

OFFICE OF INSPECTOR GENERAL



Report Number IA-1109

Ethics

March 23, 2011

EXECUTIVE SUMMARY

The purpose of this audit was to evaluate the implementation and effectiveness of the Florida Department of Veterans' Affairs (FDVA) ethics program.

The audit included all FDVA employees as of March 01, 2011. We reviewed the department's ethics policies and procedures as well as supporting documentation. Signed ethics forms were reviewed from randomly selected personnel files. The audit also included an employee survey.

The employee survey found that 96.2% of FDVA employees were aware of the ethics policy and 96.7% knew how to report unethical behavior. In addition, 91.2% of the employees indicated they were adequately trained to know what constitutes ethical and unethical behavior. However, only 74.2% of the employees indicated they had received ethics training within the past year. Accordingly, we recommended that FDVA update policies to include ethics training on an annual basis.

Management agreed with our recommendation and has planned or taken corrective action for the finding identified during the audit. Actions planned by management should help ensure that FDVA maintains and enforces the highest ethical standards for FDVA employees.

**Florida Department of Veterans' Affairs
Office of Inspector General**

TABLE OF CONTENTS

BACKGROUND.....2

OBJECTIVES2

SCOPE2

METHODOLOGY2

FINDINGS AND RECOMMENDATIONS.....3

Finding 1. Ethics Training 3

SURVEY METHODOLOGY.....5

SURVEY QUESTIONS AND RESPONSES6

Florida Department of Veterans' Affairs
Office of Inspector General

BACKGROUND

Chapter 112, Part III, Florida Statutes is the state's statutory Code of Ethics. In response to Executive Order 11-03, the Governor's Code of Ethics was revised in January 2011 to incorporate and exceed the requirements of the statutory Code of Ethics.

In February 2011, FDVA's Ethics Policy (5030.129A Code of Ethics and Personal Responsibility) was revised to clarify the actions expected of all employees. The Ethics Policy outlines several ethical principles to guide all employees and designated the General Counsel as the Ethics Officer.

To provide an overall look at ethics in state government in Florida, the Governor's Chief Inspector General asked all agency Inspectors General to conduct an audit focusing on organizational ethics. The focus of the audit was the ethical infrastructure in the department, a measure of the ethical climate via a department survey, best practices and statewide efficiencies. Over 20 state agencies undertook this assignment. Each department's Office of Inspector General will provide a report to their respective department's head. The Chief Inspector General will also provide a roll-up report of all agencies reports to the Governor. The roll-up report will address systemic issues, best practices and/or those issues that can only be seen from a global perspective.

OBJECTIVES

The purpose of this audit was to evaluate the design, implementation and effectiveness of the FDVA's ethics program.

SCOPE

The audit included all employees at FDVA as of March 01, 2011.

METHODOLOGY

The audit was conducted in accordance with generally accepted auditing standards and the applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The audit was conducted by interviewing FDVA personnel, administering a department-wide survey, testing randomly selected records and completing various analyses and other procedures.

**Florida Department of Veterans' Affairs
Office of Inspector General**

Findings and Recommendations

Finding 1. Ethics Training

Objective

To evaluate the design, implementation and effectiveness of FDVA's ethics program.

Conclusion

FDVA could maintain the highest ethical standards by including a requirement for annual ethics training in FDVA's current policy. Ethics training on an annual basis is provided for by the Governor's Code of Ethics effective January 04, 2011.

Supporting Evidence

The evaluation of FDVA's ethical climate included an employee survey. The results of the survey for FDVA found that 96.2% of employees were aware of the ethics policy and 96.7% knew how to report unethical behavior. In addition, 91.2% of the employees either strongly agreed (52.6%) or agreed (38.6%) that they were adequately trained to know what constitutes ethical and unethical behavior. The results of the survey for FDVA are shown on page 6 of this report.

However, employees responding to the survey indicated that only 74.2% of the employees had received ethics training within the last year. Additional analysis of ethics training at FDVA found:

<u>Location</u>	<u>Type of Training</u>	<u>Frequency</u>
Port Charlotte	Video, printed material, review of policy, exam	Orientation and annually
St. Augustine	Review of Policy	Orientation and annually
Springfield	Review of Policy and Video	Orientation and when new policy is issued
Pembroke Pines	Review of Policy	Orientation and when new policy is issued
Land O' Lakes	Review of Policy, Handbook and Video	Orientation and when new policy is issued
Daytona Beach	Review of Policy	Orientation and when new policy is issued
Lake City	Review of Policy	Orientation and when new policy is issued

As shown, only employees at Port Charlotte and St. Augustine were receiving annual ethics training. Requiring annual ethics training for all employees would ensure that FDVA maintains and enforces the highest ethical standards for employees.

