

**Executive Office of the Governor****OFFICE OF THE
CHIEF INSPECTOR GENERAL***Audit of the Ethics Program***EXECUTIVE SUMMARY**

Our assessment disclosed that the Executive Office of the Governor (Office) has a very favorable ethical climate and has implemented the provisions of the Governor's Code of Ethics and the Executive Order. The Office's ethics program encompasses the elements necessary for an effective program, except the policy for reporting unethical conduct needs to be specified.

SCOPE, OBJECTIVE AND METHODOLOGY

The *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors, requires the internal audit activity to evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs and activities. In February 2011, the Chief Inspector General initiated an enterprise-wide audit of organizational ethics in concert with state agency Inspectors General in 23 state agencies.

The objectives of the audit were to evaluate: (1) the implementation of the Governor's Executive Order Number 11-03, *Ethics and Open Government*; and, (2) the design and effectiveness of the Office's ethics-related objectives, guidance, and activities in order to identify areas of potential weakness and best practices that could be shared among agencies. The scope of the audit focused primarily on recent actions taken by the Office to design, communicate, monitor, promote and enforce ethical standards.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General. To achieve our audit objectives, we reviewed Executive Order Number 11-03, the Office's Code of Ethics, policies and procedures, and Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees). We completed an Ethics Program Questionnaire developed for this enterprise audit and interviewed the Chief Ethics Officer and Director of Administrative Services. Additionally, we distributed an Ethics Survey to employees of the Office (including staff of the Agency for Enterprise Information Technology) to determine their understanding and opinions regarding the Office's ethics policies and procedures.¹

¹ The results of the enterprise-wide Audit of Organizational Ethics will be published under separate cover.

BACKGROUND

Article II, Section 8, Florida Constitution, establishes standards of ethical² conduct and financial disclosure applicable to public officers and employees. The section also requires the state to establish a code of ethics in law. The state adopted Chapter 112, Part III, Florida Statutes, the *Code of Ethics for Public Officers and Employees*. This Code set forth the minimum standard that all public officers and employees must follow in such areas as conflicts of interest, the receipt and acceptance of gifts, financial disclosure requirements, and restrictions on post-employment activities, but also has a basis for discipline to those who violate the provisions.

In January 2011, Governor Scott issued Executive Order 11-03, directing the immediate adoption and implementation of a new Code of Ethics. The Code 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. The Code designated the General Counsel as the Governor'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. The Code imposes more stringent requirements than set forth in Chapter 112, Part III, Florida Statutes.

FINDING AND RECOMMENDATION

Provide Additional Guidance on Reporting Unethical Conduct

The Code of Ethics states, "Because not every possible situation can be anticipated in these guidelines, employees are to consult with the chief ethics officer in the event of any doubt" and indicates that questions about ethics law should be addressed to the Commission on Ethics. However, our audit disclosed that guidance is not provided in the Code of Ethics or training materials specifying to whom unethical conduct should be reported and identifying the process for reporting anonymously.

Ninety-eight percent (98%) of the respondents to Question 4 of the ethics survey indicated they know how to report suspected unethical behavior and fraud within my agency. However, without a written ethics violation reporting procedure, violations may not be reported to the appropriate individual and in the appropriate manner.

We recommend that management enhance the current policy to include how to report suspected ethical violations and to whom. The enhancement should also be included in the ethics training materials.

ETHICS SURVEY RESULTS

As part of the review, we assessed the ethical climate of the Office. To accomplish this task, the Chief Inspector General distributed an agency wide survey that asked employees to rate the ethical climate and structure within the agency. Employees were asked to select the most appropriate response based on their personal experience.

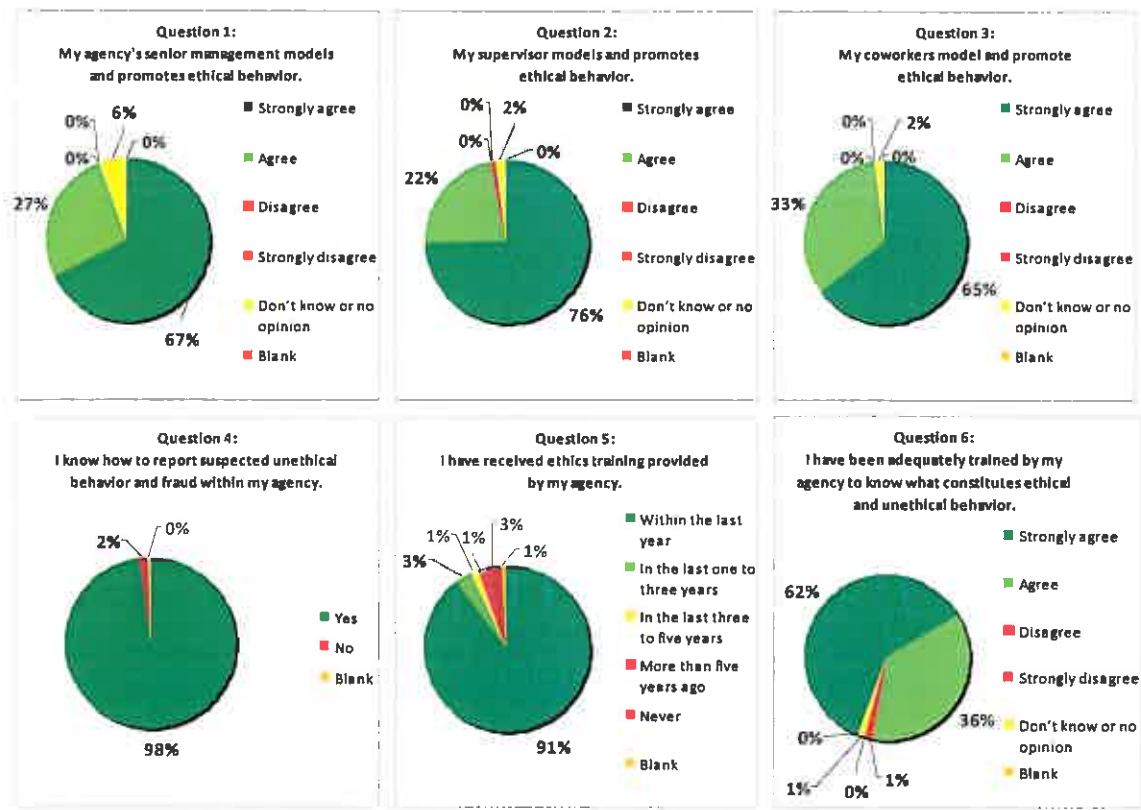
² Merriam-Webster's Dictionary defines ethics as the discipline dealing with what is good and bad and with moral duty and obligation or a set of moral principles governing an individual or a group.

