

**AUDIT OF  
DEPARTMENT OF JUVENILE JUSTICE ETHICS  
REPORT NUMBER A-1011EOG-016  
April 14, 2011**

**BY**

**THE OFFICE OF THE INSPECTOR GENERAL  
BUREAU OF INTERNAL AUDIT**

Mary Roe Eubanks, CIG  
Inspector General

Michael Yu, CIA  
Director of Auditing

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Wansley Walters, Secretary



STATE OF FLORIDA  
DEPARTMENT OF JUVENILE JUSTICE

INTEROFFICE MEMORANDUM

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DATE: April 14, 2011  
TO: Wansely Walters, Secretary  
FROM: ~~for~~ Mary Roe Eubanks, Inspector General *PS*  
SUBJECT: Final Report - #A-1011EOG-016, *Audit of Department of Juvenile Justice Ethics*

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I have enclosed a copy of our final audit report *Audit of Department Juvenile Justice Ethics* prepared by our Bureau of Internal Audit. We will conduct a follow-up review to determine the status of corrective actions taken to address the reported findings.

We would like to thank staff members in the Office of General Counsel and the Office of Staff Development & Training for the assistance extended to our staff in the audit process. Please feel free to contact Michael Yu, Auditor Director, at 921-5698 if you have any questions.

ME/my

Attachment

Cc: Christy Daly, Chief of Staff  
Brian Berkowitz, General Counsel  
Michael McCaffrey, Director of Staff Development & Training  
Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor  
David W. Martin, CPA, Auditor General  
Kathy DuBose, Director, Legislative Auditing Committee

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Rick Scott, Governor

Wansley Walters, Secretary

*The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.*

Office of Inspector General  
Bureau of Internal Audit  
Audit of Department of Juvenile Justice Ethics  
Audit No. A-1011EOG-016

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**Audit of Department of Juvenile Justice Ethics**  
**Audit No. A-1011EOG-016**  
**April 14, 2011**

## **INTRODUCTION**

The Office of Inspector General conducted an ethics audit of the Department of Juvenile Justice (Department). The audit was conducted as a part of the Enterprise Ethics Audit initiated by the Executive Office of the Governor, Office of the Chief Inspector General, and in accordance with *Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors.

### **Background**

Merriam-Webster's Dictionary defines ethics as a noun meaning the discipline dealing with what is good and bad and with moral duty and obligation, or a set of moral principles governing an individual or a group.

The 2011 Sterling Criteria for Organizational Performance Excellence states: "Organizations should stress ethical behavior in all stakeholder transactions and interactions. Highly ethical conduct should be a requirement of and should be monitored by the organization's governance body."<sup>1</sup>

Since November 1991, the United States Sentencing Commission's "Federal Sentencing Guidelines Manual" has encouraged organizations (including governments) to adopt formal ethics and legal compliance programs.<sup>2</sup> These include establishing standards and procedures, high-level oversight, due diligence in hiring and promoting, effective communication (including training), compliance monitoring, enforcement, and preventive measures.

In January 1999, Governor Jeb Bush issued Executive Order 99-20, directing the immediate adoption and implementation of a revised Code of Ethics by all secretaries and deputy secretaries of executive agencies under the purview of the Governor. In the Order, the Executive Office of the Governor/Lieutenant Governor was to provide training on ethics to each executive agency head. It was the desire of the Governor that such agencies will, thereafter, arrange for similar ethics training to all employees on an annual basis. Another stipulation of the Order declared that each executive agency shall designate an Ethics Officer. The Ethics Officer shall undertake appropriate measures to ensure that the employees responsible for adhering to the Code of Ethics become familiar with all relevant ethics requirements. In January 2007, Governor

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<sup>1</sup> The 2011 Sterling Criteria for Organizational Performance Excellence, page 49.

<sup>2</sup> Chapter 8, Part B, Section 2.1, of the manual entitled, *Effective Compliance and Ethics Program*, outlines the minimum requirements to achieve an effective ethics and legal compliance program.

Charlie Crist issued Executive Order 07-01, which also 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.

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 and that it 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 is 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 Code it revises.

To provide an overall look at ethics in state government in Florida, the Governor's Chief Inspector General has called on all inspectors general to come together to conduct an enterprise evaluation of each agency's ethical climate. Over 20 state agencies have undertaken this assignment. Each team will provide a report to their agency head. Based on findings and recommendations in agency reports, the Chief Inspector General will provide a roll-up report to the Governor.

### **Objectives, Scope, and methodology**

The objectives of this audit were to evaluate:

- the Department's implementation of the Office of the Governor's Executive Order Number 11-03, Ethics and Open Government.; and,
- the design and effectiveness of the Department's ethics related objectives, guidance, and activities.

The scope of the audit focused primarily on recent actions taken by the Department to design, communicate, monitor, promote, and enforce ethical standards and policies applicable to Department employees.

In order to achieve the audit objectives, we:

- reviewed applicable laws, rules, and Executive Orders regarding ethics;
- reviewed Department ethics policies and procedures;
- conducted Department wide employee survey for ethics climate;

- interviewed Department Chief Ethics Officer and selected managers/supervisors;
- researched best practices in ethics programs; and,
- reviewed ethics related inquiries and investigations.

