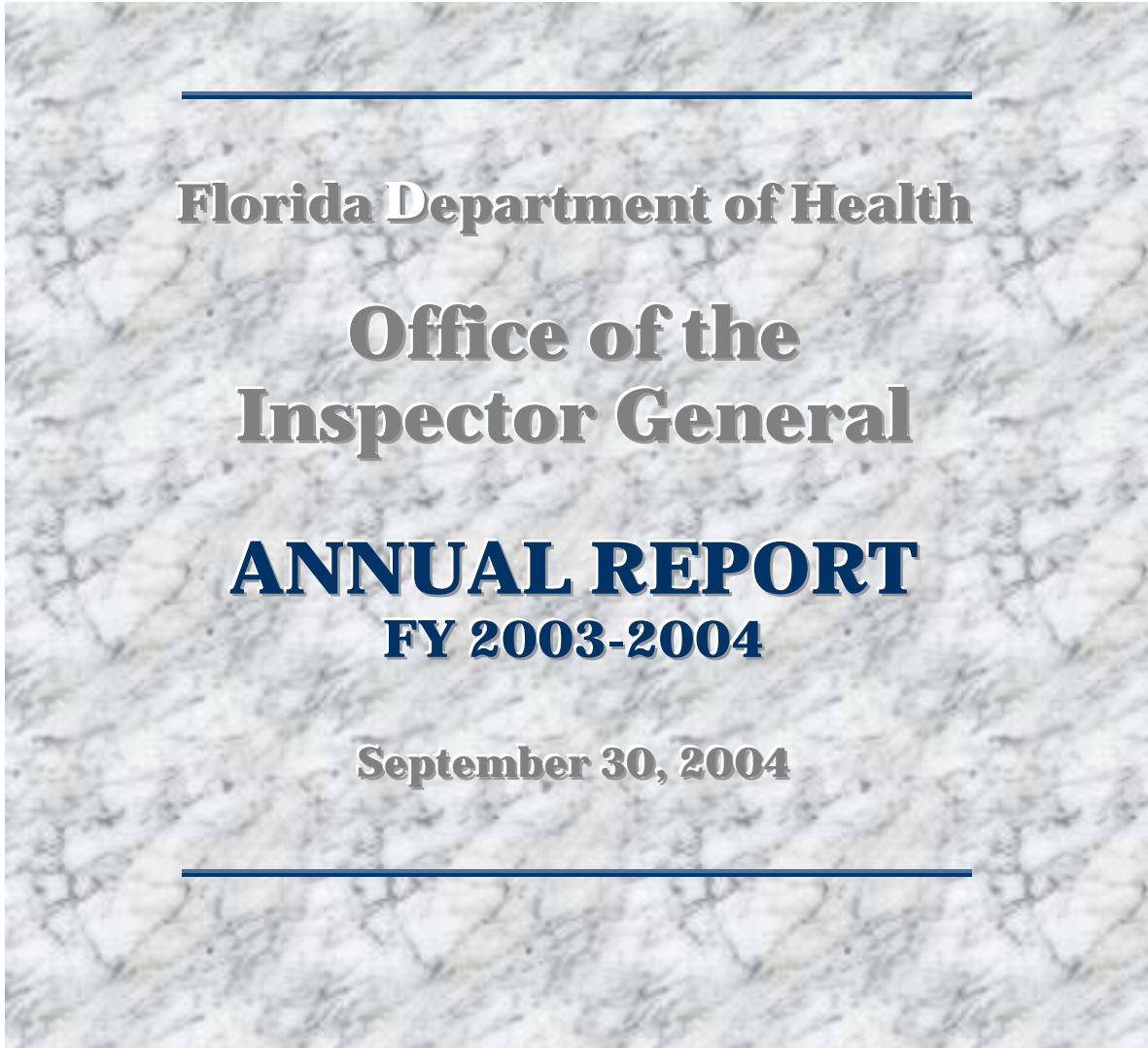


■ Integrity ■ Independence ■ Objectivity ■

■ Professionalism ■ Teamwork ■



■ Performance ■ Leadership ■

■ Indispensable Contributions ■



Jeb Bush
Governor

John O. Agwunobi, M.D., M.B.A., M.P.H.
Secretary

September 17, 2004

John O. Agwunobi, M.D., M.B.A., M.P.H.
Secretary
Florida Department of Health
4052 Bald Cypress Way
Tallahassee, Florida 32399-1700

Dear Secretary Agwunobi:

I am pleased to submit the 2003-2004 Annual Report for the Office of the Inspector General as required by Section 20.55, Florida Statutes.

The members of the HIG team have made significant additions to the overall value of the Department of Health for the people of Florida. This report is a reflection of that value added. Your support of our work has been significant, and is sincerely appreciated. Consistent with the Department of Health's Sterling Quality Challenge, we prepared this report following the seven Florida Sterling criteria.

If you have any questions about the contents of this report, please allow me to discuss them with you. We look forward to sharing another productive year.

Respectfully,

Charles V. Page
Acting Inspector General

CVP/sb
Attachment

Office of the Inspector General Annual Report FY 2003-2004

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Executive Summary

Indispensable Contributions

With the leadership of Inspector General Linda A. Keen, the Department of Health's Office of the Inspector General (HIG) fulfilled its statutory mandate in 2003-2004 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). As an organization we are committed to the vision and mission statements of the department, of the Governor's Council on Integrity and Efficiency, as well as to the HIG vision, mission and values statements. Our goal in 2003-2004 continued to be providing indispensable contributions toward making the Florida Department of Health the best public health entity in the nation.

We have the tools to achieve that goal in the form of 33 highly qualified and talented staff persons. Ninety-three percent of our staff have specialized certifications, 86% have college degrees, 32% have advanced degrees and collectively, we have 363 years of audit experience and 129 years of investigative experience. Additionally, our staff members engage in many leadership activities in their respective professions as well as in their communities.

"The measure of success is not that you have a tough problem to deal with but whether it is the same problem you had last year."

John Foster Dulles, Former Secretary of State

An additional tool we utilize is strategic planning. In 2003-2004 we continued to refine this process through the accumulation of baseline data regarding key performance indicators. A major achievement this year was the completion of a comprehensive, department-wide risk assessment. This endeavor, which served as the foundation for our five-year audit plan, enables effective use of limited audit resources by targeting programs identified as highest risk. These refinements and activities enhance our ability to achieve objectives while attending to the needs of our customers.

This year we continued to use our web-based customer satisfaction survey process to ensure we meet the needs of diverse customers by providing objective, independent and professional investigations, audits, management reviews and risk reviews. Risk reviews, implemented this year, combine investigative techniques with medical peer review in situations where litigation is anticipated. They serve as a means to identify mistakes and preclude their continuation. The process, implemented through an agreement with the department's General Counsel, stands out as an example of our responsiveness to customer needs.

The value we added in 2003-2004 to the department's mission is further evidenced by our organizational performance results. In the human resources area, our employees continued to report positively on all dimensions measured in the 2004 department-wide employee satisfaction survey and exceeded satisfaction measures reported for the "all Headquarters employees" comparison group. Within this context of satisfied employees we were able to produce outstanding customer satisfaction and organizational effectiveness results.

Our customers in the investigations area reported an overall average rating of 4.61 on a 1 through 5 scale with 5 reflecting the highest possible satisfaction ranking. Audit customers expressed similarly

high satisfaction ratings with 100% reporting they found the audit useful in assisting with program improvements.

Our organizational effectiveness is also reflected in the work produced during 2003-2004. We triaged 227 complaints, completed 40 full investigations, 55 preliminary inquiries, issued 70 management advisories and responded to two risk review referrals. Of the complaints that resulted in preliminary inquiries or full investigations, approximately one-third were substantiated. Investigative cases in 2003-2004 continued to reflect the increasing complications and risks inherent in an automated business environment. These risks included increases in economic crime and misuse of department automated information resources. The outcome of one such case involving economic crime was a five year prison sentence for the perpetrator and over one-half million dollars in restitution ordered by the court.

We also performed seven comprehensive internal audits, five follow-up internal audit reviews, three management reviews and 246 agreed-upon procedure reviews in the Child Care Food Program (CCFP). We closed 484 CCFP audits resulting in \$1,128,777 in questioned costs while recovering \$523,322 through collections. Additionally, our CCFP staff served as expert witness in 10 administrative hearings.

Our internal audit activities made significant contributions to the department's effectiveness and efficiency, and in the safeguarding of public funds. These included assistance in ensuring proper accounting of tangible personal property for Headquarters offices, County Health Departments and Children's Medical Services Clinics; assistance to the Volusia County Health Department to ensure efficiency with their pharmaceutical outsourcing efforts; assistance to the Office of Rural Health regarding controls of their grant application and review process, monitoring of grantees and sub-grantees and grant implementation issues related to advance funding; assistance to the department in ensuring the integrity and confidentiality of information technology resources; assistance to the Office of Public Health Preparedness regarding efficient use of bioterrorism funds; and facilitation of County Health Department efforts to utilize the Compassionate Care Drug Program.

Operational recommendations were made in all of our accountability activity areas. These included 18 recommendations resulting from internal audits, seven from management reviews and 72 from investigative activities.

As evidence of peer and stakeholder trust, we were asked and agreed to participate in a consultative capacity with the Department of Juvenile Justice to facilitate response to a high profile incident occurring under their purview. Additionally, we were requested by the Chief Inspector General to perform an investigation at the Department of Revenue.

Through our activities, both internal and external to the department as well as in the community at large, the leadership and staff of the Office of the Inspector General continued to make "indispensable contributions" in 2003-2004.

Preface

Purpose of the Annual Report

This report is submitted in compliance with the requirement of Section 20.055, Florida Statutes (F.S.) that each inspector general prepare an annual report summarizing the preceding year's activities. This report summarizes the activities and accomplishments of the Florida Department of Health's Office of Inspector General for the twelve-month period beginning on July 1, 2003 and ending June 30, 2004.

Format – 2004 Sterling Criteria for Performance Excellence

For the third consecutive year we organized our annual report around the Sterling Criteria for Organizational Performance Excellence as a reflection of our commitment to clearly defined, results-oriented performance management. We believe the seven categories of Sterling Core Values and Concepts provide an appropriate outline to document our efforts at achieving excellence.

Organizational Profile

Environment, Relationships, Challenges

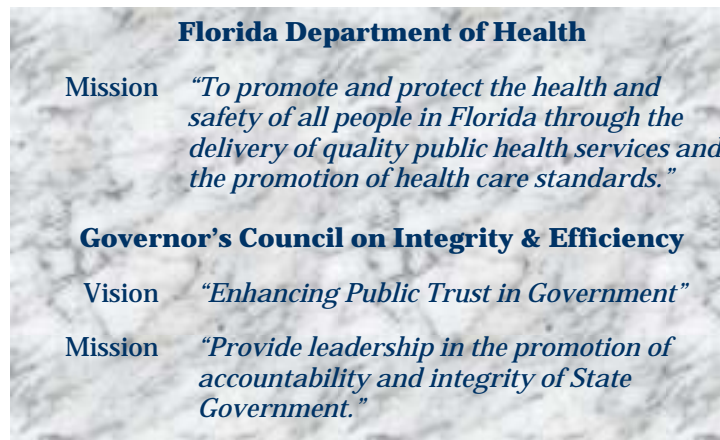
The Office of the Inspector General functions in the broader context of the Department of Health, whose mission is: "To promote and protect the health and safety of all people in Florida through the delivery of quality public health services and the promotion of health care standards."

As such, the department is charged with promoting and protecting the health status of Floridians; diagnosing and investigating public health problems; and mobilizing local communities to address health related issues.

Secretary of Health John O. Agwunobi, M.D., M.B.A., M.P.H., appointed by Florida's Governor, provides leadership for the department and serves as Florida's State Health Officer. Dr. Agwunobi oversees the productivity of approximately 15,000 employees including those operating from a Tallahassee central office representing such program areas as Medical Quality Assurance, Emergency Operations, Emergency Medical Services, Administration, Information Technology, Family Health Services, Disease Control, Environmental Health Services, and Disability Determinations.

Additionally, the Secretary has ultimate responsibility for ensuring quality and policy direction of the vital interface between health service delivery and consumers in 67 county health departments (CHDs) and statewide field offices, Children's Medical Services, A. G. Holley Hospital, the Division of Laboratories, and Vital Statistics.

Our guiding principles include the departmental mission statement and the vision and mission statements of the Governor's Council on Integrity and Efficiency. Expanding on those, the mission, vision and values of the Inspector



General's Office facilitate accomplishment of the departmental mission and propel us toward becoming "trusted agents providing independent, objective and useful products to facilitate the department's success," as our mission statement reflects. Within the context of our vision of making "indispensable contributions in achieving excellence," our values further define who we are and how we transform vision to reality.

The Office of the Inspector General
Who We Are

Vision
"Indispensable contributions in achieving excellence."

Mission
"Trusted agents providing independent, objective and useful products to facilitate the department's success."

Values

Integrity	a commitment to honesty, fairness, loyalty, trustworthiness and our customers.
Professionalism	a commitment to specialized study, demonstration of superior skills and being the subject matter expert.
Independence	a commitment to self-reliance.
Objectivity	a commitment to the facts uninfluenced by personal prejudices or emotions.
Timeliness	a commitment to promptness.
Teamwork	a commitment to collaboration in achieving common goals.

We have a commitment to integrity, honesty, fairness, loyalty, trustworthiness and to our customers. Our customers, the Secretary, managers, staff, clients and patients of the department, as well as the Governor, Legislature and ultimately, the citizens of Florida, have every right to expect nothing less than our unquestionable integrity.

Our commitment to professionalism is evident in the high level of professional qualifications and continuing education pursued by our leadership and staff.

With the responsibilities imparted to us by Florida law, it is imperative that we remain independent from all influences other than factual information. Concomitantly, we must strive to be self-reliant in our efforts to confirm the veracity of those facts, in an objective manner, free from personal bias.

We have the responsibility to both internal and external customers of providing our services and products in an efficient and timely manner. With the establishment of baseline data, we will be able to pursue continuous improvement in this area

while maintaining a commitment to production of high quality and highly respected products.

Underlying all our efforts is the natural teamwork that evolves when collaboration is valued and when highly qualified professionals are given the necessary resources to accomplish a shared vision. Together, these concepts have provided the waypoints keeping us on course through 2003-2004 and they will continue to guide our voyage in the coming years.

Our key products and services, as guided by our vision, mission and values, include the following:

- audits, investigations, and management reviews;
- supervision and coordination of other activities promoting economy and efficiency in the administration of programs or in preventing and/or detecting fraud and abuse;
- reviewing and evaluating internal controls;
- informing and keeping agency managers updated regarding any fraud, abuse or other deficiencies in program operations;
- recommending corrective actions to address reported fraud, abuse and deficiencies;
- reporting progress made on audit corrective actions;
- monitoring implementation of changes in response to Auditor General audits;
- developing audit plans based on periodic risk assessments;
- advising on the development of program performance measures;
- assessing reliability and validity of performance measures;
- ensuring coordination among auditing agencies;
- conducting whistle-blower investigations ; and
- consulting with contract managers on an as-needed basis.

We provide these products and services through a responsive organizational structure reflecting our three main activity focus areas: audits, investigations, and special projects (e.g., management reviews, medical care risk reviews). Special projects typically utilize review teams drawn from staff in both audit and investigations areas, as well as consultants from other departmental areas when needed.

As reflected on the organizational chart, the Inspector General, Linda A. Keen, R.N., M.S., J.D., reported directly to the Secretary and thus maintained independence from program areas as well as had immediacy in terms of access to the highest level of decision-making authority within the department. Our 33 positions are distributed across functional areas as shown in the organizational chart below. Positions shaded in gray are the Child Care Food Program (CCFP) field auditors who report to the Professional Accountant Supervisor in Tallahassee.

The Inspector General's staff reflects great diversity in terms of racial/ethnic background, educational achievement, professional experience and areas of expertise. Of our 33 staff, 40% have a minority racial/ethnic heritage and 30% are female. This diversity is a positive factor facilitating mission accomplishment and infusing all our efforts with the energy and variety of perspectives necessary for achieving excellence.

Of our 33 staff, 31 are full-time permanent positions, six are support personnel (with two of those being OPS employees) and 27 are professional staff. Of the 27 professional staff, 86% have bachelor's level college degrees, with 32% of those having a master's degree or higher. Collectively, our staff represents 363 years of audit and 129 years of investigative experience.

Specialized certifications also serve as a reflection of the level of our staff's qualifications and, in that regard, we are a group of very highly qualified professionals. Twenty-six of 27 professional staff hold specialty certifications in audit, investigative and/or related areas.

