership of the highest privileged groups in Active Directory and reduce the membership of these groups to the smallest number of accounts; 2) work with Agency SARF coordinators to remove inappropriate and unnecessary user access privileges; and 3) work with the Agency business units to determine which Active Directory Security Groups are necessary and eliminate those that are not.
- 4) Periodic Review of Access Privileges. Our audit also disclosed that the Agency had not established procedures for, and had not performed, a periodic review of SharePoint and Active Directory user access privileges. Recommendations were provided to IT management to establish procedures for, and perform, periodic reviews of SharePoint and Active Directory user access privileges to ensure that the access privileges defined for users are authorized and remain appropriate.
- 5) Timely Deactivation of Access Privileges. Our review of user accounts for employees who separated from the Agency between July 2017 and November 2017 disclosed that the Agency did not timely deactivate user accounts. Recommendations were provided to Agency management to improve procedures to ensure user access privileges are timely deactivated.

FOLLOW-UP AUDIT ACTIVITIES

170719-02 STATUS OF CORRECTIVE ACTIONS, AUDITOR GENERAL REPORT NO. 2017-180

Release Date: October 2017

Management is in the process of addressing the following recommendation:

We recommend that continued stay reviews of ICF-DD beneficiaries be timely conducted in accordance with Federal regulations.

STATUS AS OF OCTOBER 5, 2017 – Florida Agency for Persons with Disabilities (FAPD) issued a Request for Information to ascertain if there are vendors interested in contracting to provide the Utilization Review (UR)/Continued Stay Review (CSR) function. FAPD will submit a Request for Proposal (RFP) by the end of the summer to procure a vendor to administer the UR/CSR process. Regional FAPD offices hired temporary Other Personal Services (OPS) positions to help support the workload issue. These temporary positions will be dedicated to the completion of Continued Stay Reviews. FAPD conducts monthly Medical Case Manager conference calls (Statewide and Regional) for staff (including supervisors). Intermediate Care Facility Services (ICF) UR/CSR is a standard topic on the agenda. Agency for Health Care Administration (AHCA) promulgated their revisions to the ICF Handbook and the State Plan July 2016. The Handbook does not address procedure. FAPD does not have rule making authority specific to the ICFs. FAPD continues to work with AHCA regarding AHCA promulgating rules for the ICF UR/CSR process. FAPD continues to monitor Regional completion of Continued Stay Reviews and Certificates of Need completed by the facilities. FAPD has worked on an updated CSR form and procedure but has not moved further until the RFP process is complete.

171005-01 STATUS OF CORRECTIVE ACTIONS, AUDITOR GENERAL REPORT NO. 2017-204

Release Date: October 2017

Of the 18 recommendations in the original report, six have been completed. Management is in the process of addressing the following 12 recommendations:

1. Agency management should establish policies and procedures addressing all administrative support functions. Such policies and procedures should reflect current Agency operating practices; address the requirements established by State law, rules and other guidelines; and provide benchmarks against which compliance can be measured.

STATUS AS OF OCTOBER 31, 2017 – All identified policies and procedures are in various states of drafting or review for finalization.

2. Agency management should finalize and approve the contract monitoring risk assessment process and contract monitoring tools, and ensure that required

contract monitoring activities are completed in accordance with State law, DFS² guidelines, and Agency procedures.

STATUS AS OF OCTOBER 31, 2017 – Effective November 1, 2017, Contract Administration will be using the finalized and approved contract monitoring risk assessment process and contract monitoring tools, and will be performing contract monitoring activities such as desk audits as required. Effective January 1, 2018, Contract Administration will utilize the results of the desk audits and risk assessment to establish and administer on-site monitoring visits for Agency Contract Providers.

3. Agency management should enhance controls to require that prior to approving invoices for payment, contract managers obtain and review all required records and reports and verify that the invoiced amounts are allowable and properly calculated. Agency management should ensure that contract payments are correctly recorded in FLAIR.

STATUS AS OF OCTOBER 31, 2017 – The original response for this corrective action has been modified and addressed with the use of the Invoice Review Checklist Form (CA-37). Effective November 1, 2017, Contract Management Staff will utilize this form to verify the accuracy and documentation of submitted invoices.

4. Agency management should establish policies and procedures for staff to use when negotiating rates. Such policies and procedures should require that Agency records evidencing that the transportation services contracts were awarded at the most cost-effective rate be maintained with the contract documents.

STATUS AS OF OCTOBER 31, 2017 – The Agency developed and is routing an operating procedure regarding Transportation services. The procedure standardizes information collected to determine transportation rates and reiterates requirements to retain all information on file.

5. Agency management should enhance staff training and oversight to ensure that EEP³ services are procured using contracts or purchase orders and EEP contract information is appropriately entered into FACTS⁴, FLAIR, and the ABC⁵ system.