## **RESULTS OF AUDIT**

This audit revealed that the Department timely implemented the Office of the Governor's Executive Order Number 11-03, Ethics and Open Government (Executive Order); ethics policy and procedures established standards of ethical conduct for Department employees; and employees have a positive view toward the Department's ethics environment. However, the audit indicated that the Department needs improvement in the areas of ethics training, ethics program monitoring, and ethics violation reporting and investigation procedures.

### **Details of Findings and Recommendations**

#### **Finding 1: The Department timely implemented the Executive Order.**

The Executive Order (effective as of January 4, 2011) 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 the revised Executive Office of the Governor's Code of Ethics (Code) become familiar with relevant ethics, public records and open meeting requirements. The Executive Order further requires each executive agency secretary to review and evaluate the current policies adopted at his or her agency in light of the revised Code, with a view to using the revised Code as a standard for his or her agency, adjusted for the program requirements and variables unique to his or her agency. Each agency is directed to implement any agency-specific adjustments to the code within 45 days of the date of the order.

In accordance with the Executive Order, the Secretary of the Department designated the General Counsel as the Department's Chief Ethics Officer, acting as the Department's contact person and provides legal information and interpretation of ethical issues and also ensures that employees become familiar with relevant ethics, public records and open meetings requirements. The Secretary also designated the General Counsel as the Department's Public Records/Open Records Contact Person, providing information, interpretation and guidance on legal issues related to public records and government in the sunshine and facilitating public access to records and resolving any and all disputes as to requirements of the Government in the Sunshine Act.

The Department revised its ethics policy FDJJ-1900, Employee Code of Ethics and Personal Responsibility. The revised policy was adopted on February 17, 2011, within 45 days of the date of the Executive Order. The newly adopted ethics policy clearly defines ethics, establishes standards of ethical conduct for the Department employees, and is in line with the Code.

The timely implementation of the Executive Order provided the Department with many of the elements necessary to achieve an effective ethics compliance and ethics program.

**Finding 2: The agency-wide ethical climate survey result indicated that the Department, overall, maintained a positive ethical environment.**

A suggested indicator of whether an organization has a positive environment that promotes ethical behavior is the survey results on employee perceptions of organizational ethics.

As a part of the audit process, we conducted an agency-wide employee survey to assess the Department's ethical environment. The Ethical Climate Survey was sent to 4,454 DJJ employees (including contracted employees). 1,210 employees (approximately 27%) responded to the survey. The result of the survey indicated that, overall, the Department has a positive ethical environment. Eighty five percent of the responders have a positive view of the Department's ethics climate. Among the employees responding to the survey,

- 80.7% agreed or strongly agreed that the Department's senior management models and promotes ethical behavior, 89.3% agreed or strongly agreed that their supervisors model and promote ethical behavior, and 85.9% agreed or strongly agreed that their coworkers model and promote ethical behavior;
- 92.9 % stated that they know how to report suspected unethical behavior and fraud within the Department;
- 94.6% stated that they have received ethics training provided by the Department;
- 92.2% agreed or strongly agreed that they have been adequately trained by the Department to know what constitutes ethical and unethical behavior;
- 94.2% agreed or strongly agreed that the Department's ethical guidance, including code of conduct, policy and/or other guidelines, is clear and comprehensive, and 92.1% agreed or strongly agreed that the Department has made clear their ethical responsibilities;
- 66.2% agreed or strongly agreed that unethical conduct is appropriately handled by management in the Department.

The survey also provided the employees an opportunity to offer their comments. 127 employees provided their comments. We categorized the comments received and the analysis is presented in Finding 3 of this audit.

**Finding 3: The Department needs improvement in the areas of ethics training, policy communication, ethics program monitoring, and ethics violation reporting and investigation procedures.**

Although the Department has incorporated many of the elements necessary to achieve an effective compliance by timely implementing the Executive Order and effectively maintained a positive ethical environment, the audit indicated that the Department needs to improve its ethics training, ethics policy communication, ethics program monitoring, and ethics violation reporting and investigation procedures.

**Ethics Training**

Pursuant to the Executive Order and as set forth in the Code, each agency secretary is to arrange ethics, public records, and open meetings training for his or her employees on an annual basis. Best practices in ethics programs also emphasize the annual training on ethics for organization employees.

Our review indicated that the Department offers ethics training to its employees online. The Department entered into a contract with SSB, Inc., a distance training provider, to provide training courses, including ethics training for the Department's employees. Training courses are provided through SSB, Inc. website ([www.itrainnow.com](http://www.itrainnow.com)) known as CORE. The online training course is also available to the Department's providers. However, the ethics training is not mandatory. There is no required annual ethics training. For the Department's direct care staff, ethics training is a part of their comprehensive training when they are hired. After that, no annual ethics training is required.

The Department's policy FDJJ-1900, Employee Code of Ethics and Personal Responsibility, does not address ethics training.

The analysis of the received employee survey comments indicated that ethics training is one of the 4 top categories of employee concerns. For those who took the training course on CORE, many of them consider classroom based training is needed.