Our Staff

93% have specialized certifications
86% have college degrees
32% have advanced degrees

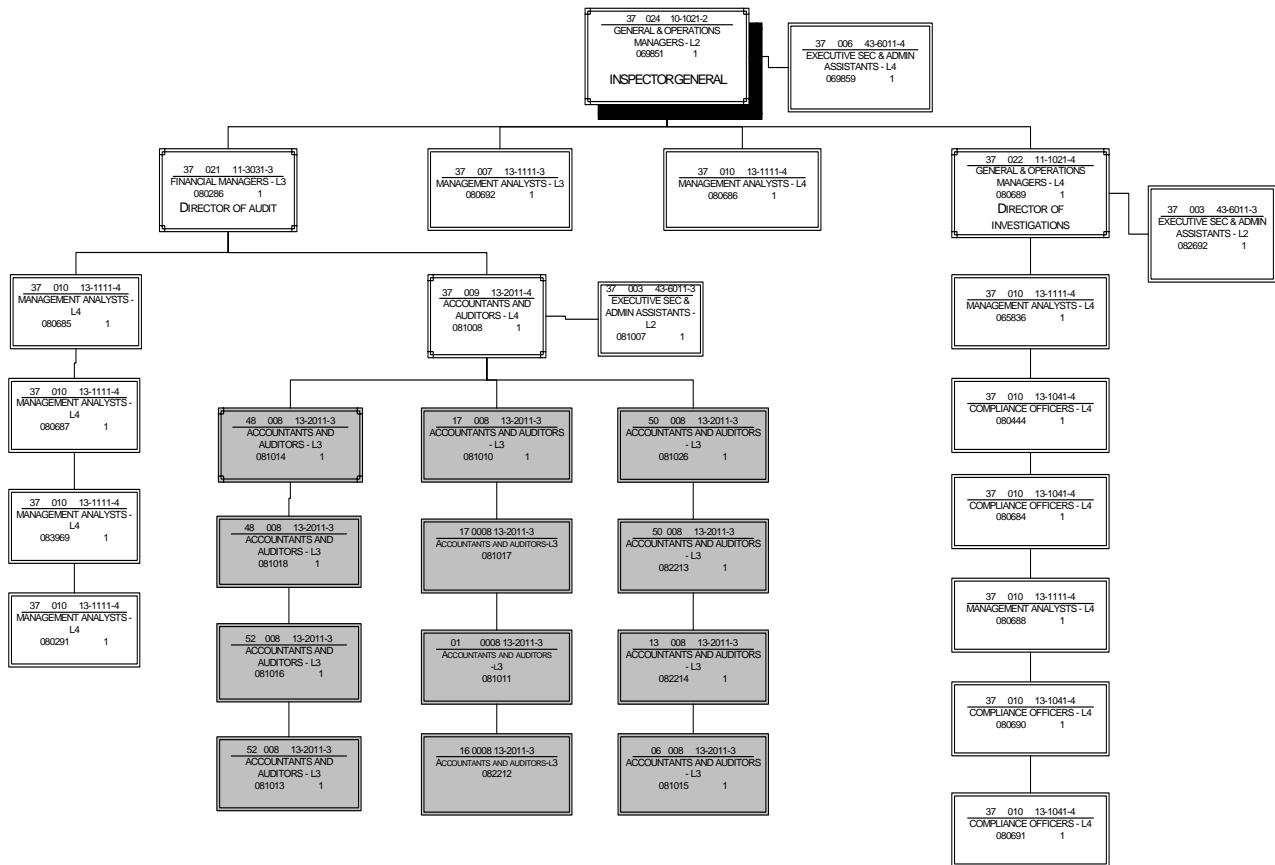
Collectively:
Audit experience =
363 years

Investigative experience =
129 years

We Are...

- 8 Certified Inspectors General
- 3 Certified Public Accountants
- 2 Certified Internal Auditors
- 1 Certified Government Financial Manager
- 1 Certified Unemployment Tax Auditor
- 1 Certified State & Local Tax Accountant
- 1 Certified Information Systems Auditor
- 1 Certified Computer Forensics Investigator (IACIS, SCERS)
- 3 Certified Contract Managers
- 4 Former Law Enforcement Officers
- 1 Certified Mediator
- 1 Registered Nurse
- 1 Attorney

Office of the Inspector General



1. Leadership

Organizational Direction and Social Responsibility

Empowering employees to be innovative, receptive to new ideas, and to behave ethically increases organizational agility, a crucial component of any successful enterprise, and a contributing factor to the success of the Department of Health's Office of the Inspector General (HIG).

Our leadership system assumes responsibility for employee empowerment as well as for ensuring that organizational values guide actions and that we indispensably contribute to making the Florida Department of Health the best public health agency in the nation. Under the governance of our statutory authority and headed during the 2003-2004 fiscal year by Inspector General Linda A. Keen, our leadership team set strategic direction to guide both work products and staff development.

The HIG leadership team during FY 2003-2004 consisted of:

Linda A. Keen, R.N., M.S.N., J.D., C.I.G.

Nursing experience of 11 years.
Health Law experience of 18 years.
Appointed Inspector General on October 1, 2000.

Charles V. Page, B.S., C.I.G.

Investigative experience of 33 years.
Director of Investigations since June 1999.

Lynn H. Riley, C.P.A., C.I.G.

Audit experience of 17 years.
Director of Auditing since March 1997.

Kenneth R. Sasser, C.P.A., C.I.A.

Audit experience of 18 years.
Child Care Food Audit Program
Supervisor since October 1997

“We will be the best public health entity in the country.”

Secretary John O. Agwunobi, M.D., M.B.A., M.P.H.

The strategic planning efforts begun in 2001-2002 expanded during 2003-2004 under direction of our highly qualified leadership team. We continued our focus on producing an optimal means of obtaining customer feedback through testing and refinements to the system implemented in the prior year. We also produced seven comprehensive audits, five follow-up reviews, triaged 227 complaints, completed 40 full investigations, 55 preliminary inquiries, issued 70 management advisories, received and responded to two risk review referrals, completed three management reviews, 246 CCFP agreed-upon procedures reviews and served as expert witness in 10 CCFP administrative hearings. Our leadership team and the guiding vision of Secretary Agwunobi enabled these accomplishments.

In addition to organizational leadership, our leaders and staff are committed to ethics and behaviors promoting societal responsibility. This is manifested in numerous leadership roles and community activities engaged in throughout the year. Some of these include:

HIG Leader Activity

- 1st V.P., Florida Public Health Assoc. (FPHA)
- Past Parliamentarian & Silent Auction Chair, 1997 to present, FPHA
- Community Volunteer – Second Harvest Food Bank
- Church Religious Education Instructor
- Member, DOH Primary Care Committee
- Parent Volunteer, Maclay School
- DOH Nursing Mentorship Pilot Project Originator
- Facilitated development of DOH Nursing Vision Statement
- Board Member, Florida Academy of Healthcare Attorneys
- Department Quality Management and Demonstration Project Selection Team
- Year 12 National Public Health Leadership Institute Scholar
- Department of Health Insurance Portability and Accountability Act (HIPAA) Implementation Team
- Member, Department Director of Nursing/Administrators Nursing Leadership Team
- Member, Domestic Violence and Health Care Florida Leadership Team
- Board of Directors, National Association of Inspectors General
- Board of Directors and Executive Committee Member, Florida Association of Inspectors General, Tallahassee Chapter
- Mediator for Executive Direction
- Audit Round Tables Participant
- Member, County Health Department Client Task Force
- Member, Information Technology Tier 2 Governance Committee
- Nursing Leadership Preceptor, Florida State University School of Nursing
- Preceptor, Florida A & M University, School of Public Health Internship Program

Employee Professional Leadership

- Unit leaders in implementing the Read Florida Program within HIG
- HIG Representative for the Department Computer Security Incident Response Team
- Technical assistance in running and interpreting automated reports
- Briefings to new CHD Directors/Administrators
- Team leaders and members of the HIG Management Review Team (MRT)
- Participating members, Association of Inspectors General, Tallahassee Chapter
- Attendees, 2003 Conference, National Association of Inspectors General
- Member, National Association of Executive Secretaries & Administrative Assistants
- Eight Notary Publics
- Mentor, Florida A & M University Student Rotation
- Assisted with Bureau of HIV/AIDS Fundraiser, FSECC

- Attendee, Annual Southeast Evaluation Association Conference

Employee Community Leadership Activities

- Chairman, Swift Creek Middle School Advisory Council
- Coordinator for Teacher Appreciation Committee, Swift Creek Middle School
- Time Keeping Official, ATAC Swim Club, Tallahassee
- Photographer, Top Speed Track Club
- Church Stewardship Committee
- Sunday School Teachers
- Church Youth Leadership Instructor
- Soccer Coach
- Member, Board for Neighborhood Health Services
- Tutor, American Reads Program for elementary school children
- Graduate of MAPP Course for adoptive and foster parenting
- Volunteer Chaperone, Tallahassee Boy's Choir

Through actions, our leadership and employees strive to transform the value statements of the Office of the Inspector General from empty phrases into meaningful approaches to living. By carrying these values into our lives and communities through both professional and personal activities we contribute to each other, the department, and our fellow citizens in the broader world.

2. Strategic Planning

From Vision to Reality

Strategic planning serves as the foundation for our efforts and the past fiscal year reflected continued progress in utilizing the planning process to bolster mission accomplishment and vision achievement.

Audits

Mission Statement

To provide the agency with an independent assessment of the performance and management of its programs, services and contracting process through audits and audit related products.

Progress on meeting 2003-2004 objectives and goals

We completed major revisions of our Audit Training Manual. We also successfully completed two audits related to bioterrorism funds. Among our objectives was to design a contract monitoring model specific to the Bioterrorism Preparedness and Response funding. We learned it was not possible to create a single model that could cross all of bioterrorism.

Focus Area for 2004-2005

Completion of the 2004-2005 *Audit Plan* as approved by the Secretary.

Objectives

1. Complete a risk assessment of department information technology systems.
2. Conducts audits and provide audit reports that provide information and recommendations useful to management in accomplishing their objectives.
3. Provide liaison duties between the agency and external auditors, including the Office of the Auditor General, OPPAGA, Department of Financial Services, and federal auditors.
4. Continue conducting audits of bioterrorism funds.
5. Participate in another multi-agency audit coordinated through the Executive Office of the Governor, Office of the Chief Inspector General.
6. Conduct follow-up audits to determine whether management's corrective action in response to prior audits has been successfully implemented.

Mission Goal

Publish audit reports useful to management.

Enabling Goals

1. Develop an audit plan and program for each audit, specifying a clear scope and objectives.
2. Obtain an understanding of the audited program to help assess the significance of possible audit objectives and feasibility of achieving them.
3. Perform audit testing and evaluation.
4. Confirm issues noted with management.
5. Report findings supported by credible evidence that relates to the audit objectives.
6. Obtain management's review and comments on report findings, including planned corrective actions.

Key Strategies

Hire, retain, and enable qualified audit staff personnel through training, supervision, and coordination to produce quality audits and publish reports useful to management.

Audit Planning

A major accomplishment of our Internal Audit Section this fiscal year was completion of a comprehensive risk assessment and long-term audit plan, as required by Florida Statutes, Chapter 20, Section 20.055 (5) (h). Our audit plan, based on risk assessment results, consists of audits to be completed in the current and successive four years along with associated resource requirements.

Risk Assessment 2003 - 2004

The risk assessment conducted during 2003-2004 produced results reflecting changes in existing departmental programs as well as programs new to the department.

Our methodology included itemizing core/operational functions for each program area. In consultation with Internal Audit, program management was asked to analyze the magnitude of risk impact (in terms of exposure loss amount) and likelihood (in terms of number of incidents) for each core/operational function.

The next step involved program management assigning a risk score, of 1 (low risk), 3 (medium risk) or 5 (high risk) to every core/operational function relative to each of the 16 risk factors chosen for fiscal year 2003-2004. The overall risk of each core/operational function was summed and averaged, resulting in the **function risk**.

The risk associated with each function was summed and averaged resulting in an **overall program risk figure** used by Internal Audit to rank programs for auditing purposes. Programs with highest **overall program risk figures** may be audited during current year audits.

As a planning strategy, the risk assessment endeavor was very successful, enabling targeted use of our limited audit resources in those programs identified as highest risk, as well as allowing us to identify high-risk functions within program areas.

Risk Factors	
Controls	Relates to management's confidence in internal controls.
Criticality	Refers to the reliance and interaction on other programs, both internal and external.
Management Interest	Relates to management's expressed or implied concern relating to the activity or project.
Operation Complexity	Concerns the number of techniques, procedures, data systems, or departments with which the activity must interface.
Magnitude of Contracting	Relates to the amount and extent that the program/unit has contracted with third parties.
Processing Cash Receipts	Focuses on the liquidity of assets and to what extent these assets are safeguarded.
Frequency of Monitoring	Relates to the amount and timeliness of monitoring pertaining to a particular program/activity.
Expenditures	Focuses on the amount of expenditures associated with the auditable activity.
Confidential Information	Focuses on the magnitude that a particular program has exposure to confidential information and the related controls safeguarding such information.
Fiscal Responsibility	Focuses on the amount of revenue and expenditures and the regulations pertaining to the activity to ensure compliance with spending.
Recent Changes in Key Personnel	Concerns control systems dependence on competent judgments by key personnel.
Recent Changes in Process and System Changes	Concerns recent changes in processes/systems, which increases the probability of errors during the "break-in" period.
Public Disclosure Implications	Relates to the potential impact if an error is made, or if confidential, sensitive information is released to the public.
Legal & Regulatory Requirements	Relates to the exposure to loss, embarrassment or regulatory sanction due to potential consequences of noncompliance.
Safety	Addresses the existence of risk in relation to safety.
Current Audits/Reviews	Concerns audits and reviews performed by independent auditors.

Investigations

Mission Statement

To provide management with timely and accurate information upon which to base decisions that promote and protect the health of all people in Florida.

Focus Areas for 2004-2005

Improve the timeliness of our investigative products and tie investigative recommendations to improved program performance.

Objectives

Make investigative recommendations that improve program area performance by tying substantiated allegations to insightful recommendations.

Mission Goal

To promote accountability, integrity and efficiency in the department by insuring that 90% of investigations are reported to management within 90 days. Continue to collect baseline data to assist in evaluation of timeliness and workload completion effectiveness over time.

Enabling Goals

1. Increase investigative capabilities by sustaining the current workforce while providing effective professional and management training for personnel.
2. Support legislative initiatives of the Chief Inspector General, Executive Office of the Governor to enhance investigative efficiency through administrative subpoena power, and where appropriate, law enforcement status for investigators.

Key Strategies

1. Investigations: Investigative preliminary reviews will be accomplished within 10 duty days of receipt by investigators. Investigative plans will be reviewed within 15 duty days of receipt by the Director of Investigations. The final report will be approved for release within 120 days of complaint receipt.
2. Preliminary Inquiries: Preliminary Inquiries will be accomplished within 10 duty days of receipt by investigators. The closing memorandum with recommendations will be completed within 30 duty days from receipt for review by the Directory of Investigations. If the Preliminary Inquiry becomes an investigation, an additional 90 duty days will be allowed for completion of the final report.
3. Management Advisories and Referrals: Complaints that will be referred to management and to other agencies will be reviewed within five duty days of receipt by the investigator or the Intake Coordinator to identify issues. They will be referred no later than 10 duty days from receipt.

Child Care Food Audit Program

Mission Statement

Promote accountability and integrity of the Child Care Food Program (CCFP) by monitoring the performance of sub-grantees of the Bureau of Child Nutrition Programs.

Focus Areas for 2004-2005

Perform audit confirmations, obtain and review audit reports conducted by independent auditors, and conduct agreed-upon procedures reviews of sub-grantees of the Bureau of Child Nutrition Programs.

Objectives

1. Perform 95% of audit confirmations for CCFP subgrantees within five working days of receipt of request for confirmation.
2. Obtain a copy of all independent audits of CCFP sub-grantees required under OMB Circular A-133 and ensure that 90% are received within the timeframes imposed by the circular.
3. Review 95% of all independent audits of CCFP sub-grantees within five working days of receipt of the audit and perform any necessary follow-up procedures.
4. Conduct agreed-upon procedures reviews for one-third of all CCFP sub-grantees as required by federal regulations.
5. Ensure that draft reports for agreed-upon procedures review reports are issued within an average of 60 days from the start of the review.
6. Serve as expert witness at all informal hearings resulting from agreed-upon procedures reviews.

Mission Goal

Perform audit confirmations, obtain and review audit reports conducted by independent auditors, and conduct agreed-upon procedures reviews of CCFP sub-grantees required by federal regulations.

Enabling Goals

Hire and retain sufficient professional and support staff with the knowledge, skills and abilities necessary to achieve our objectives.

Key Strategies

Obtain an additional professional position to conduct fieldwork and review and supervise field staff if funding allows due to the increased numbers of reviews required by program growth and the need to issue reports on a timely basis.

Management Reviews

Mission Statement

Assess management practices, work environment and business outcomes to identify strengths and opportunities for improvement, and recommend operational improvements.

Focus Areas for 2004-2005

The management review process is structured to suit the needs of each scheduled event, with a standard set of questions that allows comparison across programs and/or against other assessment instruments, such as the department Employee Satisfaction Survey. Senior department leadership feedback continues to indicate a need for management reviews.

There are three focus areas for FY 2004-2005:

1. Refine the management review on-line employee survey process.
2. Establish the management review process as an integral HIG capability.

3. Develop a variety of management review products to accommodate specialized management requests, such as a survey administration alone or interviewing stakeholders to assess external matters.

Objectives

1. Assess two county health departments and/or Children's Medical Services offices in FY 2004-2005.
2. Assess one headquarters staff element (bureau or division) in FY 2004-2005.
3. Develop new management review products to offer to management by December 31, 2004.