STATUS AS OF OCTOBER 31, 2017 – Community Supports has started discussions with the State Office Contracts unit on providing training and clarification of standard procedures for FACTS, FLAIR and the ABC system. Since the training is not developed at this time, the Agency has provided

² Department of Financial Services (DFS)

³ Employment Enhancement Project (EEP)

⁴ Florida Accountability Contract Tracking System (FACTS)

⁵ Allocation, Budget, and Contract Control (ABC)

guidance and clarification for EEP contracts. Community Supports has also implemented a new standard site to save all EEP agreements. This will standardize the location of all agreements to ensure the Agency has saved records of the EEP agreements.

6. Agency management should enhance regional office contract manager training related to EEP contract terms and the Handbook. State Office should strengthen oversight controls to ensure that invoices for EEP contractual services are sufficiently reviewed prior to payment.

STATUS AS OF OCTOBER 31, 2017 – Community Supports has started discussions with the State Office Contracts and Budget team on set processes and requirements. Community Supports is also working on a formal process to ensure standard procedures Statewide. Since the training is not developed at this time, the Agency has provided guidance and clarification for EEP contracts.

7. Agency management should enhance property controls to ensure that Agency property records include for each property item the information required by DFS⁶ rules.

STATUS AS OF OCTOBER 31, 2017 – The Agency continues to establish policies and procedures for the management of Agency records which will include the information required by DFS rules.

8. The Agency Director should establish a review board to examine and make recommendations regarding the Agency's surplus property. Agency management should ensure that Agency property records and the surplus form include for surplus and disposed property items all the information required by State law and DFS rules.

STATUS AS OF OCTOBER 31, 2017 – The Agency continues to establish policies and procedures for the management of Agency property records which will include all information required by DFS rules and the establishment of a surplus property review board.

9. Agency management should take steps to ensure that a complete annual physical inventory of Agency property is conducted, and Agency property records are timely updated for the results. Agency management should take steps to ensure that Agency property records are accurate and that all required information is included.

STATUS AS OF OCTOBER 31, 2017 – The Agency continues to establish policies and procedures for the management of Agency property records which will

⁶ Department of Financial Services (DFS)

include all information required by DFS rules and annually conducting an inventory of Agency property.

10. Agency management should ensure that purchasing cards are promptly canceled upon a cardholder's separation from Agency employment. Agency management should revise purchasing card procedures to reflect current operating practices and require supervisors to immediately notify the Purchasing Card Program Administrator (PCPA) of a cardholder's separation from Agency employment.

STATUS AS OF OCTOBER 31, 2017 – The Purchasing Office now receives a biweekly report of Appointments and Separations which is used to verify that all terminated employee PCards have been deactivated. Policy 01-004, Purchasing Card Policies and Procedures is in the process of being updated.

11. Agency management should retain EIS⁷ historical user access privilege records and take steps to ensure that user access privileges are timely deactivated when the access privileges are no longer required. Such steps should include revising the employee separation checklist to include the EIS, ensuring Agency records include completed checklists for all employees separating from Agency employment, and enhancing procedures to ensure that periodic reviews of EIS user access privileges are performed to verify the continued appropriateness of assigned user access privileges.

STATUS AS OF OCTOBER 31, 2017 – The Agency conducted a review of user accounts and removed all accounts that were inactive, bringing the total users down to 22. A procedure for reviewing and updating accounts has been drafted and is being followed during finalization. The Agency upgraded the EIS system with the vendor in July 2017. This upgrade addresses reporting, and access concerns noted in the audit.

12. Agency management should ensure that, prior to reimbursement, the reasonableness and allowability of claimed mileage be verified and documented in Agency records. Agency management should enhance travel procedures to specify the nature and extent of trip log reviews and audits and how the reviews and audits should be documented.

STATUS AS OF OCTOBER 31, 2017 – The Agency continues to review its travel policy and to work with supervisors and employees on proper recording of mileage and review. The travel policy may be updated to provide additional guidance but is still under review at this time.

⁷ Enterprise Information System (EIS)

STATUTORILY REQUIRED ACTIVITIES

170411-01 RISK ASSESSMENT AND WORK PLAN (2017-2018)

Release Date: July 2017

In accordance with Section 20.055, Florida Statutes, the OIG performed a periodic risk assessment and developed its long-term and annual audit plans based on the results of the assessment.

170524-01 OFFICE OF INSPECTOR GENERAL ANNUAL REPORT (2016-2017)

Release Date: August 2017

In accordance with Section 20.055, Florida Statutes, the OIG prepared an annual report summarizing the activities of the office during the preceding fiscal year.