Without mandatory annual ethics training for employees, the Department would not be in compliance with the Executive Order and the Code. Further, without an effective ethics training program, the Department would not be able to ensure that ethics standards are properly communicated to all employees and enforced.



### Policy Communication

Communicating ethics policies and procedures to all employees is critical for an employee's understanding of the Department's expectations. FDJJ-1900 requires supervisors/managers to ensure that each employee is provided a copy of the policy, and ensure that employees sign and submit a Statement of Personal Responsibility acknowledging receipt of the policy.

To assess the effectiveness of the policy communication, we selected 4 offices to test the communication of DJJ ethics policy. Up to the date of the test, no employee in the selected offices has been provided a copy of the newly adopted ethics policy.

The analysis of the received employee survey comments indicated that policy communication is included in one of the 4 top categories of employee concerns.

Communication is a major component of an ethics program. Without effective communication with employees on the ethics policy, employees may not fully understand the Department's expectations.

### Ethics Program Monitoring

An effective ethics program should include a monitoring mechanism to ensure that policies and procedures are properly communicated to employees, adequate training is provided, unethical conducts are detected and reported, and overall ethics compliance is achieved.

Our review indicated that the Department did not have an ethics program monitoring system in place to ensure the program is effective. The Chief Ethics Officer did not hold regular meetings to discuss ethics; no annual report or internal control statement on ethical standards is produced; and ethics policy implementation and training is not monitored.

Without a monitoring system in place, the Department would not be able to ensure the effectiveness of its ethics related objectives, guidance, and activities.

### Ethics Violation Reporting and Investigation Procedures

An effective ethics program requires an ethics violation reporting mechanism and an investigation system. Best practices in ethics programs recommend reporting Hot Lines being established to enhance the reporting process.

Our review indicated that the Department did not have clear ethics violation reporting and investigation procedures. Policy FDJJ-1900 neither includes the process for reporting violations (ways for employees to anonymously report concerns about fraud,

abuse, or questionable activities), nor mandates the reporting of such violations. The policy also does not include investigation procedures.

Without clear ethics violation reporting and investigation procedures, violations may not be timely and properly reported and investigated. The employee survey result indicated that only 66.2% of the employees responded the survey agreed or strongly agreed that unethical conduct is appropriately handled by management in the Department. 17.5% of the respondents disagreed or strongly disagreed that unethical conduct is appropriately handled by management, and an additional 16.6% were neutral on the subject. The analysis of the received employee survey comments indicated that ethics violation reporting and handling is one of the 4 top categories of employee concerns.

### **Recommendations**

To improve the effectiveness of the Department's ethics related objective, guidance, and activities, we recommend the Chief Ethics Officer:

- in collaboration with Staff Development and Training develop a mandatory ethics, public records, and open meetings training class for all employees, as well as annual refresher training. The training should also be available for the Department's providers;
- develop an effective communication method to ensure that ethics policies and procedures are communicated to all employees;
- implement a monitoring system to monitor the implementation of the ethics code, ethics training, and ethics violation reporting. Hold regular meetings to discuss ethics, and provide an annual report on ethical standards to the Secretary; and,
- in collaboration with the Office of Inspector General develop specific ethics violation reporting and investigation procedures.

We also recommend the Department:

- develop a Chief Ethics Officer position description to appropriately address responsibilities and percentage of time of his/her role as Chief Ethics Officer;
- revise Department Policy FDJJ-1900 to include mandatory annual ethics training for all employees and procedures of ethics violation reporting and investigation.

# APPENDIX:

## Management Response



**STATE OF FLORIDA  
DEPARTMENT OF JUVENILE JUSTICE**

**INTEROFFICE MEMORANDUM**

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**DATE:** April 13, 2011

**TO:** Mary Eubanks, Inspector General  
Michael Yu, Director of Internal Audit

**FROM:** Brian Berkowitz, General Counsel *[Signature]*

**SUBJECT:** Department of Juvenile Justice Ethics Audit, No. A-1011EOG-016

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As Chief Ethics Officer (CEO) for the Department, I have been provided a copy of the above referenced audit, and hereby provide this response.

The CEO concurs with the findings of the Audit and with the Recommendations contained therein. Specifically, as to the recommendations, the CEO will undertake the following:

- In collaboration with Staff Development and Training, develop mandatory ethics training class, including the areas of public records and open meetings, for all employees. The training will also be available to the Department's providers.
- Develop a means to ensure that ethics policies and procedures are communicated to all employees.
- Implement a system to monitor ethics training, code violations, and reporting. Provide an annual report on ethical standards to the Secretary.
- In collaboration with the Office of Inspector General develop specific ethics violation reporting and investigative procedures.
- The position description for the General Counsel has been amended to reflect that the General Counsel serves as the Chief Ethics Officer for the Department.
- Revise Department Policy FDJJ-1900 to require mandatory annual ethics training for all employees and provide procedures for ethics violation reporting and investigation.

I appreciate the work of the Inspector General's Office in completing this Audit and the continued assistance in implementing the recommendations.

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