Mission Goal

Improve department operations through the management review process.

Enabling Goals

Continue to utilize the Sterling Criteria for Organizational Performance Excellence as a methodological framework for the management review process, while exploring alternative methodologies that may enhance our approach.

Key Strategies

Establish and maintain a core staff to conduct management reviews to include personnel from the Investigations and Internal Audit Sections. The management review team should routinely consist of three members with floating staff available as needed. Present concepts to IG management for a variety of management review products.

3. Customer and Market Focus

Balancing Expectations, Delivering Excellence

Responsiveness to evolving customer needs in a dynamic environment is a hallmark of organizational excellence. Like many organizations, we have numerous and diverse customer groups at both individual and organizational levels.

Our various customers and stakeholders include county health department managers, employees and patients; headquarters divisions and program offices; department leadership and employees at all levels; state government leadership in executive and legislative branches; as well as the citizens and taxpayers of Florida.

Balancing the expectations and needs of these various groups, while producing quality products and maintaining high audit and investigative accountability standards is a challenge we continued to address in 2003-2004.

The overlay for all of our production efforts is our web-based customer satisfaction survey process, implemented in 2002-2003. It continues to reflect highly satisfied customers and to serve as a mechanism for facilitating responsiveness and enhancing customer and market focus (refer to “Organizational Performance Results – Customer Focused Results” section of this report for 2003-2004 data).

The screenshot shows a Microsoft Access database window titled "Microsoft Access - [Audit Satisfaction Survey Results]". The window displays a form with the following fields and options:

- Audit Number: [Text Box]
- Customer Name: [Text Box]
- 1. The auditors were professional and courteous. [Strongly Agree ->]
- 2. The report is well-organized and understandable. [Strongly Agree ->]
- 3. The audit will assist in improving employee or program performance. [Strongly Agree ->]
- 4. The audit was completed in a timely manner. [Strongly Agree ->]
- 5. Were there any surprises in the audit findings presented at the exit conference?
- If yes, please explain: [Text Box]
- 6. What did you expect from this service? [Text Box]
- 7. Did you receive it? Please explain. [Text Box]
- 8. Would you like to schedule a meeting with the Inspector General?

Another way of ensuring awareness of customer needs is through the process of building relationships in the market environment. We accomplish this in the context of state government by staff's active involvement in various professional organizations directly related to our audit and investigative functions, as well as those related to professional practice areas, such as nursing, health law or information technology.

One example of market responsiveness is the “Risk Review” process we implemented in 2003-2004. Through intra-departmental relationships, our leadership noted the need for a risk management component that could incorporate a fusion of investigative techniques with medical peer review in situations where litigation is anticipated. Our resulting risk review process represents a means to identify mistakes and preclude their continuation. Through a memorandum of agreement with the department's General Counsel, a referral process for such cases was initiated, a methodology designed, and we received two referrals during the year, one of which resulted in a formal risk review.

Obtaining actionable information from customers and stakeholders in order to adjust priorities and enhance services will be an on-going challenge for us, as it is for any organization. By continuing on the course we have set with our efforts to date, we hope to advance, in both quality and quantity, the information available to us to meet that challenge.

4. Measurement, Analysis & Knowledge Management

AUDITS

Audit Report #AC-03-009 Tangible Personal Property

We performed an audit of inventory of tangible personal property at Headquarters offices in Tallahassee, County Health Departments and Children's Medical Services Clinics as of January 31, 2003. The objectives were to determine that efficient and effective controls are in place for the accurate recording of tangible personal property purchased by the department for Headquarters, CHDs, and CMS Clinics, and that equipment is tagged with an Inventory Control Tag Number. Our objectives also included determining whether management has verified the existence of equipment at the appropriate physical location.

SUMMARY OF FINDINGS

We noted no matters involving the internal controls pertaining to the objectives of the audit that we consider being a material weakness.

Audit Report #AC-03-011 Follow-Up Review of Contract Management Process at County Health Departments

We performed an audit of the Contract Management Process at County Health Departments. The audit consisted of a review of contractual services contracts at selected CHDs (Broward, Collier, Lee, Palm Beach and Polk) greater than \$25,000 but less than \$250,000, for the period of July 1, 2000 through June 30, 2001. This follow-up review for the period November 1, 2002 through January 31, 2003 was performed to determine whether controls had been implemented pursuant to corrective action plans submitted in response to the initial audit.

SUMMARY OF FINDINGS

There were no significant issues indicated during the follow-up review.

Audit Report #AC-03-012 Purchasing of Pharmaceuticals at Volusia County Health Department

We performed an audit of Volusia CHD's purchasing of pharmaceuticals for the period July 1, 2001 through December 31 2002 to determine their purchasing practices under the 340B Program were appropriate and dispensed medicines go only to eligible patients under the AIDS, Family Planning, TB, and STD programs.

SUMMARY OF FINDINGS

- CHD management did not exercise and ensure proper contract execution and monitoring.
- Pharmaceuticals purchased by Volusia CHD under PHS account numbers were dispensed to clients outside of Covered Entities.

RECOMMENDATIONS

So that contracts below the threshold of being reviewed by Headquarters may be properly executed, we recommended representatives of upper management involved in the contracting process at Volusia CHD complete Basic Contract Management Training offered by Office of Contract Administration, and ensure compliance with established department contracting policies and procedures.

We recommended the Contract Manager for pharmacy services, as the one responsible for the success or failure of the contract ensure that all requirements of the contract be strictly enforced and the Contract File includes all proper documentation to support contract terms are fulfilled.

Volusia CHD should dispense drugs purchased under PHS pricing only to

clients enrolled under one or more of the Covered Entities.

At CHDs where pharmacy services are outsourced, we recommend Bureau of Statewide Pharmaceutical Services include contract managers in training on pharmacy issues.

***Audit Report #AC-04-002
Grants of the Office of Rural Health Grant Program, Medicare Rural Hospital Flexibility Program, and Small Hospital Improvement Program***

We performed an audit of these grant programs to determine whether controls were in place relating to the Office of Rural Health's responsibilities over the application process, review of applications, that office's responsibilities over disbursement of funds, and the review of completion of grantees' projects.

SUMMARY OF FINDINGS

- The department and the Office of Rural Health did not sufficiently document controls over the grants process.
- Controls over the application and review process needed improvement.
- Grant documents did not include all required language and follow the entire department grants process.
- Office of Rural Health did not sufficiently monitor grantees and sub-grantees.
- Statute had not been amended to reflect changes in federal law.
- Regarding advance funding issues, some grants were not appropriately handled.

RECOMMENDATIONS

We recommended the Bureau of Finance & Accounting compile grants-related criteria and develop and publish a procedures manual encapsulating department policies regarding grants from the department to others and related procedures.

For each of the grant programs, we recommended the Office of Rural Health develop written procedures addressing how incoming applications will be processed, evaluated and reviewed, awarded, and procedures that ensure grant funds are paid to the appropriate entity and also address monitoring grantees for compliance and satisfaction of grant requirements.

For the Office of Rural Health Grant Program and Small Hospital Improvement Program, we recommended written procedures include the process of reviewing applications. We also recommended a policy be added to include analysis or consideration of the success of prior grants made to the same applicant in its evaluation of future grant proposals.

For the Office of Rural Health Grant Program, we recommended management require a duly-authorized representative of the applicant sign the application, and notify applicants they are required to submit by a due date certain. We recommended upon award, a Notice of Grant Award be provided to grantees.

For the Medicare Rural Hospital Flexibility Program, we recommended management ensure applicants are held to grant application requirements, items required to be submitted are included and documented to the grant file, and the Mandatory Criteria Checklist always be documented to the grant file. We also recommended management carry out its own requirements as stipulated in the Application Package, including providing a Notice of Grant Award to grantees.

For the Small Hospital Improvement Program, we recommended that upon award a Notice of Grant Award that includes grant requirements be provided to grantees.

For each of the three grant programs, we recommended management require applicants apply under the legal name of the entity, which in the case of rural hospitals should be the name of the state license holder, and submit for verification

the FEI number and other information regarding the legal entity at time of application. Additionally, we recommend management ensure all grant documents be made out only to the name of the legal entity on the application and payment made only to the same legal entity, except where the Office of Rural Health can document a legal name change.

For each of the grant programs, we recommended management include necessary language in all grant documents (whether via PO or Standard Contract), so that grantees are aware of all federal and state requirements, and are legally bound to such grant terms. We recommend management ensure grant ending-dates (respective of each grant program) are consistent through all grant documentation, including the contract. We also recommend management ensure future grants for each of the three grant programs are presented to the Secretary or a Deputy Secretary for signature. For the Office of Rural Health Grant Program and Small Hospital Improvement Program, we recommend management require grantees identify quantifiable performance measures in their grant applications and then report results of such performance measures in their final report, so that such results may be verified and utilized.

Because documentation of the monitoring process assists management in ensuring that comprehensive monitoring is conducted in a consistent manner, for each of the three grant programs, we recommended management monitor grantees' results, and on at least some limited basis, through in-office procedures and site-visits, select grantees and sub-grantees to verify that assertions made, including performance measures, are accurate and timely completed. We also recommended all documentation in support of such verification is added to the Office of Rural Health's grant file.

For each of the three grant programs, we recommended management hold grantees accountable to submit applications, interim and final reports timely. Receipt of grantees' late-filed final reports should be considered in awarding future grants.

For each of the three grant programs, we recommended management ensure applications, final reports and all other correspondence with grantees are date-stamped at time of receipt. To assist applicants understand they are to be held

accountable for grant terms and funds, we also recommend management accept and consider for funding only applications received by the due date stipulated in the Application Package.

For the Medicare Rural Hospital Flexibility Program, where Office of Rural Health requires an accounting of interest earned on advanced funding, we recommend management require grantees to timely and accurately account for such amounts, and include supporting documentation to the grant file.

For the Medicare Rural Hospital Flexibility Program and Small Hospital Improvement Program, where Office of Rural Health provides grants to rural health networks that in turn sub-grant to hospitals, we recommended management either 1) require (through contract language) rural health networks to both monitor sub-grantees and maintain a grant file to document that monitoring, with Office of Rural Health periodically monitoring the rural health network's grant file to ensure compliance with federal and department grant requirements; or 2) assume responsibility itself for monitoring sub-grantees.

We recommended management propose amending Section 381.0405(4)(f), Florida Statutes, to either reflect current federal grant programs or delete references.

For each of the three grant programs, we recommended management review how it funds grants to ensure funds that are advance-funded are appropriately handled, and that invoices include justification for a specific extraordinary cash need beyond the initial three months.

Audit Report #AC-04-003
Windows 2000 Professional Desktop
Operating System

We performed an audit security of the Windows 2000 Professional desktop operating system for the period ending September 30, 2003. Our review focused on the effectiveness of selected settings within the Windows 2000 operating system as well as the process surrounding the loading of the operating system. With the exception of two management comments, the selected information technology controls related to the Windows 2000 operating system appear to be operating effectively in promoting and encouraging the achievement of management's objectives of compliance with controlling laws, administrative rules, and other guidelines; the reliability, integrity, and availability of data; the effective and efficient operation of information technology functions; and the safeguarding and confidentiality of information resources.

SUMMARY OF FINDINGS

The audit disclosed no significant deficiencies in the management controls related to the Windows 2000 operating system.

Audit Report #AC-04-009
HRSA Hospital Contracts by Office of
Public Health Preparedness

We performed an audit of the Bioterrorism Hospital Preparedness Program of the Office of Public Health Preparedness for the period April 1, 2002 through August 31, 2003 to determine whether the department timely received and approved *Work Plans*, Proof of Purchase (as applicable), *Annual Reports* (as applicable) and other documentation required from providers in accordance with contract language. We reviewed 81 contracts with hospitals, totaling \$5,935,607.

SUMMARY OF FINDINGS

- Office of Public Health Preparedness did not receive deliverables timely from hospitals in accordance with contract terms.

- Contract language did not always reflect actual processes followed by the Office of Public Health Preparedness.
- Programmatic Monitoring of more Providers is required.
- Some actions taken by Office of Public Health Preparedness did not protect the agency's contractual interests.

RECOMMENDATIONS

For future contracts, we recommended the Office of Public Health Preparedness consider a) an approach of assigning more contract managers that can work more closely and provide more oversight with their assigned hospitals; b) contractually allow more time for hospitals to develop and present deliverables; and, c) taking an aggressive approach of terminating contracts with hospitals the Office of Public Health Preparedness identifies as unable to deliver required services. Should the department pursue the use of contract coordinators to report to the contract manager, we recommended the Office also consider at least one additional contract manager over the hospital contracts, so the process and responsibilities are vested in more than one person. We also recommended the Office tie some portion of contract payments to the end of the contract (e.g., where an *Annual Report* or other evaluation report is required, some portion of the contract payment should be tied to this deliverable).

We recommended future contracts developed by the Office contemplate procedures to be followed that require performance by providers and include such language in contracts. Additionally, we recommended the Office hold providers to requirements stipulated in contract language and as changed through contract amendments.

We recommended management review controls over contract management, specifically considering the workload of

contract manager(s) to ensure the effective contract management of each contract that includes on-site programmatic monitoring.

We recommended they adhere to department policy regarding contracts, including issues related to payment for services/products in accordance with contract language. We also recommended the Office reimburse hospitals only for deliverables developed during the life of the contract, so that the agency does not reimburse others for expenses incurred before contracting with the department.

Review #AR-04-001
Review of Compassionate Care Drug Program at County Health Departments

We reviewed the issue of compassionate-care drugs at CHDs as of June 30, 2003 to gain a general understanding of the compassionate-care drug program across the 67 CHDs and to provide useful information to the CHDs in their decision-making in the use of available systems and in the operation of their own program. We conducted a telephone survey of each of the 67 CHDs.

CHDs' compassionate-care drug programs has been an issue of increasing importance to the

department, with CHDs collectively obtaining potentially millions of dollars of free drugs from pharmaceutical companies for Florida's indigent clients. The department encourages CHDs, whenever feasible, to participate with pharmaceutical manufacturers in these programs to enhance primary care pharmaceutical services.

Fifty CHDs responded they had a compassionate-care drug program. Twenty-five CHDs used a service to coordinate identifying pharmaceutical companies.

Seventeen CHDs reported they did not have a compassionate care drug program for reasons including not having a primary care program, other case management agencies in the county provide the service, and not being aware of the possibility and potential.

CHDs participating in a compassionate-care drug program largely reported investing 20-60 hours each week coordinating with pharmaceutical companies.

Thirty of 50 CHDs having a compassionate-care drug program reported they tracked the dollar value of drugs received. Although not all CHDs track dollar value, those CHDs responding to the survey estimated receiving \$13,723,272 in free drugs during the last year.

FOLLOW-UP OF PRIOR AUDIT FINDINGS

This section reports follow-up of significant audit findings and recommendations from prior years.

Audit #AC-98-004
Children's Medical Services Early Intervention Program Data System

The audit included an evaluation of selected computer application control activities over selected areas of input, processing, output, and manual follow-up and user control activities within the EIP Data System during

the period of July 1, 1997 through March 31, 1998, and selected department actions taken through July 1998.

During our audit, we identified internal control deficiencies surrounding the design and operation of the EIP Data System, which are directly related to the fact that the contract agreements with the University of Florida (UF) to maintain and operate the EIP Data System do not require that the UF EIP Data Center adhere to department information security policies or information technology business standards.

Recommendations on which corrective action has not been reviewed to determine completeness include:

- The UF EIP Data Center adhere to the department's Information Security Policies, Protocols, and Procedures, and information technology business standards in the delivery of their services related to the EIP Data System.
- Controls related to user access, data integrity, and monitoring be implemented in the EIP Data System to eliminate the identified weaknesses, and therefore prevent the programs and data from being inappropriately modified, disclosed, or destroyed, and not being detected in a timely manner.

In accordance with the office's Annual Audit Plan, a follow-up audit is scheduled for FY 2004-2005.

***Audit #AC-01-003
Bureau of Emergency Medical Services
– County Matching Grant Program***

The Office of the Inspector General audited the Bureau of Emergency Medical Services County Matching Grant Program for the period July 1, 1999 through February 28, 2001. The objectives included reviewing the EMS County Matching Grant Review Team's review process; awarding of EMS County Matching Grant applications; and determining whether the Bureau of Emergency Medical Services [Bureau] adequately monitored performance of grantees' assurances stated in the grant document.

Recommendations on which corrective action has not been completed included the Bureau should consider the feasibility of a long-term review of completed grants on some limited basis, to determine whether grantees achieve projected outcomes. Such results may validate the importance of the program.

***Audit #AC-02-004
MERLIN Reporting System***

Chapter 381.003 Florida Statutes directs the Department of Health to conduct a communicable disease prevention and control program as part of fulfilling its public health mission. Communicable disease is defined as any disease caused by transmission of a specific infectious agent, or its toxic products, from an infected person, an infected animal, or the environment to a susceptible host, either directly or indirectly. The statute further states that the communicable disease program should include programs for the prevention, control, and reporting of diseases of public health significance. The Division of Disease Control and the Bureau of Epidemiology specifically, have been charged with the statewide surveillance, investigation, intervention, monitoring, and coordinated reporting of communicable diseases with the exception of tuberculosis, sexually transmitted diseases, and HIV/AIDS. To this end, the Bureau of Epidemiology (Bureau) has developed the Merlin Reporting System.

