

**STATE OF FLORIDA
DEPARTMENT OF CORRECTIONS
OFFICE OF THE INSPECTOR GENERAL**

TO: Edwin G. Buss
Secretary

FROM: Terrance W. Edmonson
Inspector General

DATE: April 13, 2011

SUBJECT: AUDIT REPORT NUMBER A11014 – ENTERPRISE AUDIT OF
ORGANIZATIONAL ETHICS

The attached report presents the results of the Enterprise Audit of Organizational Ethics conducted by the Bureau of Internal Audit. The scope of this audit focused on actions taken by DC management to design, communicate, monitor, promote, and enforce ethical standards and policies applicable to its employees. Our objectives were to evaluate:

- the department's implementation of the Office of the Governor's Executive Order 11-03, Ethics and Open Government; and
- the design and effectiveness of the agency's ethics-related objectives, guidance, and activities in order to identify areas of potential weakness and best practices that could be shared among all agencies.

Our audit revealed that the newly appointed ethics officer has already initiated actions to enhance the Department's compliance with the Governor's Executive Order and the manner in which ethics is promoted in the department. One enhancement involves the designation of deputy ethics officers at remote facilities to provide guidance for field managers and staff. In most respects, the department's "ethical environment" is good; we found only one issue warranting management's attention.



Inspector General

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Attachment

Daniel G. Ronay, Chief Deputy Secretary
Jennifer Parker, General Counsel
Auditor General, State of Florida
Inspector General, Office of the Governor

FLORIDA DEPARTMENT OF CORRECTIONS

Enterprise Audit of Organizational Ethics*Terrance W. Edmonson, Inspector General**Report #A11014**Paul R. Strickland, Chief Internal Auditor**April 13, 2011***BACKGROUND**

To provide a statewide assessment of ethics in Florida government, the Governor's Chief Inspector General asked 22 state agency inspectors general to conduct audits of their respective agency's ethical climate. Audit guidelines and survey questions were provided by the Chief Inspector General. This report contains the results of the Department of Corrections' audit conducted under those guidelines. The Chief Inspector General will compile the survey results, findings and recommendations from this and the other agency audits, and use them to prepare a collective summary report to the Governor.

In January 2007, Governor Charlie Crist issued Executive Order 07-01, which directed immediate adoption and implementation of a Governor's Office Code of Ethics and a Code of Personal Responsibility. Executive Order 07-01 both reinforced and built upon sections of Executive Order 99-20, which was issued by Governor Jeb Bush in 1999.

In January 2011, Governor Rick Scott issued Executive Order 11-03, directing the immediate adoption and implementation of a revised Code of Ethics by the Office of the Governor. The new Code of Ethics applies to all employees within the Office of the Governor, as well as the secretaries, deputy secretaries, and chiefs of staff of all executive agencies under the Governor's purview. It requires each executive agency secretary to designate an individual at his or her agency to act as the agency's chief ethics officer, who will make reasonable efforts to ensure that the employees responsible for adhering to this Code become familiar with relevant ethics, public records and open meeting requirements. Each agency was directed to implement any agency-specific adjustments to the code within 45 days of the date of the order. This Code of Ethics imposes more stringent requirements than the prior Code.

OBJECTIVES

The objectives of this audit were to evaluate:

- the department's implementation of the Office of the Governor's Executive Order 11-03, Ethics and Open Government; and
- the design and effectiveness of the agency's ethics-related objectives, guidance, and activities in order to identify areas of potential weakness and best practices that could be shared among all agencies.

SCOPE AND METHODOLOGY

The scope of this audit focused on actions taken by DC management to design, communicate, monitor, promote and enforce ethical standards and policies applicable to its employees.

To accomplish our objectives, we conducted an enterprise-wide ethics survey, which was distributed via email to DC employees. We also interviewed staff in the Bureaus of Staff Development and Personnel, and the Office of General Counsel to assess the implementation of the Governor's Executive Order and the design and effectiveness of the agency's ethics-related objectives, guidance, and activities.

RESULTS OF AUDIT

Throughout the audit fieldwork, the Bureaus of Staff Development and Personnel, and the Office of General Counsel, were very helpful in supplying information about current ethics guidance and programs. We found the newly appointed ethics officer has already initiated actions to enhance the Department's compliance with the Governor's Executive Order and the manner in which ethics is promoted in the department. One enhancement involves the designation of deputy ethics officers at remote facilities to provide guidance for field managers and staff.

We found the department's ethics-related practices are generally in compliance with DC Procedure, 102.004, Ethics. Specifically:

- DC Procedure designates the General Counsel as the department's Chief Ethics Officer. The General Counsel reports directly to the Secretary of the agency, a level high enough to effectively the responsibilities.
- The Bureau of Staff Development administers employee ethics training (covered in a course entitled "Legal Topics") through its E-train system. Nearly 28,000 DC employees completed Legal Topics training in fiscal year ending June 2010.
- DC's Bureau of Personnel proactively identifies positions required to file ethics disclosure forms, and monitors staff compliance with filing requirements as annual deadlines approach. This action led to compliance by all active DC employees who were required to file.