Criteria

On January 04, 2011, Governor Scott issued Executive Order 11-03, directing the immediate adoption and implementation of a revised

**Florida Department of Veterans' Affairs
Office of Inspector General**

	<p>Code of Ethics by the Office of the Governor. This Code of Ethics also applies to the Secretaries, Deputy Secretaries, and Chiefs of Staff of all executive agencies under the purview of the Governor.</p> <p>The Code of Ethics effective as of January 04, 2011 states that each agency secretary is further directed to attend training on the subject of ethics, public records, open meetings, records retention, equal opportunity and proper personnel procedures. Thereafter, each agency secretary will arrange for similar training of his/her employees on an annual basis.</p>
Cause	<p>FDVA did not include a requirement for annual ethics training in the updated policy.</p>
Impact/Risk	<p>Annual ethics training would ensure that FDVA maintains the highest ethical standards for employees.</p>
Recommendation	<p><u>Recommendation 1:</u> FDVA update policies to include ethics training for all employees on an annual basis as provided for by the Governor's Code of Ethics effective January 04, 2011.</p>
Management Response	<p><u>Response to Recommendation 1:</u></p> <p>The IG Audit Report Number IA-1109 Ethics prepared by your office made the recommendation that FDVA update its policies to include ethics training for all employees on an annual basis. Currently this training is conducted upon initial hire, and when updates are necessary. Some FDVA facilities conduct annual training, but it is not uniform across the agency.</p> <p>As designated Ethics Officer for FDVA I accept your recommendation. I have developed a Powerpoint slide presentation on ethics that may be used or adapted as a training module. I will work with our Director of Human Resource Services, to see if an Ethics Training Module can be added to existing annual training for the FDVA workforce. If not, I will try to develop an alternative mechanism for providing the annual training.</p>

SURVEY METHODOLOGY

The Survey

The Florida Department of Veterans' Affairs (FDVA) participated in an enterprise audit of organizational ethics with the Executive Office of the Governor, Office of Chief Inspector General. As part of the audit, FDVA employees were requested to voluntarily participate in a short survey. The purpose of the survey was to assess the ethical environment at FDVA. The 12-item survey included questions related to employees' perceptions about the ethical environment at FDVA.

Data Collection

Mode/Method. The Survey to Assess the Ethical Environment at FDVA was a self-administered Web survey. All FDVA employees with email accounts were asked to participate in the survey. The survey was anonymous and participation was voluntary. The survey was open from March 07 -11, 2011.

Response Rate. FDVA had 664 employees with email accounts that were asked to participate in the survey. Responses were received from 251 of those 664 employees or a 37.8% response rate.

**Florida Department of Veterans' Affairs
Office of Inspector General**

Survey Questions and Responses

Question Number	Survey Item	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know or no opinion
1	My agency's senior management models and promotes ethical behavior.	46.2%	35.2%	8.5%	4.9%	5.3%
2	My supervisor models and promotes ethical behavior.	54.8%	33.9%	5.6%	3.2%	2.4%
3	My coworkers model and promote ethical behavior.	35.9%	52.4%	9.3%	1.2%	1.2%
4	I know how to report suspected unethical behavior and fraud within my agency.	96.7%	3.3%			
5	I have received ethics training provided by my agency (choose the appropriate time period).	74.2%	14.5%	3.6%	0.8%	6.9%
6	I have been adequately trained by my agency to know what constitutes ethical and unethical behavior.	52.6%	38.6%	5.2%	2.0%	1.6%
7	My agency has written ethical guidance, such as a code of conduct, policy and/or other guidelines.	96.2%	1.7%	2.1%		
8	My agency's ethical guidance, including code of conduct, policy and/or other guidelines, is clear and comprehensive.	48.8%	44.8%	3.6%	1.6%	1.2%
9	I believe my agency has made clear my ethical responsibilities.	52.7%	42.9%	2.4%	1.2%	0.8%
10	Unethical conduct is appropriately handled by management in my agency.	34.7%	33.9%	11.2%	6.2%	14.0%
12	Please select your position type:	59.3%	28.8%	4.1%	7.0%	0.8%
13	How long have you worked for the Agency:	26.1%	24.9%	12.7%	21.2%	15.1%

Note: Percentages may not add to 100 due to rounding. Question 11 was for comments.

The Florida Department of Veterans' Affairs helps Florida veterans, their families and survivors to improve their health and economic well-being through quality benefits information, advocacy, education and long term health services. Florida Statutes, Section 20.055, requires the Office of Inspector General to conduct audits and reviews of agency programs to assist agency management and staff in fulfilling this mission.

This audit was conducted in accordance with applicable Government Auditing Standards issued by the Comptroller General of the United States and Principles and Standards for Inspectors General published by the Association of Inspectors General.

Copies of this report may be obtained by telephone (850/487-1533), in person, or by mail at Florida Department of Veterans' Affairs, 4040 Esplanade Way, Suite 180, Tallahassee, FL 32399-0950