The Department of Health Office of the Inspector General conducted an internal audit of the Merlin Reporting System for the period ending September 27, 2002 and selected controls through April 11, 2003. Our audit focused on the effectiveness of selected information systems functions, including application controls, access controls, and systems development and maintenance controls. With the exception of the deficiencies listed below, the selected information technology controls related to the Merlin Reporting System appear to be operating effectively in promoting and encouraging the achievement of management's objectives of compliance with controlling laws, administrative rules, and other guidelines; the reliability, integrity, and availability of data; the effective and efficient operation of information technology functions; and the safeguarding and confidentiality of information resources. No instances of errors, fraud, abuse, illegal acts, or other noncompliance were noted. The audit disclosed the following deficiencies in the management controls related to the Merlin Reporting System.

SUMMARY OF FINDINGS

- Deficiencies were noted in the security controls protecting the Merlin Reporting System information resources.
- Instances were noted where users were not entering communicable disease cases into the Merlin Reporting System in a timely manner.
- Instances were noted where user input controls regarding the input and review of client profile, basic case, and laboratory data entered into the Merlin Reporting System were not operating effectively.
- Deficiencies were noted in the systems development and modification control procedures related to the documentation of management's authorization of change requests and approval of programming modifications prior to the modifications being implemented.
- The Bureau of Epidemiology does not have a documented business continuity/disaster recovery plan in place to ensure that disease surveillance, analysis, tracking, and reporting services can be continued in the event of a disaster or an information technology outage.
- Instances were noted where programmed input controls within the Merlin application were not present, or were not operating effectively.

RECOMMENDATIONS

We recommended that appropriate security controls be implemented or strengthened in order to enhance the security of the Merlin Reporting System information resources.

We recommended that management take the appropriate steps to ensure that Merlin case data is entered and reported in a timely manner.

We recommended that management ensure each case entered at the county health departments is reviewed for completeness and correctness prior to being reported to headquarters. Further, management should also implement a quality assurance function to assist the county health departments in ensuring that the case information in Merlin remains complete, accurate, and reliable.

The Merlin system owners should review all change requests to ensure that the required items on the checklist have been completed as required. In addition, they should develop formal policies to ensure that the appropriate documentation is maintained for each change request.

We recommended that management enhance the programmed data input controls within the Merlin application to ensure that the data input into the system remains complete, accurate, and valid.

We recommended that, in order to ensure continuous business services in the event of a disaster or prolonged IT downtime, the Bureau of Epidemiology develop and document its business continuity/disaster recovery plan. After the plan has been documented, it should be tested and updated on a regular basis.

Audit #AC-02-012 Administrative Monitoring

The Office of the Inspector General performed an audit of Administrative Monitoring for the period January 1, 2000 through December 31 2001 to determine whether steps of the process are 1) adequate to allow the department to objectively evaluate the non-programmatic terms and conditions of its contracts; and, 2) are adequately and timely performed.

The primary objective of Administrative Monitoring is to ensure the Provider's administrative records are complete and the Provider is complying with the administrative terms of the contract. The purpose of on-site Monitoring is to (1) determine whether the fiscal and administrative activities of the provider are adequate to manage and

administer department funds pertaining to the contract under review; (2) give the department an assurance that the funds contracted for the purchase of services were used appropriately; (3) determine whether documentation exists to support charges against the state; and (4) determine whether the provider required technical assistance regarding its fiscal and administrative activities. During the two (2) years in the audit period, Monitoring at Headquarters produced one (1) Corrective Action Plan.

Providers are not required to be monitored annually and may be exempt from monitoring. Of 2,076 contracts initiated between January 1, 2000 and December 31, 2001, 764 contracts (37%) included exclusion codes denoting they were exempt from monitoring. According to FLAIR, 126 contracts received Administrative Monitoring. Of the department's more than 600 Providers for FY 2002-2003, Office of Contract Administration reviewed eight Providers on-site in calendar year 2002 through November 27th.

SUMMARY OF FINDINGS

- The Administrative Monitoring process needs to be strengthened.
- The process of planning, coordinating, and reporting of Administrative Monitoring was not always complete.
- The Contract Information File of FLAIR contains inaccurate and/or incomplete data regarding Administrative Monitoring.

RECOMMENDATIONS

Management should implement one of several alternatives, including:

1. Improve the current process, including updating the Administrative Monitoring Check-lists to adequately address the objectives of Administrative Monitoring, ensuring staff is adequately trained to perform such procedures, and monitoring the effective use of the Checklist;

2. Initiate a process of requiring independent accountants to perform agreed-upon procedures on Providers designed to review and assess the objectives of Administrative Monitoring; or,
3. Develop an alternative procedure that provides the agency assurance regarding the administrative/fiscal component of Providers.

We also recommended Office of Contract Administration:

1. Ensure all items on the Administrative Monitoring Checklists are fully completed so that conclusions on items reviewed may be later understood;
2. Invest more time at each Provider's office to fully address the objectives of Monitoring and conclude regarding audits and records, the provider's accounting system, sampling invoices to determine whether expenditures are supported by appropriate documentation, insurance, compliance with statutory requirements regarding travel and lobbying, review subcontracts (if any), review documentation of purchasing, and review documentation to determine whether payroll and withholdings are appropriately handled. Add a review of board minutes to the Checklist;
3. Re-design on-site visits to be more in-depth for providers who are new entities;
4. Develop a policy documenting the process of corrective action from original identification through follow-up to ultimate resolution;
5. Further develop and formally document the risk assessment tool to include determining which Providers are at greatest risk and should receive most immediate Monitoring and the justifications for those assessments;

6. Annually determine which Providers receive on-site monitoring based on a score on the risk assessment;
7. Add a component to the annual risk assessment that includes an opportunity for input from contract managers regarding any concerns of which they may be aware;
8. Reevaluate its process of distributing *Administrative Summary Reports* to Contract Managers and Providers to ensure that all effected parties receive a copy; and,
9. Develop a control state-wide (between its office and the CHD Contract Administrators) to ensure that data relating to Administrative Monitoring is accurately input into the *Contract Information File* of FLAIR.

***Audit #AC-03-010
Follow-Up Review of Acquisition of
Information Technology Consultants***

The Office of the Inspector General coordinated with the Chief Inspector General, Executive Office of the Governor during 2000 to perform an audit of the practices and controls for the acquisition and use of information technology [IT] consultant agreements of \$25,000 or more for the period July 1, 1998 through April 30, 2000.

This follow-up evaluation for the period January 1 through December 31, 2002 was performed to determine whether controls have been implemented pursuant to corrective action plans submitted in response to the

initial audit, *Acquisition of Information Technology Consultants*.

We identified 86 contracts totaling \$15,742,685 procuring IT Consultant services during the calendar year 2002. We examined 25 contracts of those contracts totaling \$9,029,423 (57% of dollars).

In reviewing 16 POs purchased off of State Term Contract in one test, we determined Division of Information Technology appropriately negotiated a price lower than that quoted in the State Term Contract price sheet for each of them.

SUMMARY OF FINDINGS

- Some Contract Managers have not maintained their certification. Those not currently re-certified managed contracts worth \$6,192,258 (69% of contracts we examined).
- Although Management did not develop written policies to address the following issues as originally planned, contracts reviewed included (where applicable) language regarding licenses, source code, and a provision for the department to receive system documentation including end-user and system administrator manuals.

RECOMMENDATIONS

As a follow-up audit, we did not make additional recommendations, but continue to track the original corrective action plan.

INVESTIGATIONS

We conduct all investigations in accordance with the standards of the Office of the Inspector General and the Governor's Council on Integrity and Efficiency.

Investigation # 03-026

Alleged Inaccurate Information Provided on State Employment Application

The investigation resulted from a complaint regarding inaccurate information in the state employment application of a county health department (CHD) administrator. The specific allegations included misrepresentation of criminal arrest and employment history. We **substantiated** the allegations.

We Recommended...

- More thorough background investigations should be conducted on employment applicants through investment in a program designed to enhance current applicant screening.

Investigation # 03-034

Alleged Misappropriation of Funds

The investigation was predicated on allegations of misappropriation of third-party insurance reimbursements by a former CHD physician. According to the complainant, approximately \$14,000 in reimbursements were mailed directly to and cashed by the physician.

The allegation was **unsubstantiated**. The investigation revealed administrative errors resulted in the inflation of original reimbursement figures. The actual amount mailed to and cashed by the physician was \$37.34, which the physician agreed to return to the CHD. We determined the physician did not intentionally defraud the CHD.

We Recommended...

- The CHD should correctly enroll staff physicians as providers with insurance companies so reimbursements are properly received.

Investigation # 03-064

Alleged Embezzlement, Equipment Theft, Inappropriate Travel, Unfair Hiring Practices and Favoritism

A CHD employee allegedly embezzled large sums of money and stolen equipment purchased with Tobacco Program funds. The anonymous complainant further alleged inappropriate travel expenses were incurred by the individual. Additional allegations included unfair hiring practices and favoritism. The allegations were **unsubstantiated** and we made no specific recommendations.

Investigation # 03-088 Alleged Computer Misuse/Abuse

The Division of Information Technology, through Internet monitoring software, detected a large number of accumulated “hits” on pornographic/sexually explicit web sites for an employee’s computer. We **substantiated** the allegation of misused/abused state computer resources.

We Recommended...

- Bureau management should take appropriate disciplinary action.
- Bureau management should determine whether or not all employees have access to the department’s Employee Handbook, and document such receipt as appropriate.

Investigation # 03-109 Alleged Misuse of Position

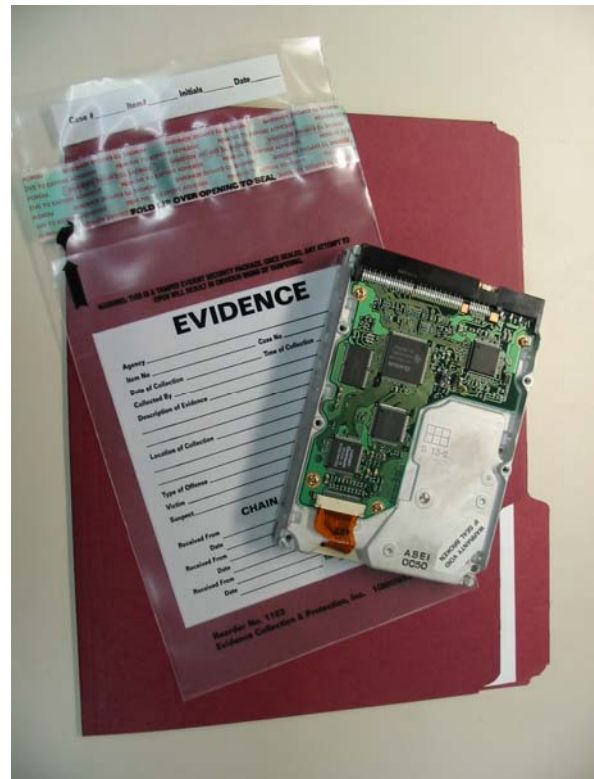
The investigation was predicated on a request for assistance by an employee in a headquarters division. The employee stated a contract manager may have misused his position for personal purposes by advising the St. Paul Community Empowerment Center (SPCEC) staff to hire a consultant, with whom he had a personal and private relationship, in order to maintain program funding. It was further alleged the employee disclosed information pertaining to contractor deficiencies to the consultant, who subsequently benefited from performing consultancy services. A third allegation was the contract manager solicited future employment with the SPCEC, a contractor under his management.

Two of the three allegations were substantiated. We concluded the contract manager misused his position for personal purposes and conspired with the consultant to obtain work for her with the SPCEC, a contractor under his management, and work for which she was paid.

We Recommended...

- Management should review the facts of the case and determine if disciplinary action is appropriate.
- The department’s General Counsel should evaluate the facts of the case and refer criminal charges to the Florida Department of Law Enforcement (FDLE) for criminal investigation as appropriate.

Subsequent Activity: The FDLE investigation concluded the facts presented in our investigation were accurate; that SPCEC was the crime victim (not the State); and the SPCEC Executive Director did not want to file charges. FDLE determined that due to the unwillingness of the victim to file charges, successful prosecution was unlikely and the case was returned to the department for possible administrative actions related to the contract with SPCEC.)



Investigation # 03-114 Alleged Violation of Patient Privacy

A patient at a CHD alleged the patient's privacy was violated when the attending nurse called the client by name while in the waiting room, and the door to the nurse's room was left open, revealing the nurse's preparatory activities for the patient. The patient further complained that the program coordinator misled the client about filing a complaint against the attending nurse.

The investigation determined **two allegations were substantiated** in that, while the nurse did not violate HIPAA guidelines by calling the patient first name, the nurse demonstrated poor judgment by leaving the treatment room door open while making preparations for the patient. We further concluded nurses in the Immunization Section had not received basic Hepatitis Program training and the program coordinator did mislead the patient by giving incorrect information regarding filing a HIPAA privacy violation complaint.

We Recommended...

- Management should take the appropriate personnel action to ensure informed and appropriate customer service.
- Management should ensure privacy in the Immunization Section by officially requiring appropriate limitations to public access to patient immunization information and procedures.
- Management should train Immunization Section nurses who provide Hepatitis A and B vaccines in the Hepatitis Program guidelines and counseling standards.

Investigation # 03-119 Alleged Computer Misuse

A CHD employee allegedly misused state computer resources by accessing pornographic/sexually explicit Internet web sites. The findings supported the employee's assertion that access was accidental and the allegation was **unsubstantiated**, however, several recommendations were made as a result of the investigation.

We Recommended...

- Management, in conjunction with the Bureau of Information Resource management in Tallahassee, should review the CHD internet policy, confirm it is within the current Department computer use policy, and make revisions as necessary.
- The local Regional Disaster Preparation Consultant should audit the CHD internet monitoring software.
- Management should secure access to an individual with sufficient information technology (IT) experience to ensure adherence to state and federal policies (HIPAA) and to ensure network security.
- A specific CHD IT employee should be assigned the duties of regularly monitoring the Internet activities of the CHD by running and evaluating reports on a regular basis.
- Management should consider vendor training for the CHD employee designated to run and evaluate Internet activity reports and for their back-up person, and/or the CHD Security

Coordinator.

- The CHD Security Coordinator should confer with the department's IT Director regarding Internet monitoring report irregularities until the CHD hires an IT manager and/or until vendor training has been provided.
- Management should advise supervisors requesting an Internet activity report for a CHD employee without having a specific documented reason, that they must request a report for an entire section and/or all the employees they supervise.
- Vendor training should be considered for the CHD Employee Relations representative who provides services to two CHD facilities using the software.

Investigation # 03-121 Alleged Fraud

Allegations were received from the Department of Environmental Protection (DEP) that a department employee had fraudulently connected his private residence to the Sopchoppy Water System under provisions that apply when residential well water is contaminated. The Florida Water Supply Restoration Program, administered by DEP, paid for the connection of the employee's residence. We found no evidence suggesting the employee tampered with submitted water samples, nor did we find any evidence of the employee attempting to influence DEP employees to connect his residence free of charge. Based on the investigative findings, the allegation was **unsubstantiated** and we made no recommendations for corrective action.

Investigation # 03-123 Alleged Fraudulent Timesheets, Mileage Claims and Inappropriate Termination

A letter of complaint to the Florida Commission on Human Relations, referred to HIG through the Chief Inspector General, alleged the following activities by a CHD and/or its employees:

1. Misuse of working hours and a hostile working environment;
2. fraudulent activities in misuse of mileage and timesheets;
3. pressure to approve fraudulent mileage and inaccurate time sheets;
4. a series of investigations and constant harassment and;
5. termination of complainant while a mediation effort was in process.

The complainant was a supervisor whose duties included supervising several employees conducting vicinity travel on a daily basis. The complainant suspected an employee of claiming hours not worked and miles not traveled. Her supervisors suggested, as part of her supervisory duties, she perform spot checks to verify the employee was actually performing the work and travel claimed. The spot checks were not conducted. Rather, the complainant provided a written report of the alleged misuse of working hours, fraudulent timesheets and mileage claims, and claims of a hostile working environment.

We determined the documents provided by the complainant did not provide conclusive evidence to prove the allegations. The conclusions in the documents related to hours worked were based on travel vouchers rather than time sheets; conclusions related to excess mileage claims were based on a comparison to mileage claimed by other employees; and the complainant did not make the supervisory observations necessary to prove or disprove her suspicions. The complainant's supervisors responded to her complaints; however, she disagreed with their assessment of the problems and their proposed solutions. She disagreed with their perceived deficiencies in her job performance. **None of the allegations were substantiated** either through evidence provided

by the complainant or through evidence found by the investigator and we made no recommendations.