These and other observations provide evidence of DC's strong commitment to ethics.

In most respects, the department's "ethical environment" is good; we found only one issue warranting management's attention:

FINDINGS AND RECOMMENDATIONS

Finding 1: Most new and current employees did not acknowledge receipt of the department's Code of Ethics as required by DC Procedure 102.004.

DC Procedure 102.004 is known as the department's Code of Ethics. The Code of Ethics was designed to “*strengthen the current ethical standards by making them clear and enforceable and to improve the manner in which state government serves its citizens.*” Section (5)(a) requires that “*all current employees will receive and sign for a copy of this procedure.*” Section (5)(b) states that “*all new employees will receive and sign for a copy of this procedure during orientation.*”

In conducting this audit, we found that these requirements are not being accomplished. Absent these requirements, it is possible that DC employees are unaware of the department's Code of Ethics and how it may apply to their jobs. As a result, **we recommend** the Office of General Counsel facilitate and monitor compliance with the requirement that all new employees receive and sign for a copy of DC Procedure 102.004 during orientation. In addition, **we recommend** the Office of General Counsel facilitate and monitor compliance with the requirement that all current employees receive and acknowledge receipt of the procedure.

Management Response: *The Office of General Counsel revised Procedure 102.004 Ethics in March 2011 for conformance with Governor Scott's Code of Ethics. The Office of General Counsel has contacted the offices of Human Resources and Staff Development to take action to ensure that all new employees receive and sign for a copy of Procedure 102.004, Ethics, during orientation. Form DC2-810B, New Employee Receipt for Rules, Procedures and Policies, is being updated to reflect that all new employees will receive a copy of the Ethics procedure. The revised form will be added to all New Employee Master Checklists that accompany the new curriculum. Additionally, the Office of General Counsel is working with the Office of Human Resources to ensure that all current employees get a copy of the revised procedure and sign an acknowledgement of receipt in the next 60 days.*