170811-01 REVIEW OF AGENCY PERFORMANCE MEASURES

Release Date: September 2017

In accordance with Section 20.055, Florida Statutes, the OIG was involved in the review and validation of the performance measures and related supporting documentation as reported in the Agency's Long-Range Program Plan. The OIG provided feedback and recommendations to Agency staff and with the corrections, the measures appeared to be both reliable and valid and supported by the appropriate documentation.

LEGISLATIVE BUDGET REQUEST

The OIG prepares the Schedule IX of the Agency's Legislative Budget Request. The Schedule IX, *Major Audit Findings and Recommendations*, is designed to inform decision makers on recent major findings and recommendations found in Auditor General and OIG reports issued during the current and previous fiscal years.

MANAGEMENT ASSISTANCE SERVICES

During FY 2017-2018, the OIG provided assistance and advice to management on emerging issues and concerns. Examples of assistance included reviewing proposed policy and/or program changes and assisting on a system implementation project described below.

140612-02 iCONNECT⁸ IMPLEMENTATION PROJECT

The OIG serves in an advisory role on the Agency's Executive Steering Committee for the iConnect Implementation Project. The iConnect will provide the Agency with an

⁸ Formerly known as CDMS – Client Data Management System

integrated enterprise client data management system that will automate manual processes, collect data at the client specific and provider specific level so analysis, tracking, reporting, fraud prevention, and quality improvement processes can be improved. During the implementation project, the OIG will provide timely feedback to assist management to ensure adequate controls are developed within the system and processes.

EXTERNAL AUDIT ASSISTANCE

The OIG Director of Audit acted as the Agency's liaison on seven audits, reviews, or information requests conducted by outside organizations such as the Department of Financial Services, the Agency for State Technology, the Office of the Auditor General, the Department of Management Services, and the Office of Program Policy Analysis and Government Accountability. For these engagements, the OIG was copied on engagement letters, coordinated meetings, and facilitated all relevant communication between the external entities and Agency staff. The OIG coordinated the Agency's responses to all audits, reviews and information requests from these entities.

SIGNIFICANT OUTSTANDING RECOMMENDATIONS FROM PRIOR ANNUAL REPORTS

Management has either taken corrective actions or assumed the risk for all significant OIG audit recommendations identified in the FY 2016-2017 OIG Annual Report.

INVESTIGATIVE ACTIVITIES

The OIG conducts, and coordinates investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government. Investigations may be initiated as a result of information received from any number of sources such as Agency managers and employees, whistle-blowers, providers, the public, and other state agencies and business entities. The Director of Investigations was responsible for managing and performing investigative activities during the fiscal year, with assistance from OIG staff, as available.

Investigative activities include preliminary inquiries; whistle-blower determinations; referrals to other offices, agencies, or departments; and investigations. A preliminary inquiry is a fact-gathering process to determine whether to proceed with a substantive investigation. During the preliminary inquiry process it may be determined that the complaint should be referred to Agency management or an external agency or department for resolution. While preliminary inquiries are not published, they do absorb a large portion of our investigative resources. Pursuant to Sections 112.3187-112.31895, Florida Statutes, whistle-blower determinations are performed during preliminary inquiries when required. During FY 2017-2018, the OIG performed eleven whistle-blower determinations.

Table 4 provides a summary of completed investigative activities (cases) by type performed in FY 2017-2018.

Table 4
Investigative Activities Completed during FY 2017-2018

Type of Investigative Activity	Number of Cases
Investigations	0
Preliminary Inquiries	35
Referrals to Management	17
Referrals to other agencies Or departments, Including Law Enforcement Agencies	6
Statutorily Required	23
Management Assistance	2
Total Investigative Activities	83

OTHER OIG ACTIVITIES

In addition to performing audits and investigations, the OIG also performs the following services and activities.

OIG REFERENCE CHECKS

A little-known time-consuming duty of the OIG is to perform personnel reference checks against OIG case files and documents for current and former employees. In FY 2017-2018, the OIG performed 410 reference checks for re-hires, promotions, and other personnel actions. This duty will continue to grow as the Agency and OIG case files continue to grow.

COMPUTER SECURITY INCIDENT RESPONSE TEAM (CSIRT)

The CSIRT responds to suspected computer security incidents by identifying and controlling incidents, notifying designated CSIRT responders, and reporting findings to Agency management. The OIG is a core member of the CSIRT team for the Agency.

ANTI-FRAUD ACTIVITIES

The OIG is responsible for coordinating the Agency's anti-fraud activities. The OIG is a member of and attends the Inter-Agency Medicaid Fraud and Abuse Meetings hosted by the Agency for Healthcare Administration. Other attendees include the Office of the

Attorney General, the Department of Health, Medicaid Program Integrity, the Department of Financial Services, and the Department of Children and Families.

PUBLIC RECORDS REQUESTS

The OIG responded to five public records requests under Chapter 119, Florida Statutes, during FY 2017-2018.

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