Investigation # 03-125 Alleged Misuse of Funds

A complaint alleged the Medical Director of a statewide department program used a false contract to secure \$480,000 in state funds, deposited said funds in a vendor's account and stipulated the vendor match the funds and donate the amount to a state university for the establishment of an academic chair in a particular specialty area. The director was employed by said university with approximately 90% of his salary funded by the department, and was also the Executive Director of the vendor agency. Allegations were **substantiated** that he used his position as Executive Director of the provider agency to make a false claim against the state for \$480,803.17. He also appeared to violate the Florida Ethics Code by maintaining a contractual or personal financial relationship with a vendor doing business with his employer. We concluded the director and colleagues he named intentionally attempted to circumvent state law which requires the use of private funds to establish an endowed chair.

We Recommended...

- Management should take appropriate action against the director for misuse of position.
- Management should amend the statewide program contract such that the director and any associate or assistant director is held to the Florida Code of Ethics for Public Officers and Employees; that the nature of the director and any associate or assistant is that of a public officer with statewide responsibility for supervising public employees, providing program oversight, and evaluating program effectiveness; that the director position shall be supervised by the Deputy Secretary of the program area in all aspects relating to the performance of the statewide program. This amendment should appear in all future contracts for statewide medical oversight of the program.
- Management should initiate a review within the program office of all medical directors for adherence to the department ethics policies to include, but not be limited to, any contractual or other personal financial arrangement with a vendor doing business with the department. If non-compliance is found the Deputy Secretary of the program area should take the appropriate action to correct the non-compliance.
- Management should initiate a review of policies and procedures governing the program and incorporate provisions under the "Special Provisions" section of the standard contract, Attachment I, to ensure program accountability and adequate separation of the responsibilities of the statewide and local medical directors and medical providers.

Investigation # 03-126 Alleged Computer Misuse/Abuse

An A.G. Holley Hospital employee allegedly showed a web site containing pornographic materials to other employees during a training class. While the specific allegation was **unsubstantiated**, other misconduct was noted. Findings indicated employees appeared to be accessing web-based e-mail accounts from state-owned computers, contrary to department policy.

We Recommended...

- Management should counsel employees on expectations, provide the current department computer usage policy, document its receipt in personnel files, and ensure employee awareness of the policy.
- Employees should be interviewed by management regarding computer activities as described in the investigative report and disciplinary action taken, as appropriate.
- Hospital computer training staff should brief students on the computer usage policy at the beginning of their training rotations.

Investigation # 03 – 128 Alleged Embezzlement

On August 7, 2003, the Fishermen’s Hospital received a State of Florida warrant for \$15,000.00 payable to “Fishermen’s Distribution Fund”. The hospital’s Chief Financial Officer (CFO) contacted the relevant headquarters division of the department to determine the purpose of the warrant. The warrant was determined to be payment for an invoice, written on the hospital’s outdated letterhead, requesting first payment of the 2002-03 Rural Hospital Capital Improvement Grant for a chromatograph project in the amount of \$56,206.90. The hospital’s current CFO indicated the hospital was not a grant recipient and it was noted the invoice was signed by the hospital’s former CFO. A supervisor in the headquarters division contacted us regarding this apparent fraud and embezzlement by the hospital’s former CFO.

Further review revealed the former CFO had received \$567,843.35 from the Rural Hospital Capital Improvement Grant Program from May 8, 2000 through August 7, 2003. This complaint was forwarded to the Florida Department of Law Enforcement (FDLE). Working with the FDLE, we determined the hospital’s former CFO had altered the initial warrant received by Fishermen’s Hospital and deposited it into his personal banking account. He continued to receive grant monies after submitting false applications and monthly reports to the division. Findings **substantiated** allegations of embezzlement. We concluded the employee embezzled a total of \$567,943.35 from the department, and the division failed to monitor the grant funding.

The hospital’s former CFO was adjudicated guilty of three counts of grand theft, ordered to pay \$582,943.35 in restitution along with associated court costs and is now serving a five year sentence in state prison.

We Recommended...

- Management should take appropriate disciplinary action against employees who failed to properly monitor grant disbursements.
- The headquarters division should look for “red flags” or indicators of possible fraud.
- The headquarters division should monitor their grant program(s) and consider requiring the employees tasked with grant and contract monitoring to attend fraud recognition training.

Subsequent Activity: The hospital's former CFO was adjudicated guilty of three counts of grand theft, ordered to pay \$582,943.35 in restitution along with associated court costs and is now serving a five year sentence in state prison.

Investigation #03-134 Alleged Conflict of Interest

A complaint was received regarding an Assistant Community Health Nursing Director at a CHD. The complaint contained several allegations regarding an alleged conflict of interest due to secondary employment with a local community outreach center, as well as alleged abuse of sick and family medical leave. Of the allegations, **only one was substantiated**. We determined the employee misused a CHD cell phone to conduct personal business with a local community outreach center.

We Recommended...

- The CHD director should establish corrective actions within the Human Resources division to ensure supervisory awareness of any employee request affecting time and attendance such as leave, absence, or retirement.
- The CHD director should direct an audit of the Assistant Community Health Nursing Director cell phone personal use payments for the billing period February through August 2003 to determine if payment was received and the appropriate settlement completed.
- The department's director of Informational Resource Management should review telephone policy in coordination with the Chief of Finance and Accounting, and consider strengthening the cell phone personal use criteria to state business or emergency use only.
- The department's Ethics Officer should review the conflict of interest for employee volunteers and consider adding policy guidance to increase awareness of this potential problem.

Investigation # 03-138 Alleged Unethical Behavior/Conflict of Interest

Allegations were received from an anonymous complainant regarding unethical behavior on the part of a county program director/advisory council member and statewide program director. We conducted interviews; however, due to the absence of more specific information from the complainant, documentary evidence and/or corroborating witnesses, we determined the allegations to be **unsubstantiated** and made no recommendations.

Investigation # 03-141 Preliminary Investigation: Allegations Regarding On-Site Sewage Programs

A complaint was received from a septic drain field contractor containing numerous and diverse allegations generally related to incompetence within the Environmental Health Unit of a CHD and resultant delays in completion of a drain field project. Findings from the preliminary investigation **substantiated** errors were made by both the contractor and by CHD employees. We initiated a management referral to the CHD administrator to conduct further inquiry into the issue and employee performance.

We Recommended...

- CHD management should address disciplinary and training issues identified by the preliminary investigation.
- CHD management should address the issues related to violation of county code with the county attorney and determine an appropriate disposition.
- The HIG should send a letter to the Department of Environmental Protection Inspector General regarding potential conflict of state and local codes.

Investigation # 03-150

Alleged Retaliation and Misuse of State Property

This investigation was predicated on a complaint received from a CHD Facilities Manager containing allegations related to the conduct of an Administrative Services Director, and direct supervisor of the complainant, who resigned. The allegations included retaliation by the supervisor against the facilities manager for personal reasons; misuse of CHD equipment (a digital camera and a county vehicle) for personal benefit; and, acquisition of county property (a large folding door and a sink) for personal use. Of these, **we substantiated the latter two allegations**. While our investigation revealed the offenses to be relatively minor and with possible extenuating circumstances, there did appear to be a lack of understanding within the CHD about state policies related to property and vehicle use. We found no evidence of reprisal toward the complainant.

We Recommended...

- Management should ensure all employees are aware of policy regarding the possession of state or county owned property.
- Management should determine if disciplinary action is required in this matter.

Investigation # 03-153

Investigation of Alleged Abuse of Position and Conflict of Interest

This investigation was predicated upon a complaint alleging an executive dental director, in a County Health Department (CHD) might be serving his private patients at the CHD, and had a personal business relationship with a contracted provider for which he was the contract manager. The allegation that the dental director was serving his private patients while at the CHD was **substantiated**. We determined that he was utilizing CHD space for deliveries of prostheses (dentures and partials) and invoices in service to his private patients. Additionally, he provided a false statement when he stated he did not pay for a \$34.00 invoice that he claimed was erroneously billed to him. We concluded the dental director violated the conditions of his administrative leave by contacting staff at a clinic regarding a second invoice of a CHD patient that was billed directly to him.

We also **substantiated** the allegation that the dental director had a business relationship with a dental lab that he maintained after becoming contract manager. Also, his actions as contract manager appeared to promote preferential utilization of the dental lab from one contract to another.

We Recommended...

- Management, in consultation with the Deputy State Health Officer and legal counsel, should take the appropriate disciplinary action against the dental director.
- Management should review the CHD dental program business practices, including dental services to employees and their relatives, and ensure that said practices adhere to county and department policies and procedures.
- Management, in consultation with Contract Administration in the Bureau of Finance and Accounting, should specifically review contracting practices within the CHD dental program and ensure that said practices are consistent with the department's contract management system.

Investigation # 03-154 Alleged Breach of Confidential Information

A complainant alleged the adult daughter of a WIC/Nutrition (Women, Infants and Children Nutrition) office employee had, on numerous occasions, been observed accessing a computer in the office and had made harassing telephone calls to the complainant's residence, indicating she had access to complainant's personal information. While the allegations were **unsubstantiated**, we did make several recommendations.

We Recommended...

- Management should consider, if feasible, having the employee's daughter receive services at the next closest WIC/Nutrition Center to her residence, or, if not feasible, consider transferring the employee to a worksite other than the one that provides services to her daughter.
- Management should review and consider the examples and guidance as presented in the department's HIPAA policy.

Subsequent Activity: All employees were retrained regarding information security. Management's review disclosed potential programmatic deficiencies with securing internal customer information, which resulted in a suggestion for data system modification to alleviate the concern on a local basis.

Investigation # 03-159 (Request for Assistance) Possible Breach of Confidential Information

This investigation was prompted by a request for assistance from the Office of the Inspector General, Department of Children and Families (DCF). That office was investigating a possible breach of confidential Child Protection Team case data related to the appropriate placement of minor children and identified two DOH contract employees that might have had knowledge of pertinent information. Upon review of the contract employees' responses, no pertinent, previously unknown data was disclosed. However, we determined that one DCF caseworker may have exhibited a lack of objectivity toward the involved parties. We made a recommendation to DCF to consider exploring this possibility.

**Investigation # 03-160 (Preliminary Inquiry)
Alleged Suppression of an Investigative Report**

This preliminary investigation was prompted by a request from the Office of the Chief Inspector General regarding allegations of retaliatory treatment toward a complainant on the part of the inspector general and investigations chief of another state department. We determined the allegations of information suppression and retaliatory treatment were **unsubstantiated**.

**Investigation # 03-165
Alleged Breach of Confidential Information**

A complainant alleged that a Children's Medical Services employee breached client confidentiality and violated HIPAA policy by instructing her children not to play with a department client because the individual allegedly had HIV/AIDS. We determined the allegation to be **unsubstantiated**.

**Investigation # 03-166
Alleged Breach of Confidential Information**

This investigation was predicated upon a complaint letter purportedly from a CHD client alleging a health services representative (HSR) shouted across a crowded waiting area, information indicating the client had taken an HIV/AIDS test. We concluded the allegation was **unsubstantiated**. Additionally, information that seemingly refuted the allegations and exonerated the employee was not considered when administrative action was being contemplated. The client also complained that test results were not readily available. Our investigation disclosed that two trained HSR workers and a seasoned nursing supervisor were unable to locate a test result that was apparently in the client's medical record.

We Recommended...

- Management should revisit the administrative action taken against the employee, as there seemed to be insufficient evidence to support the issuance of any reprimand based on the allegation.
- Management should consider designating a specific location in medical records for lab work to facilitate prompt retrieval.

Subsequent Activity: Management reviewed the circumstances surrounding the reprimand and ordered all references to the reprimand removed from the employee's personnel record. Also, management dedicated a professional staff position to addressing and correcting deficiencies in the record management system.

Investigation # 03-170 Alleged Conflict of Interest

This investigation was predicated upon a complaint from a CHD Office of Disbursements. It was noted that reimbursements to a contracted “as needed” maintenance employee exceeded the \$2,500 threshold for requirement of written quotes. Allegedly, a conflict of interest existed involving the contracted maintenance employee and his wife, who was a CHD employee in the same region as her husband. In addition to excessive reimbursements, the allegations included the use of her state purchasing card to purchase tools for his use at the CHD. We **substantiated** the allegations, including a prima facie case of theft since the state-purchased tools were retained by the contracted employee and not returned until approximately two months after his employment ended, when we requested their return.

We Recommended...

- Management should ensure the elimination of conflicts of interest, whether in fact or perception.
- Management should determine appropriate disciplinary action.

Investigation # 03-177 Alleged Breach of Confidential Information

A CHD employee allegedly disclosed confidential client data to a relative. The allegation was **unsubstantiated**. We found that, given the ethnic population served by the CHD, the employee provided an invaluable service not only to the CHD but to other local municipalities.

Investigation # 03-179 Alleged Unethical Behavior/Misuse of Position

An employee in a supervisory position allegedly received electrical work at his residence without paying the contractor, who regularly performs work for the department. We **substantiated** the allegations with a preponderance of testimony including the employee’s statement that he allowed the contractor to perform an electrical upgrade at his residence without paying him. Concerns were also raised during this investigation about procurement practices in general at the location.

We Recommended...

- Management should take appropriate disciplinary action.
- Management should revisit internal controls, training, and internal checks to assure contracting integrity, emphasizing employee awareness and identification of potential opportunities for abuse.

Investigation # 03-182 and # 03-201 Alleged Failure to Report Expressed or Implied Threat

An employee of a department program was terminated after witnesses verified the employee had made verbal threats to bring a weapon to the worksite and shoot people. The incident was referred to the HIG by the Florida Department of Law Enforcement (FDLE) to investigate and determine if any employee violated department policy on incident reporting which requires

immediate reporting of expressed or implied threats. The allegations were **substantiated** in the case of two employees (Investigation # 03-182). We determined that two employees failed to report the threats until management directed their participation in the complaint review approximately two months after the first threat was made. A similar complaint (Investigation #03-201) regarding different employees at the same office was determined to be **unsubstantiated**.

We Recommended...

- Management should take appropriate disciplinary action.
- Employees should report any suspected policy violations in writing to their immediate supervisor for documentation purposes.

Investigation # 03-189 Alleged Breach of Confidential Medical Information

A former CHD employee's personal medical information was allegedly violated when she received an unsolicited folder containing her and her family's medical information. The folder also contained threatening comments about the perpetrator's access to the former employee's medical information. We **substantiated** the allegation that a malicious breach of confidential medical information had occurred. Such a breach is a major violation of HIPAA, carrying a fine of up to \$250,000, imprisonment of up to 10 years or both.

We Recommended...

- CHD management should refer this incident to the State Attorney's Office or to local law enforcement for criminal investigation.

Subsequent Activity: The referral was made by the CHD, however, the victim was uncooperative with the criminal investigation, therefore, prosecution was not pursued.

Investigation # 03-200 (Risk Review) Serious Incident Report, Patient's Death – CHD

We conducted a medical care review in response to the death of a medically complex patient, who had relocated to Florida from another state approximately one year prior to his death. There were no expressed allegations related to this case. The deceased's elevated glucose level documented in the hospital's Incident Report implied improper medical care and treatment. Facts disproved this implication and the case was closed as **unsubstantiated**. However, several observations pertaining to the medical treatment of the patient prior to being admitted to A.G. Holly hospital are presented in the investigative report. The report notes that the other state did not notify the department of the multidrug resistant tuberculosis (MDR-TB) patient's intent to relocate to Florida and the CHD did not follow internal operating policy in handling the patient. The most significant finding was less than aggressive outpatient treatment follow-up attempts for a patient whose diseases represented a grave prognosis, urgent need for treatment compliance, and a potential public health threat. The patient was eventually committed to A.G. Holley Hospital where he received quality inpatient care.

We Recommended...

- CHD management should take appropriate actions to ensure adherence with department and CHD internal operating policies.
- The Bureau Chief of Tuberculosis Control and Refugee Health should conduct follow-up assessments to ensure field staff adherence with internal operating policies established in the department's CHD Guidebook.
- The Bureau Chief of STD, and Bureau Chief of HIV/AIDS, should review the report and determine if any additional lessons learned would be helpful to their respective systems.
- The department's Executive Staff Director should review this report with particular attention to the DOHP 5-6-01 and effect necessary policy changes to ensure the timely and complete reporting of serious incidents.
- The A.G. Holley Hospital staff should be commended for their superb care and treatment of this and other medically complex patients.
- The Deputy State Health Officer should determine the value in presenting this case at national venues for educational and training purposes.

Investigation # 04-013 Alleged Conflict of Interest

A private citizen made a complaint against an employee of the department's Medical Quality Assurance Investigative Services (MQA-IS) alleging the employee created a conflict of interest by the unauthorized taking of information presented to him as an employee of the State, and used the information to establish himself as the relator in a *Qui Tam* lawsuit for potential personal gain. This allegedly constituted a conflict of interest and an alleged misuse of position. Additionally, it was alleged the employee provided untrue time and attendance and daily activity reports.

The allegations of misuse of position and submission of false time and attendance reports were **unsubstantiated**. As to the conflict of interest allegation, at our request, the department's Office of General Counsel rendered an ethics opinion which concluded the employee was not barred from participation in a *Qui Tam* lawsuit because of his position within the department or because he received the information in the scope of his employment. The General Counsel determined the question of ownership of information used to file the *Qui Tam* lawsuit to be a civil matter between the involved individuals.