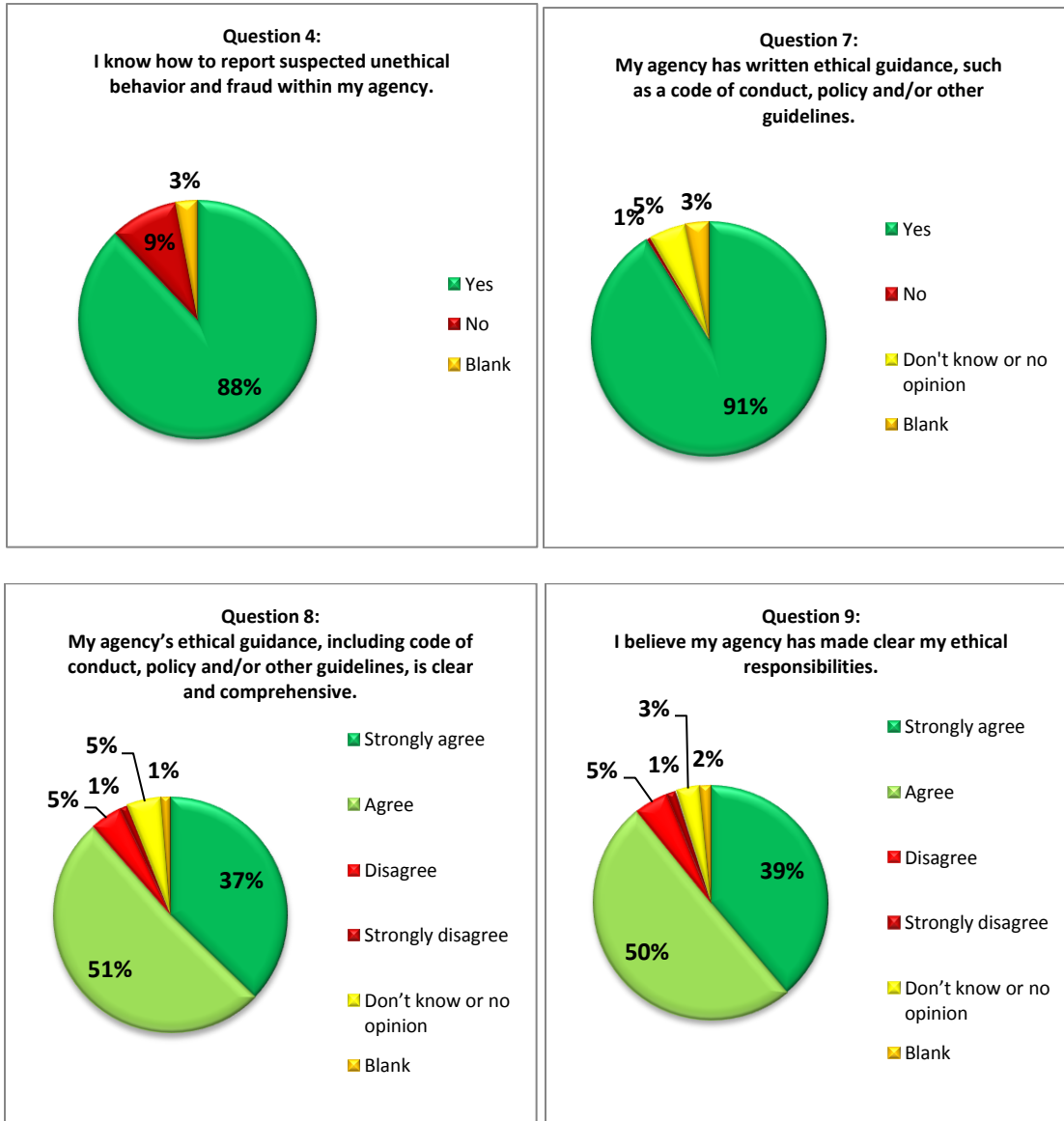
SURVEY RESULTS

We forwarded links to an on-line ethics survey to approximately 18,000 departmental e-mail addresses within DC. Of the 4,900 employees that responded, nearly 80 percent were career service, over 15 percent were selected exempt service, and the remaining respondents were senior management services (SMS) or other personnel services (OPS). More than half of the respondents reported working for the department more than 10 years, while approximately 16 percent reported having worked for five to ten years and almost 12 percent reported that they had worked for three to five years.

The survey indicates the overall ethical climate in the department is good. For example:

- 88% of the respondents indicated that they knew how to report suspected unethical behavior and fraud within the agency (see Question 4);

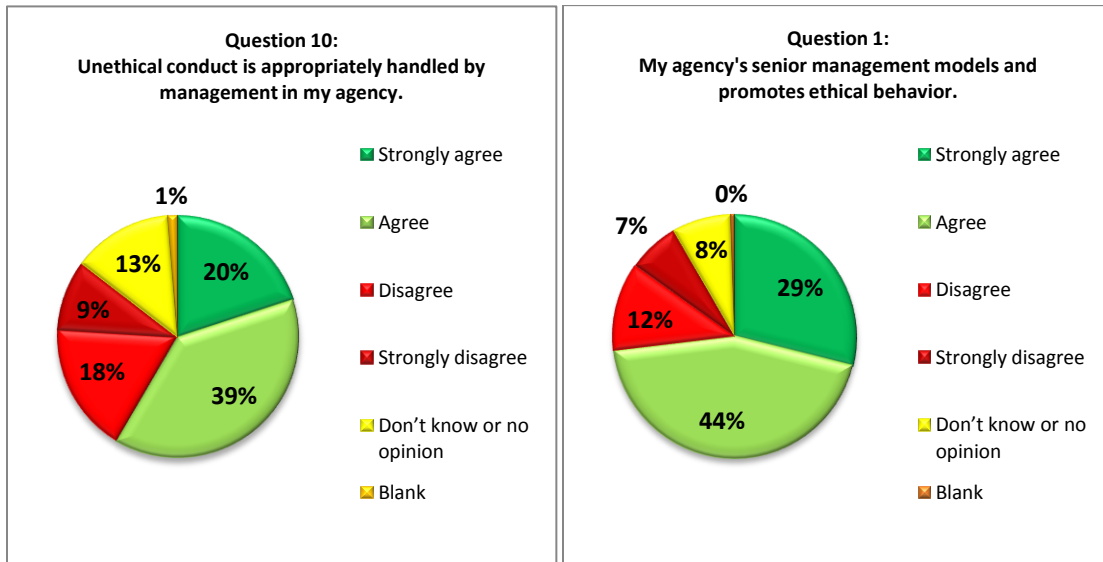
- 91% acknowledged that the agency has written ethical guidance, such as a code of conduct, policy, and/or other guidelines (see Question 7);
- 88% indicated that the ethical guidance is clear and comprehensive (see Question 8); *and*
- 89% believe that the agency has made employees' ethical responsibilities clear (see Question 9).



As for training, approximately 91% indicated they had received ethics training within the last one to three years, and 89% indicated that they had been adequately trained to know what constitutes ethical and unethical behavior.

While these measures indicate a commitment to fostering a good ethical climate, there were two areas that received less favorable responses:

- One in 4 survey respondents (27%) either “disagreed” or “strongly disagreed” when asked whether unethical conduct is appropriately handled by management in the agency (see Question 10); and
- nearly 1 in 5 respondents (19%) either “disagreed” or “strongly disagreed” when asked whether the agency’s senior management models and promotes ethical behavior. (see Question 1)



The survey allowed respondents to provide comments. Of the 862 comments provided, 10% were favorable in regards to the ethical climate within the agency. Conversely, approximately 31% were unfavorable and pertained to issues with management. The three most common concerns were a need for additional leadership training for management; to establish an anonymous way to report unethical conduct without fear of retaliation; and a need for management to be held accountable for unethical behavior (e.g., favoritism, sexist and discriminatory practices).