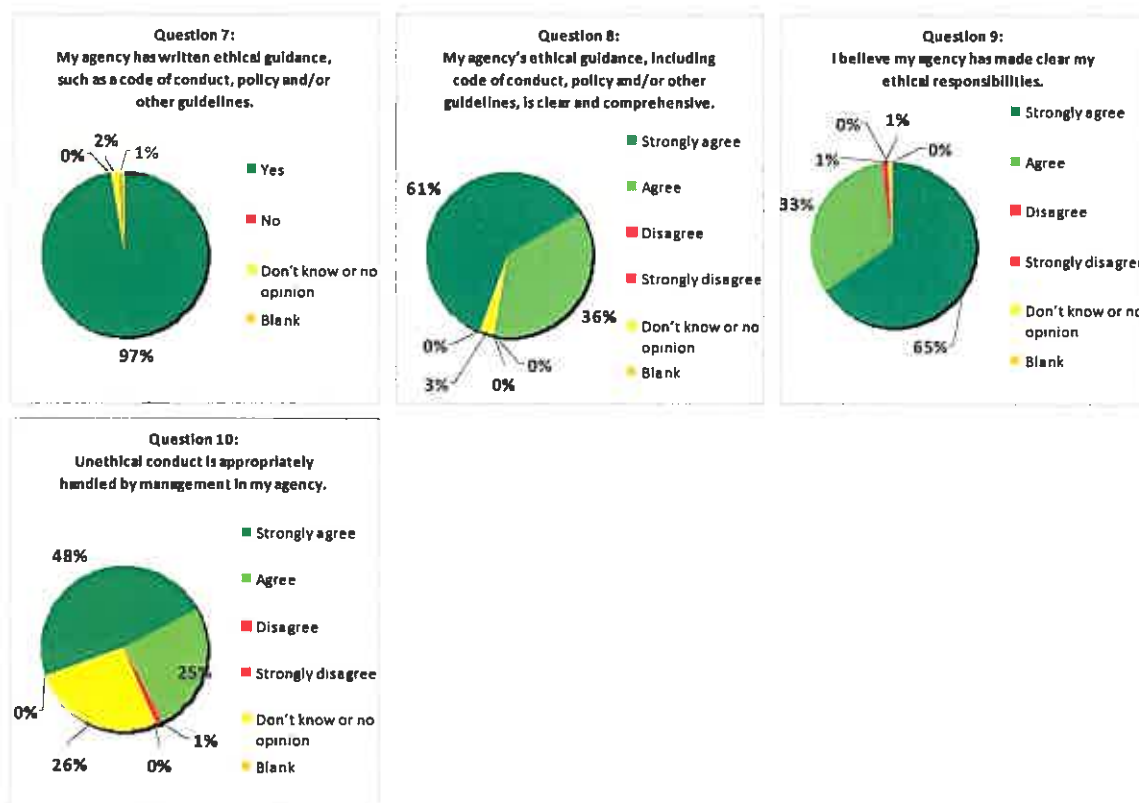
The Chief Inspector General distributed the survey to 332 employees and received 213 responses, a response rate of 64%. The responses indicated that employees feel that the Office has a very favorable ethical climate. For example:

- Respondents agree or strongly agree that 94% of Senior Management and 98% of their supervisors and coworkers, respectively, model and promote ethical behavior.
- 97% of respondents agree or strongly agree that they have been adequately trained to know what constitutes ethical and unethical behavior and that the guidance is clear and comprehensive.
- 73% of respondents agree or strongly agree that unethical conduct is appropriately handled by management. However, almost 26% stated that they did not know or had no opinion on this question with five respondents indicating they answered in this manner because they were unaware of any instances of unethical conduct.

In addition to the EOG results, ethics survey data was accumulated for the 23 state agencies participating in the enterprise-wide audit. In comparison to the overall statewide percentages of respondents indicating "agree" or "strongly agree" for each of the survey questions, the percentages of EOG staff responding 'agree' or 'strongly agree' were generally higher.

Below are the graphical results of the Office's survey:





RESPONSE

In a response letter dated June 30, 2011, management concurred with our recommendation. The response is available as a separate attachment to this report.

ACKNOWLEDGEMENTS

The Office of the Chief Inspector General would like to extend our appreciation to the management and staff of the Governor's Office for their assistance and cooperation during this audit.

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To promote accountability, integrity, and efficiency in government, the Office of the Chief Inspector General audits the Executive Office of the Governor's programs, activities, and functions. This review was conducted in accordance with applicable standards contained in the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

This report and other reports prepared by the Office of the Chief Inspector General can be obtained by telephone (850-922-4637) or by mail (2103 The Capitol, Tallahassee, Florida 32399).