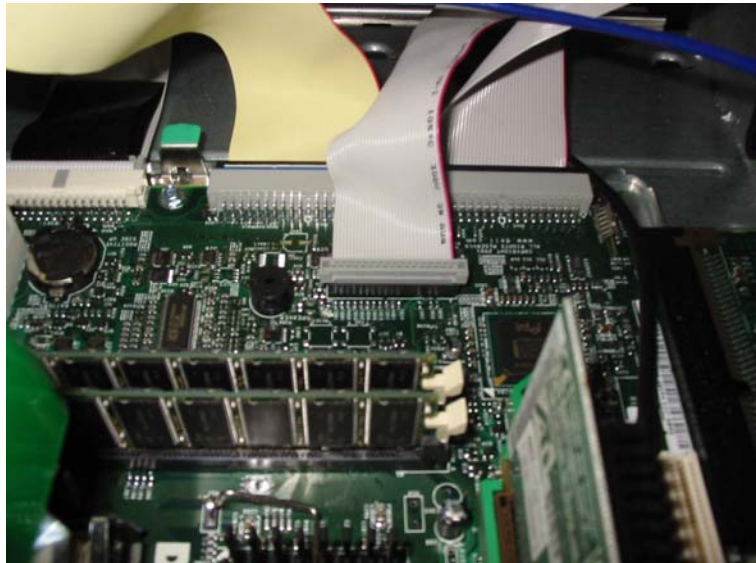
We Recommended...

- The Bureau Chief of MQA-IS should consider establishing written guidance related to complaint intake notification, documentation, and referral procedures.
- The Bureau Chief of MQA-IS should conduct a review of administrative procedures to establish fail-safe filing procedures for daily activity reports.

Subsequent Activity: We requested that the Florida Commission on Ethics review the case to determine if a violation of the Code of Ethics occurred and to provide an advisory opinion pertaining to *Qui Tam* lawsuits filed by state employees using information they obtain while in the performance and scope of their duties. The Commission declined.

Investigation # 04-025 Alleged Unauthorized Access

A program director reported an employee's network user ID had been used to access network files the employee was not authorized to access. The allegation was **substantiated**. We determined that, contrary to department policy the employee had given her password, which was empowered with administrative privileges not available to average network users, to a family member and co-worker, who accessed restricted materials and used department resources for personal reasons. During the time this matter was under investigation the family member was terminated from employment due to non-performance of job duties.



We Recommended...

- Management should take appropriate disciplinary action with the employee who shared her password.
- Division Management Information System (MIS) staff should wipe and reset the hard drives of the three computers regularly used by the family member.
- Division MIS staff should determine if Microsoft Security offers a “best practices” advisement for server event logs, and review those practices, applying them as appropriate and consistent with department security policies and practices. Division MIS staff should also confer with the department Information Technology (IT) Director and verify the Division server event log settings meet department requirements.
- Division MIS staff should review “Microsoft Security’s Best Practices for Auditing” and use them for guidance in configuring logging parameters for their USERDATA share.

Investigation # 04-041 Alleged Abuses in a Dental Program – CHD

A complaint alleged that a CHD dental program was responsible for improper and/or compromised care of dental patients, violations of Medicaid laws and policies, violations of temporary dental certificate laws, and understaffed clinics. Our investigator reviewed relevant records and documents, and interviewed 31 employees and/or external witnesses. Additionally, we secured the assistance of a Florida Licensed Dentist to conduct a peer review of patient files. Our investigation **substantiated** that the former dental director improperly signed for authorization of Medicaid billings; and a clinic dentist was practicing dentistry on a temporary certificate without proper supervision. The issue of staffing requires further review.

We Recommended...

- The Deputy State Health Officer, with the assistance of the Public Health Dental Program, should conduct a comprehensive review of patient files at the Central Dental Clinic for patient abuse and/or improper service delivery, particularly in the context of violation of Medicaid laws and policies. If improper activities are found, appropriate disciplinary action should be taken. In the case of files we reviewed and found to have improper activity, appropriate disciplinary action should be taken.
- The Deputy State Health Officer, with the assistance of the Public Health Dental Program, should review the CHD's Dental Program scheduling, appointment times, and workload standards to determine impact on staffing and delivery of appropriate dental services, particularly in the context of restorative dental procedures. If adverse impact is found, management should take action to correct.
- The Deputy State Health Officer, in conjunction with CHD management, should take appropriate action against the former dental director for improper authorization of Medicaid billings.
- The Deputy State Health Officer should monitor the hiring of a new Dental Director at the CHD and take immediate action to ensure compliance with Florida law in the case of the Central Clinic Manager practicing unsupervised.
- The Public Health Dental Program should review the staffing situation at Central Dental Clinic and recommend appropriate action to the Deputy State Health Officer, including, but not limited to the vacant dental assistant position and the need for a senior clerk to handle administrative duties.

Investigation # 04-050

Allegations of Unfair Labor Practices, Medical Negligence and Wrongful Termination

A former CHD employee filed a complaint with several allegations including termination in retaliation for filing a "Whistle-Blower's Act" complaint, medical negligence and wrongful termination. We determined the allegations were **unsubstantiated**. The initial complaint did not meet the criteria established by the Whistle-Blower's Act, there was no evidence of violation of state or federal law related to labor practices or wrongful termination, nor was there evidence of medical negligence.

Investigation # 04-053

Alleged Fraud – CHD

A complaint alleged that a CHD program manager who supervised two similar programs had committed fraud by utilizing the funds of one program to pay an employee working in the other program. We determined the allegation was **unsubstantiated** due to the fact that contract provisions and program policies were not specifically violated. The program manager's stated intent was to cross train the employee, he was able to demonstrate there was an emphasis on collaboration and coordination between the two programs, and CHD management was aware of and promoted this emphasis. Additionally, the statewide funding officials expressed that the matter was resolved to their satisfaction, with the stipulation that, in the future, funds be used only for program activities.

We Recommended...

- Department management, through the Contract Administration Office, should communicate to all county health departments that program funds be expended solely for program activities.

Investigation # 04-061 Alleged Employee Misconduct

A CHD employee allegedly applied for, received, and utilized a credit card in the name of a co-worker. A preponderance of testimony, including the employee's acknowledgement of her actions, **substantiated** the allegation of employee misconduct.

We Recommended...

- Management should take appropriate disciplinary action.

Subsequent Activity: Management has commenced termination proceedings against this employee.

Investigation # 04-062 Alleged Internet Gambling

A Systems Project Administrator reported the presence of "UltimateBet.com" software on an employee's computer and alleged the employee had installed this software and was using state resources to gamble on the Internet. We **substantiated** the allegation that the employee had installed the software. However, the allegation he was using it to gamble was **unsubstantiated** as the software allows the user to play electronic poker without gambling and we found no evidence of gambling activities or of gambling monetary transactions on the hard drive or in the network logs.

We Recommended...

- Management should take appropriate disciplinary action.
- MIS staff should ensure that procedures are being regularly followed regarding wiping computer hard drives before assigning a computer to another user.

Investigation # 04-088 Alleged Unauthorized Software

A division director requested we examine an employee's computer for the presence of unauthorized software. Our investigation **substantiated** the allegation. We determined the employee repeatedly downloaded and installed unauthorized web-based software on his state-assigned computer over the last seven years, without prior approval of management and/or Information Technology personnel, and continued to do so after having been repeatedly advised this was contrary to department policy.

We Recommended...

- Management should take appropriate disciplinary action.

MANAGEMENT REVIEWS

Management reviews of departmental programs are conducted at the request of management or at the discretion of the Inspector General, per Section 20.055, Florida Statutes. A management review solicits employee and management perceptions of workplace conditions and examines how management practices affect program operations. We utilize the Sterling Criteria for Organizational Performance Excellence to guide our employee survey development and interview design process. The 2003 Sterling categories employed were Leadership, Strategic Planning, Human Resources, Process Management, Customer Focus, Information and Analysis, and Business Results. We added a category entitled “Other” to allow inclusion of issues not specifically related to one of the stated Sterling categories.

This year management reviews have identified outstanding performance and practices in several areas as well as highlighted opportunities for positive change, as described below.

Management Review #03-002MR – Bureau of Statewide Pharmaceutical Services

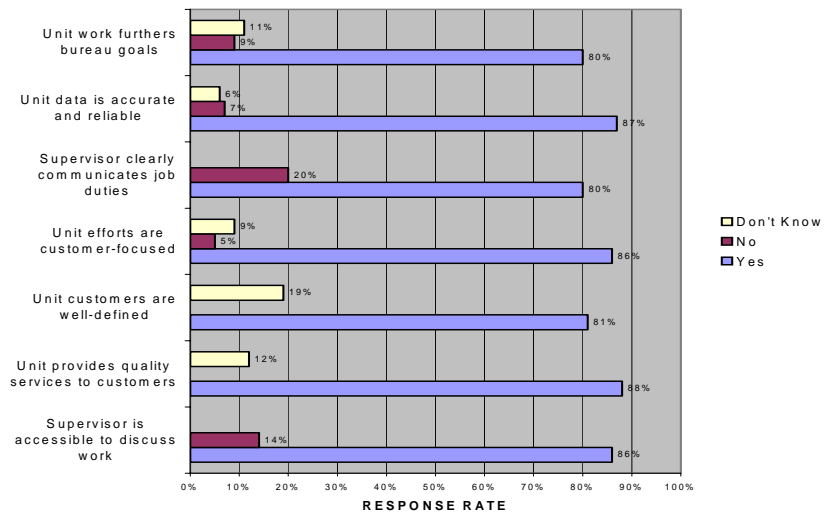
At the request of management, we initiated a review of the Bureau of Statewide Pharmaceutical Services. Our methodology involved administering an employee survey, conducting staff, management, external witness, and stakeholder interviews, reviewing personnel data and relevant documentation. Due to the Bureau’s small number of staff, sampling was not needed - the survey was administered to 45 of the 47 employees (two were on leave).

We found employees overwhelmingly expressed that quality services are provided by their work units; the efforts of work-units were customer-focused; and data produced

by work units was accurate and reliable. An overwhelming majority of employees also believed unit level management was accessible to discuss work-related issues; their customers are well-defined; supervisors clearly communicate job duties; and unit work furthers the achievement of bureau goals.

Our management review process also highlighted opportunities for improvement. A significant number of employees, ranging from one-third to a majority, expressed dissatisfaction with the Bureau Chief and

BUREAU OF PHARMACEUTICAL SERVICES STRENGTHS



other management; with pay rates, promotional opportunities, professional development and training opportunities; and with unfair treatment and favoritism.

We verified that some functional areas within the Bureau did not have written policies and procedures, and there was no formal planning process incorporating staff feedback. We also found a lack of effective management communication and lack of written policies and procedures in major program areas may have contributed to employee perception of the Bureau as a difficult work environment.

We Recommended...

- Bureau management formally and immediately address the “gun issue” detailed in the full report.

- Department management take appropriate actions to alleviate employee perception of favoritism and to ensure Bureau management and supervisory staff recognize department policies and procedures apply equally to all employees.
- Bureau management and supervisors obtain “Basic Supervisory Training”, as well as training in “Managing Conflict in the Workplace and Violence in the Workplace” through the department’s Bureau of Human Resource Management.
- Department management should guide the Bureau through implementation of process changes implicit in Senate Bill 2312, to ensure appropriate assignment of functions and appropriate utilization of existing expertise and resources.
- A program review to assess the new processes should occur within 12 months of Senate Bill 2312 implementation.

Management Review # 04-001MR – Bureau of Health Care Practitioner Regulation

To improve our management review process we completed a new, automated employee survey. We conducted the first administration of the on-line survey with the Bureau of Health Care Practitioner Regulation (HCPR), in consultation with the Bureau Chief and the Director of the Medical Quality Assurance Division (MQA). MQA was chosen because of their emphasis on quality management and their internal efforts to assess employee satisfaction.

We conducted preparatory meetings and distributed announcements designed to stimulate employee interest in the project. Within a few weeks of preparations, we e-mailed the survey directly to HCPR staff. There were a total of seven board executive directors within HCPR, who for this project, served as administrative sections. The survey was administered to approximately 140 employees, of which 106 responded for a 76% response rate. Data was analyzed for the total number of employees for all boards, and was broken out for executive directors

with 10 or more employees. Response rates where one-third or more employees responded were considered significant.

Employee responses regarding executive directors were extremely favorable. From a low of approximately 74% to a high of approximately 89%, employees indicated they were satisfied their executive directors were effective managers, willing to include them in planning and goal-setting activities, focused on customers and use customer feedback to improve program operations.

At the unit level, employee respondents indicated satisfaction with their immediate supervisors from a low of 71% to a high of approximately 90%. However, in the units under two of the seven boards, employees were not satisfied with their unit supervisors and expressed concerns regarding pay increases going to the best qualified as well as supervisory recognition for employee performance excellence.

We Recommended...

- MQA management recognize, in some manner, the high employee approval ratings for board executive directors and for most unit supervisors.
- MQA management work with the two board directors where unsatisfactory supervision was noted to identify the units in which problems exist and work with these units to improve conditions for employees, including, but not limited to supervisory training and promotion of best practices.

Management Review # 04-003MR – Preliminary Report on the WIC Program Office

As a part of the fieldwork conducted for our full management review of the Women, Infants and Children Program Office (WIC), our on-line employee survey process and structured employee interviews revealed employees and management were significantly concerned about the characteristics needed in a new WIC Director, a vacant position at the time. We decided to provide this information in a preliminary report as an aid to management

WIC Director Characteristics – Employee Perspective

Leadership

- Collaborative leader who shares responsibilities with clinic staff.
- A motivator who has an enthusiastic attitude about WIC.
- A professional who is experienced, credentialed, and knowledgeable.
- A person who cares about employees and clients.

Communications

- Keeps clinic supervisors informed.
- Is open to employee ideas and feedback.
- Visits clinic staff regularly, at least once per month.
- Is approachable and accessible.
- Actively promotes WIC in the community.

Planning

- Includes employees at each clinic in the planning process.
- Does on-site assessments before making changes to clinics.
- Is good with budget planning and allocating resources.
- Looks at the big picture countywide, particularly outlying communities in need of service.

Human Resources

- Recognizes and rewards employees for excellent work.
- Is fair with all employees and has no favorites.
- Resolves employee conflicts without deferring to someone else to resolve.
- Is willing to make hard, yet fair personnel decisions.
- Encourages employees and respects employee input.

in recruitment and selection of a qualified candidate.

We conducted an on-line survey of 55 of 64 employees and interviewed a stratified sample of 37. We also interviewed five community partners to assess external views of the WIC program.

The survey results indicated 92% of employees surveyed preferred the new WIC program director to have a different leadership style than the previous director.

Qualities desired in a new leader included effective communications skills; openness to employee ideas and input; willingness to share responsibility with clinics; one who makes regular clinic visits and makes operational decisions based upon direct knowledge of clinic activities; one who is fair, does not display favoritism, and effectively resolves conflicts.

Community partners interviewed stated they desire the new director to be community-focused and to actively market WIC in the community; develop a community advisory board of professionals, parents, and groups; understand and respect families from diverse backgrounds; and be innovative in establishing reciprocal relationships with community organizations.

WIC Director Characteristics – Community Partner Perspective

Communications	<ul style="list-style-type: none">■ Attends organization meetings.■ Develops a WIC community advisory board.■ Markets WIC in the community.■ Is available and accessible to partner groups.
Diversity	<ul style="list-style-type: none">■ Understands and respects families from diverse backgrounds.■ Has bi-lingual language skills.
Innovation	<ul style="list-style-type: none">■ Makes reciprocal referrals to organizations.■ Extends WIC hours at clinics based on community need.■ Refers clients to Lee Davis Center Food Pantry.■ Participates in Healthy Start mobile immunization program.■ Has openness to partnering with community groups, such as operating out of five Healthy Start sites.

The information gathered regarding employee and community partner perspective was offered to management as an enhancement for the candidate selection process.

5. Human Resource Focus

Creating a High Performance Workplace



Professional staff attended an average of 2.4 training events in the fiscal year.

Several strategies have been employed by our leadership to promote development of highly skilled employees who not only have a sound knowledge base but the creative energy necessary to quickly adapt to changing customer needs and external demands. These strategies have included specialized training; flexible working hours; performance incentive bonus payments (when available) and the commitment to a positive, productive, learning and caring work environment for all employees. The development of this type of environment was facilitated this past year by leadership's generous support of staff training. Of our professional staff, the average number of training events attended in the fiscal year was 2.4 per staff person. Training events attended included:

Audit Staff

Fraud Training for Internal Auditors; Preserving Evidence; Understanding Fraud and Implementing SAS 99; Auditing Local Governments Under GASB34; UNA Government and Non-Profit Update; A+ Certification Training; Basic Contract Management Training; Risk Assessment in an Automated Environment; Certified Internal Auditor Review Course; Ethics in Florida's Government; Public Records Law; Network Operating Systems; Cost Recovery Auditing; Forensic Auditing and White Collar Crime; Information Technology Security; Quality in Action.

Investigation Staff

Continuing Professional Education for Association of Inspectors General Certification; Southeast Evaluation Association Annual Training; Sterling Criteria for Organizational Performance Excellence Workshop; Public Sector Employment Law Update; Council on Education Management, Laboratory for Scientific Interrogation – LSI Scan; Investigative Analysis Software; Forensic Computer Examiner Training; Advanced Email Data Recovery and Analysis; Governor's Council on Integrity and Efficiency.

The allowance of flexible working hours is a great boon to both employee morale and productivity, particularly for employees with family obligations, caregiving responsibilities, commuting issues, educational endeavors, or other commitments that simply cannot be met during the typical 8 a.m. to 5 p.m. Monday through Friday workweek. Our leadership has recognized that fact and been fully supportive of alternative work schedules, including four 10-hour days, when work demands accommodate such variations. This benefit, while not unique to our office, is another key factor in providing a positive and supportive work environment.



A total of \$2,629 was awarded in employee performance bonuses.

Our employees were awarded a total of \$2,629 in performance bonuses during the fiscal year. This amount provided recognition to those employees making exceptional contributions to our mission and operations during the year. Promotion of openness to learning and a caring work environment is also facilitated through periodic potluck "breakfast staff meetings" where discussions occur in a more relaxed environment. Additionally, CCFP field auditors are included in staff meetings by conference call and travel to headquarters for meetings at least annually.

These and other strategies have fostered a work environment that promotes employee initiative, innovation and commitment, necessary conditions to produce the highly positive outcomes reflected in the "Organizational Performance Results" section of this report.

6. Process Management

Controlling Value Creation

With the volume of information and issues requiring attention of audit and investigative staff, process management becomes a crucial element of assuring vital tasks are successfully accomplished. By utilizing process management tools we add value to our work product and to the department's efforts as a whole.

In the audit area, one such process management tool is the risk assessment methodology we use to develop annual audit plans. Not only does this activity contribute to our overall strategic planning but it allows efficient management of valuable and limited resources.

Complaint Triage Process

- Information Only (NF)
- Referral (RF)
- Management Advisory (MA)
- Investigative Assists (INA)
- Preliminary Inquiry (PI)
- Investigation (IN)

Refer to Appendix for a complete listing of 2003-2004 closed complaints.

With over 200 complaints received annually, our

investigations triage approach yields a reasonable and efficient method of allocating resource inputs from our investigative teams. This method categorizes complaints into several key action strata with differing resource requirements and timelines for completion. These key strata include: information only, referral, management advisory, investigative assists, preliminary inquiry, and full investigation. Though fewer in frequency, whistleblower complaints and risk reviews are two additional classifications occasionally used. The former brings its

own set of process management requirements while the later is a process formally implemented in 2003-2004 as an agreement with the department's General Counsel.

Once categorized, a complaint is assigned a database tracking number that serves to identify the case file throughout its lifetime. Complaints arise from a variety of settings in both the county health department and headquarters division environments. Our triage and corrective action plan tracking processes illuminate patterns that may assist management in preventing escalation of problematic issues.

Our management review process is initiated by management identification of program areas that could benefit in various ways from a thorough analysis of operations. The review includes examination of employee expectations and activities, production levels, morale and management actions. This is accomplished through obtaining advance descriptive information which we utilize to compile an organizational profile followed by on-site interviews with employees, stakeholders, and management at all levels.

An important foundation for all key processes is administrative support. Staff dedicated to this effort have developed effective methods of managing our daily operations. These methods include such roles as complaint intake coordinator, customer satisfaction data coordinator, corrective action plan coordinator, CCFP information and tracking coordinator along with various roles necessitated by the department's personnel and budget processes.

Infused throughout the context of our key processes is the mechanism we have implemented to obtain customer feedback. Through this web-based mechanism we are able to track the utility of our products and services on an on-going basis. This facilitates our ability to adjust key processes thus maintaining a flexible approach to the dynamic public health environment.

Our Key Processes:

- **Audits**
- **Investigations**
- **Management Reviews**
- **Risk Reviews**
- **Administration**

7. Organizational Performance Results

Indispensable Contributions

The performance of an organization becomes evident when examined on several dimensions including customer and employee satisfaction, cost-effectiveness, key operational performance and accountability indicators such as stakeholder trust, ethical behavior and external review results. From this framework, the review of our performance over 2003-2004 demonstrates many successes along with opportunities to become even more valued as a contributor to the department’s mission.

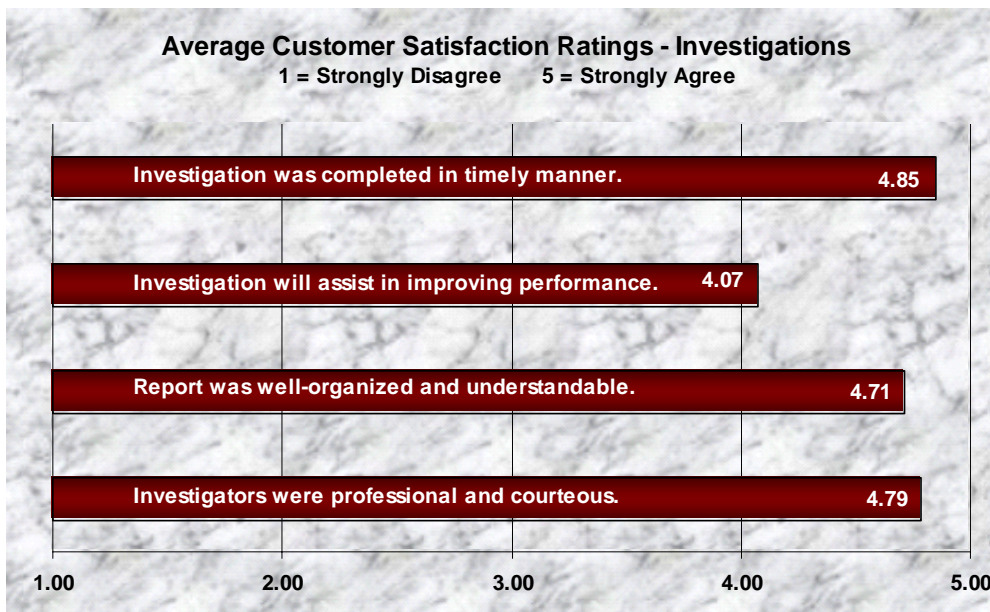
“I appreciate the investigator being so accessible when we had questions and the high quality of the product delivered.”

➤ *Respondent to investigative quality survey*

Customer-Focused Results

Through our web-based process of assessing customer needs and satisfaction, we have again demonstrated the ability to provide high quality services targeted to the needs of the department. Our customers, whether they be Headquarters or CHD managers or staff, or Child Care Food Program (CCFP) participants, consistently rank our services highly, with the majority of the data reported relating to our Investigations and CCFP Audit functions.

In the Investigations area, our overall average customer satisfaction rating was **4.61** on a scale of 1 through 5 with 5 reflecting the most positive ranking. Additionally, 100% of customers responding to the survey reported they either “strongly agreed” or “agreed” with the statements, “Investigation was completed in a timely manner”; “Report was well-organized and understandable”; and “Investigators were professional and courteous.” These high rankings are a testament to the professionalism of our investigators and their leadership.



“I expected a comprehensive, forensic review of a computer hard drive, which is exactly what we received!”

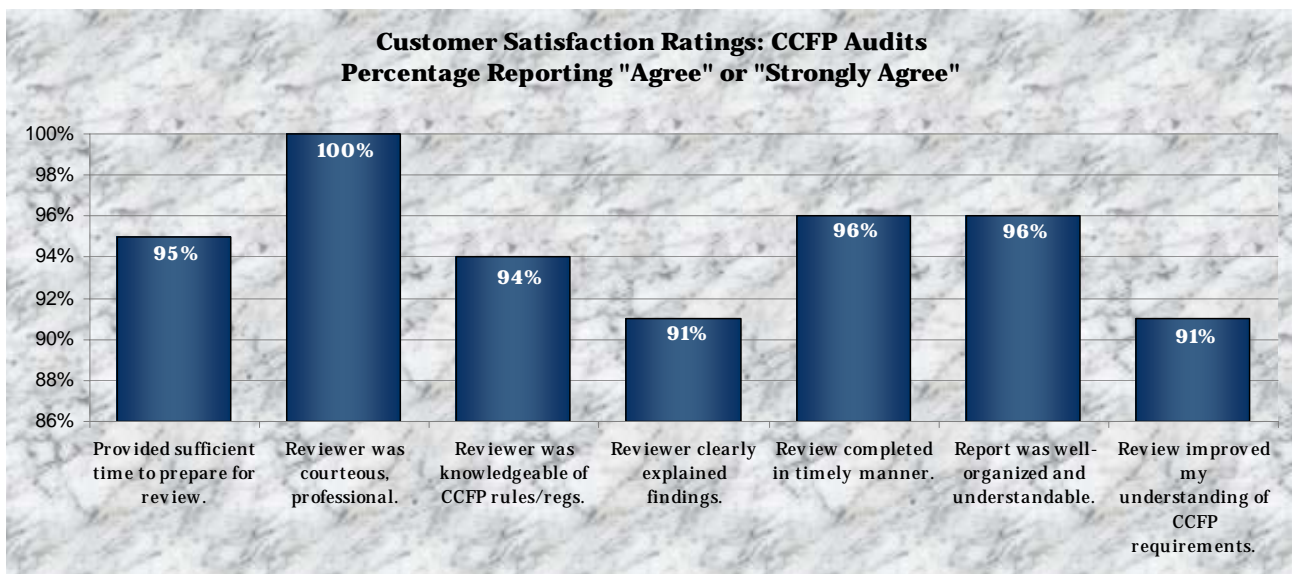
➤ *Respondent to investigative quality survey*

100% of respondents to our internal audit customer satisfaction surveys reported they found the audit useful in assisting with program improvements.

Based on customer feedback, our internal audit products were also very positively received. Similar to internal audits, CCFP audits were rated highly by customers. In that area, 100% of respondents reported they either strongly agreed or agreed that the reviewer was courteous and professional, and all other quality indicators received customer ratings in the 90th percentile. Additionally, the average customer satisfaction ranking for our CCFP audits was 4.54, reflecting very satisfied customers overall.

“Our auditor was very courteous and well-informed.”

➤ Respondent to CCFP Audit quality survey



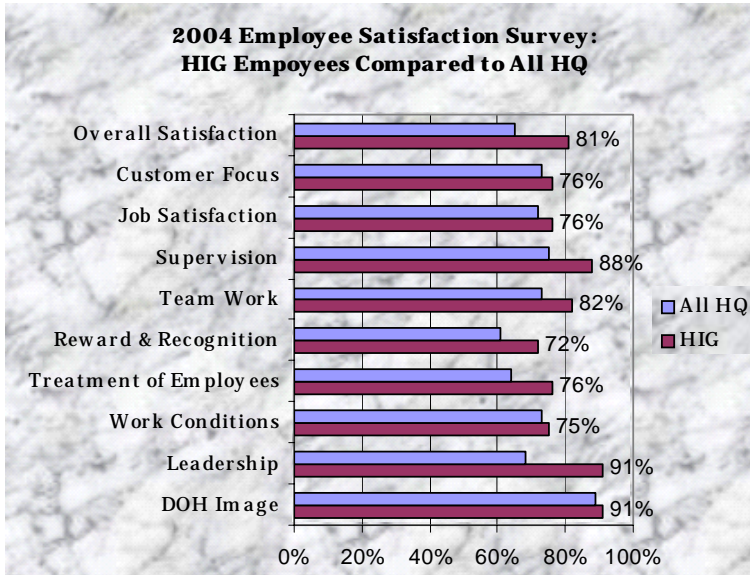
Human Resource Results

In FY 2003-2004, our total full-time equivalent staff of 31 had a 13% turnover rate with the loss of four staff and the hiring of four replacements. This relatively low overall rate may reflect employee satisfaction, which is a crucial factor impacting an organization's ability to achieve its goals and objectives. As such, the results of our employee satisfaction survey reflect a dynamic work force that is on the whole very satisfied with the leadership and working environment of the Office of the Inspector General.

The 10 dimensions measured by the 2004 department-wide employee satisfaction survey represent key indicators of how well our organization has progressed in creating and maintaining a positive, productive, learning and caring work environment for all employees. The Office of the Inspector General performed well on the 10 dimensions covered by the survey and exceeded satisfaction measures reported for the "all Headquarters employees" comparison group.

Highlights from the 2004 survey include 91% of our staff reporting confidence in leadership's judgment, planning focus and communication efforts as compared to 68% of all HQ personnel

reporting positively on the “leadership” dimension. “Teamwork” also emerged as an area of strength in our office with 82% reporting cooperative work relationships and a team focus on mission accomplishment. Similarly, “supervision” was prominent as a strong area with 81% of our staff responding positively on questions contributing to the supervision measure. On the “summary” dimension, 81% of our staff reported overall job satisfaction in 2004.



Historical comparisons of our 2004 and 2002 employee satisfaction data should be undertaken with caution due to the significant staff configuration changes we have undergone between those dates. During that time period, our FTE increased from 18 to 31 positions with the addition of one new contract position at HQ and 14 CCFP audit positions (two at HQ and 12 field auditors). What has remained consistent, however, is

leadership’s commitment to development and maintenance of a high quality work force and a work environment that encourages each individual to achieve excellence while contributing, as a team to the greater mission of the department.

Organizational Effectiveness Results

Audits

In the audit area, our baseline CCFP performance data collection effort reflected good progress toward meeting and refining production and timeline objectives:

CCFP Production/Timeline Objectives	Result Achieved
Obtain all independent audits of CCFP sub-grantees required under OMB Circular a-133 within required timeframes.	88%
Review all independent audits of CCFP sub-grantees within 5 working days and perform any necessary follow-up.	98%
Conduct the number of agreed-upon procedures reviews of CCFP sub-grantees required by federal regulations.	Started 274/400 Completed 246
Average # of days from:	
➤ start of review to issuance of draft report	96
➤ start of review to submission to supervisor	27
➤ review submission to supervisor & review by supervisor	52
➤ review by supervisor to issuance of draft report	17

We also performed seven comprehensive audits and five follow-up reviews of audit findings and recommendations from prior years. Additionally, we served as expert witness in ten CCFP administrative hearings; we started 274 Child Care Food Program

484 audit closures
\$1,128,777 questioned costs
\$523,322 recovered

(CCFP) agreed-upon procedures reviews, completed 246, and identified \$690,084 in questioned costs. CCFP reviews covered \$23,664,884 in program expenditures. We closed 484 audits resulting in \$1,128,777 in questioned costs. Of that amount, \$523,322 was recovered through collections. We also performed audit confirmations and reviewed audits conducted by Certified Public Accountants for 100 CCFP contractors covering an estimated \$59,558,749 expended by the program.

In addition, our audit staff made significant contributions to the department's effectiveness, efficiency and safeguarding of public funds. Highlights include:

- assistance to the department in ensuring proper accounting of tangible personal property for Headquarters offices, County Health Departments and Children's Medical Services Clinics;
- assistance to the Volusia County Health Department to ensure efficiency with their pharmaceutical outsourcing efforts;
- assistance to the Office of Rural Health regarding controls of their grant application and review process, monitoring of grantees and sub-grantees and grant implementation issues related to advance funding;
- assistance to the department in ensuring the integrity and confidentiality of information technology resources;
- assistance to the Office of Public Health Preparedness regarding efficient use of bioterrorism funds; and
- facilitation of County Health Department efforts to utilize the Compassionate Care Drug Program.

Management Reviews & Risk Reviews

We conducted three management reviews during the year and produced two full reports and one preliminary report of those reviews. Our contributions through this process resulted in seven recommendations targeting potential improvements in operations of the Bureau of Statewide Pharmaceutical Services, the Bureau of Health Care Practitioner Regulation and the Women, Infants and Children Program Office.

In addition to audits, investigations and management reviews, we implemented a process of "risk review" this year, which is an accountability activity designed to supplement the risk reduction benefits inherent in our other activities. Through an agreement with the department's General Counsel we conduct investigations of events/issues where litigation is anticipated. The purpose of such investigations is to reduce risk to the department by identifying mistakes and precluding continuation of improper performance. We received two risk review referrals in the past fiscal year, one of which resulted in a risk review investigation. That investigation identified six recommendations centered on ensuring better continuity of care for patients transferred to Florida from other state public health systems and CHD adherence to internal operating policy.

Investigations

Our investigative staff received a total of 227 complaints in 2003-2004. These complaints arise from a variety of settings in both the County Health Department and Division environments. The complaints were triaged as to urgency and assigned to staff

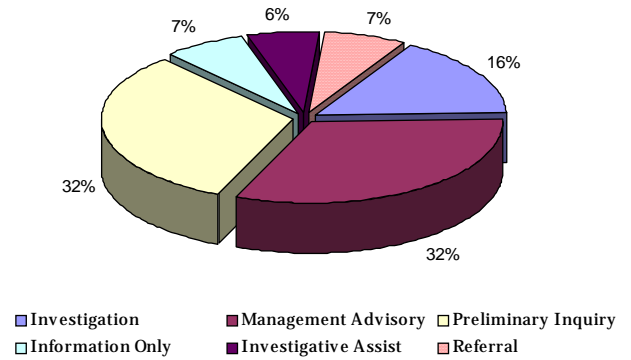
Incarceration History:	
Date In-Custody	Date Out-of-Custody
05/27/2004	Currently Incarcerated

Source: Department of Corrections Website

or referred as appropriate. Our baseline data collection efforts reflect that we triaged 87% of all complaints within 10 days, completed 66% of our preliminary investigations within 30 days and 82% of full investigations within 120 days.

Our investigations resulted in 40 cases closed with full investigative reports (see Appendix). Of those, 21 were prompted by complaints related to county health departments and 19 involved specific division/program areas. Allegations were substantiated in 18 cases from which 72 recommendations were made. Five cases resulted in referrals for criminal investigation. **One case resulted in criminal conviction and restitution ordered in the amount of \$582,943.**

**FY 2003-2004
Disposition of Complaints**



Governance and Social Responsibility Results

For optimal effectiveness an organization must be accountable to its stakeholders including external reviewers and governing bodies. Our character in this area, as demonstrated by peer and stakeholder trust, is evidenced by requests for assistance from organizations external to the department. For example, in the past year, we were asked and agreed to participate in a consultative capacity with the Department of Juvenile Justice (DJJ) to facilitate response to a high profile incident that occurred under their purview. Additionally, we were requested by the Chief Inspector General to perform an investigation at the Department of Revenue.

The results of external reviews of our operations and services have also been positive, as reflected in the most recent "Quality Assessment Review" conducted by the Auditor General. The report of that review notes that our activities comply with applicable professional auditing standards and with our governing statute (Section 20.055, Florida Statutes).

Investigations by Location		
Division/Program	Gen. Counsel – Prosecution Svcs.	1
	Family Health Services	1
	Envir. Hlth. – Water Programs	1
	Children’s Medical Services – CPT	2
	Disease Control – A.G. Holley	2
	Admin. – Rural Health – Tobacco	1
	HQ - Emergency Medical Services	1
	Children’s Medical Services	2
	HQ – Disability Determinations	2
	Medical Quality Assurance	1
	Disease Control	2
	Administration – IRM	1
	Disease Control – Epidemiology	1
	Dept. of Revenue (for CIG)	1
Total	21	
County Health Department	Hillsborough	1
	Volusia	3
	St. Lucie	1
	DeSoto	2
	Lee	1
	Polk	2
	Citrus	1
	Duval	3
	Clay	1
	Dade	2
	Broward	1
	Lafayette	1
	Indian River	1
	Leon	1
Total	19	

Concluding Comments

Under an excellent leadership team and with the confidence and support of the Secretary, we continued to meet challenges brought before us in 2003-2004. By following a course mapped with strategic planning and guided by our mission and values, we shall continue to progress toward organizational excellence in 2004-2005. In doing so, we will contribute to making Florida's public health system the best in the nation.

APPENDIX
Department of Health
Office of the Inspector General
Closed Complaints 2003-2004

Number	Type	Alleged Subject	Disposition
01-153	RF	Alleged discrimination	Referred to EOMH
01-161	MA	Alleged criminal charges of physician	Referred to Management
01-180	NF	Alleged mishandling of toxic site complaint	Monitored through EH
02-041	MA	Alleged inappropriate behavior of Manpower employee	Referred to Family Health
02-048	MA	Alleged poor management	Referred to HIV/AIDS
02-072	MA	Alleged rudeness and unconcern by state employee	Referred to Management
02-086	MA	Alleged mishandling of outgoing mail	Referred to Management
02-116	MA	Alleged theft/mismanagement	Referred to Management
02-122	MA	Alleged nepotism, loss of confidential information and misuse of federal funds	Referred to Management
02-143	MA	Alleged no response at CHD	Referred to Management
02-188	RF	Alleged unprofessional behavior of state employee	Referred to EOMH
02-190	PI	Alleged unauthorized removal or records	Unsubstantiated
03-010	INA	Alleged Internet pharmaceutical sales	Assisted MQA
03-013	MA	Alleged poor review of patient's records by Board	Referred to Management
03-017	IN	Alleged problems with environmental complaint	Substantiated
03-026	IN	Alleged inconsistencies on state application	Substantiated
03-034	IN	Alleged fraud & theft	Unsubstantiated
03-045	MA	Alleged non-response from CHD	Referred to Management
03-064	IN	Alleged misuse of state funds and unfair hiring practices	Unsubstantiated
03-080	INA	Alleged theft	Assisted Law Enforcement
03-081	PI	Alleged fraud – MD exam	Substantiated
03-086	PI	Alleged inappropriate language	Unsubstantiated
03-088	IN	Alleged misuse/abuse of DOH computer	Substantiated
03-089	MA	Alleged misconduct of dentist	Referred to Management
03-093	PI	Alleged falsification of drinking water analyses	Unsubstantiated
03-094	PI	Alleged breach of confidential medical information	Substantiated
03-101	PI	Alleged failure to provide information	Unsubstantiated
03-102	PI	Alleged unfair business practices	Unsubstantiated
03-106	INA	Alleged release of confidential information	Assisted DCF
03-107	MA	Alleged improper handling of blood samples and patient records	Referred to Management
03-109	IN	Alleged misuse of position	Substantiated
03-111	MA	Alleged altered/stolen personnel files	Referred to Management
03-112	PI	Alleged failure to maintain proper records	Substantiated
03-113	PI	Alleged non response and incompetence	Unsubstantiated
03-114	IN	Alleged breach of patient confidentiality (HIPAA)	Unsubstantiated
03-115	INA	Alleged conflict of interest	Assisted DMS
03-116	MA	Alleged public mistreatment and refusal of services	Referred to Management
03-117	MA	Alleged failure to enforce codes	Referred to Management
03-118	MA	Alleged falsification of timesheet	Referred to Management
03-119	IN	Alleged conduct unbecoming of state employee	Unsubstantiated
03-120	MA	Alleged Worker's Compensation Fraud	Referred to Management
03-121	IN	Alleged misuse of state resources	Unsubstantiated
03-122	RF	Alleged medical neglect	Referred to CMA
03-123	IN	Alleged retaliation	Unsubstantiated
03-124	PI	Alleged breach of confidentiality	Unsubstantiated
03-125	IN	Alleged CMS doctor trying to launder money	Unsubstantiated
03-126	IN	Alleged accessing of pornography with a state computer	Unsubstantiated
03-127	PI	Alleged wrongful death	Unsubstantiated
03-128	IN	Alleged fraud	Substantiated
03-129	INA	Alleged hostile email to an employee	Assisted SCHD
03-130	MA	Alleged suspicious incident involving DOH computer	Referred to Management
03-131	PI	Alleged suspicious incident involving DOH computer	Unsubstantiated
03-132	PI	Alleged fraud	Unsubstantiated
03-134	IN	Alleged conflict of interest – Day Care	Unsubstantiated

Legend	IN - Investigation	NF – Information Only	RF – Referral	PI – Preliminary Inquiry
	MA – Management Advisory	INA – Investigative Assist	RR – Risk Review	WB – Whistle-blower

Number	Type	Alleged Subject	Disposition
03-135	MA	Alleged wrongful termination/reprisal	Referred to Management
03-136	PI	Alleged retaliation	Unsubstantiated
03-137	RF	Alleged illness from outdated baked goods	Referred to ACS
03-138	IN	Alleged unethical behavior/conflict of interest	Unsubstantiated
03-139	RF	Alleged sexual harassment	Unsubstantiated
03-140	MA	Alleged non-consideration of employment	Referred to Management
03-141	IN	Alleged problems obtaining septic tank permits/inspections	Substantiated
03-142	PI	Alleged hostile work environment	Unsubstantiated
03-143	PI	Alleged refusal for help	Unsubstantiated
03-144	PI	Alleged HIPAA violation	Unsubstantiated
03-145	IN	Alleged retaliation	Unsubstantiated
03-146	PI	Alleged computer malfeasance	Unsubstantiated
03-147	PI	Alleged refusal to give client medical records	Unsubstantiated
03-148	MA	Alleged sabotage of child care center's business	Referred to Management
03-149	MA	Alleged falsification of timesheet	Referred to Management
03-150	IN	Alleged misuse of state vehicle, improper disposal & use of state property	Substantiated
03-151	MA	Alleged promotion for sexual favors & selling guns on CHD property	Referred to Management
03-152	MA	Alleged resolution to complaint is taking too long	Referred to Management
03-153	IN	Alleged inappropriate use of state facility & abuse of state time	Unsubstantiated
03-154	IN	Alleged HIPAA violation	Unsubstantiated
03-155	PI	Alleged misuse of state funds	Unsubstantiated
03-156	PI	Alleged violation of HIPAA	Substantiated
03-157	RF	Alleged misconduct of employees	Referred to DCF
03-158	MA	Alleged improper documentation of medical record	Referred to Management
03-159	IN	Alleged breach of confidential information	Unsubstantiated
03-160	IN	Alleged misconduct by employees of DOR	Unsubstantiated
03-161	MA	Alleged refusal to give free flu shots	Unsubstantiated
03-162	RF	Alleged bad medical care at hospital	Referred to AHCA
03-163	MA	Alleged insurance fraud	Referred to Management
03-164	RF	Alleged impersonations	Referred to DCF
03-165	IN	Alleged HIPAA violation	Unsubstantiated
03-166	IN	Alleged HIPAA violation	Unsubstantiated
03-168	NF	Alleged compromise of patient confidentiality	Monitored through CHD
03-169	NF	Alleged illness from food served by non-restaurant facility	Information recorded for possible future use
03-170	IN	Alleged improper use of P-card and conflict of interest	Substantiated
03-171	PI	Alleged printing inappropriate materials	Unsubstantiated
03-172	MA	Alleged mismanagement at CHD	Referred to Management
03-173	PI	Alleged retaliation for filing grievance	Unsubstantiated
03-174	NF	Alleged computer misuse/abuse	Information only
03-175	MA	Alleged malpractice	Referred to Management
03-176	INA	Alleged theft of laptop	Assisted Law Enforcement
03-177	IN	Alleged breach of confidential client information	Unsubstantiated
03-178	PI	Alleged refusal for treatment	Unsubstantiated
03-179	IN	Alleged unethical behavior	Substantiated
03-180	PI	Alleged verbal abuse from supervisor	Unsubstantiated
03-181	INA	Alleged misuse of state computer	Information recorded for possible future use
03-182	IN	Alleged threats to harm staff	Unsubstantiated
03-183	RF	Alleged improper procedures at hospital	Referred to AHCA
03-184	PI	Alleged denial of leave for medical appointments	Unsubstantiated
03-185	MA	Alleged rude treatment by CHD staff	Referred to Management
03-186	NF	Alleged abuse of position	Information only
03-187	MA	Alleged WIC fraud by clients	Referred to Management
03-189	IN	Alleged HIPAA violation	Substantiated
03-191	PI	Alleged mismanagement, misconduct, etc.	Unsubstantiated
03-192	NF	Alleged missing medication	Information only
03-193	MA	Alleged discrepancy with time reporting	Referred to Management
03-194	MA	Alleged inappropriate behavior by medical staff	Referred to Management
03-195	MA	Alleged felony employee	Referred to Management
03-199	MA	Alleged failure to provide vaccinations	Referred to Management
03-200	IN	Alleged improper medical care	Unsubstantiated
03-201	IN	Alleged inappropriate behavior of state employee	Unsubstantiated

Legend	IN - Investigation	NF – Information Only	RF – Referral	PI – Preliminary Inquiry
	MA – Management Advisory	INA – Investigative Assist	RR – Risk Review	WB – Whistle-blower

Number	Type	Alleged Subject	Disposition
03-202	INA	Alleged inappropriate use of email	Information recorded for possible future use
03-203	MA	Alleged inappropriate storage of medical records	Referred to Management
03-204	MA	Alleged confusion regarding flu vaccine	Referred to Management
03-205	PI	Alleged abuse of state computer	Unsubstantiated
03-207	MA	Alleged unlicensed services	Referred to Management
04-001	PI	Alleged malware activity	Unsubstantiated
04-002	MA	Alleged inappropriate behavior	Referred to Management
04-003	PI	Alleged misuse of leave policy	Substantiated
04-004	PI	Alleged accessing of pornography with a state computer	Substantiated
04-005	PI	Alleged misuse of state equipment	Substantiated
04-006	PI	Alleged accessing of pornography with a state computer	Substantiated
04-007	PI	Alleged misuse/abuse of state equipment	Substantiated
04-009	MA	Alleged breach of confidential information	Referred to Management
04-010	MA	Alleged poor dental treatment	Referred to Management
04-011	RF	Alleged unsanitary conditions	Referred to DBPR
04-012	PI	Alleged failure to report LWOP	Substantiated
04-013	IN	Alleged conflict of interest	Unsubstantiated
04-014	MA	Alleged withholding of refund	Referred to Management
04-015	INA	Alleged harassing e-mail	Assisted FDLE
04-016	MA	Alleged inappropriate behavior by state employees	Referred to Management
04-017	PI	Alleged misuse/abuse of state computer	Substantiated
04-018	NF	Alleged theft of hydrocodone tablets	Monitored by CHD
04-020	PI	Alleged unprofessional behavior by state employees	Substantiated
04-021	NF	Alleged problems with management	Monitored by EEO
04-023	MA	Alleged fraudulent hiring process	Referred to Management
04-024	RF	Alleged improper medical care	Referred to AHCA
04-025	IN	Alleged misuse/abuse of state equipment	Substantiated
04-026	INA	Alleged misuse/abuse of state equipment	Assisted CHD
04-027	PI	Alleged unauthorized disbursement of prescriptive meds	Unsubstantiated
04-028	NF	Alleged illegal/immoral practice in hospital	Monitored by AHCA
04-029	MA	Alleged problems with hospital	Referred to Management
04-030	PI	Alleged investigative costs	Substantiated
04-031	NF	Alleged problem viewing medical records	Information only
04-032	MA	Alleged patient/employee safety issues	Referred to Management
04-033	MA	Alleged refusal to release medical records	Referred to Management
04-034	RR	Alleged anticipation of litigation	Information only
04-035	PI	Alleged problem with grievance process	Unsubstantiated
04-037	MA	Alleged mismanagement and discrimination	Referred to Management
04-038	PI	Alleged public assistance fraud	Unsubstantiated
04-039	MA	Alleged abuse of state time	Referred to Management
04-040	NF	Alleged hostile working environment and reprisal	Monitored by CMS
04-041	IN	Alleged travesty against disadvantage children	Unsubstantiated
04-042	IN	Alleged breach of procurement regulations	Substantiated
04-043	PI	Alleged unlicensed activity	Unsubstantiated
04-044	RF	Alleged licensing under false pretenses	Referred to Radiation Control
04-045	MA	Alleged fraud	Referred to Management
04-046	MA	Alleged inappropriate behavior by physician	Referred to Management
04-048	RF	Alleged unclean restaurant	Referred to DBPR
04-050	IN	Alleged unfair labor practice	Unsubstantiated
04-051	MA	Alleged unfair employee practices/discrimination	Referred to Management
04-052	MA	Alleged bad behavior	Referred to Management
04-053	IN	Alleged misfeasance/malfeasance	Unsubstantiated
04-054	MA	Alleged inappropriate treatment of clients, etc.	Referred to Management
04-055	PI	Alleged discrepancies with HC District	Unsubstantiated
04-059	PI	Alleged outstanding warrants	Unsubstantiated
04-060	NF	Alleged concerns regarding medical attention	Monitored by AHCA
04-061	IN	Alleged identity theft	Substantiated
04-062	IN	Alleged misuse/abuse of state equipment	Substantiated
04-063	INA	Alleged misuse/abuse of state equipment	Management review was done
04-064	INA	Alleged misuse/abuse of state equipment	Assisted CHD
04-065	PI	Alleged vandalism of state property	Unsubstantiated
04-067	MA	Alleged favoritism	Referred to Management
04-068	MA	Alleged denial of insurance coverage	Referred to Management
04-069	PI	Alleged poor management	Substantiated

Legend	IN - Investigation	NF – Information Only	RF – Referral	PI – Preliminary Inquiry
	MA – Management Advisory	INA – Investigative Assist	RR – Risk Review	WB – Whistle-blower

Number	Type	Alleged Subject	Disposition
04-070	MA	Alleged bad service	Referred to Management
04-071	PI	Alleged wrongful termination	Unsubstantiated
04-072	PI	Alleged possible violation of participation in outside activities	Unsubstantiated
04-074	MA	Alleged discrimination	Referred to Management
04-075	PI	Alleged use of controlled substance	Substantiated
04-076	MA	Alleged altering of prescriptions	Referred to Management
04-078	PI	Alleged misappropriations of state funds	Substantiated
04-083	PI	Alleged destruction of original timesheets	Unsubstantiated
04-086	MA	Alleged inappropriate use of alcohol	Referred to Management
04-087	MA	Alleged failure to provide medical records	Referred to Management
04-088	IN	Alleged misuse of Internet	Substantiated
04-089	MA	Alleged rudeness by CHD employee	Referred to Management
04-090	MA	Alleged refusal to provide medical records	Referred to Management
04-092	PI	Alleged harassing emails	Substantiated
04-095	RF	Alleged medical discrimination	Unsubstantiated
04-096	RF	Alleged long wait for reimbursement	Referred to MQA
04-098	PI	Alleged posing as DOH employee	Unsubstantiated
04-100	MA	Alleged gross mismanagement	Referred to Management
04-101	INA	Alleged prescription by FL physician	Assisted CHD
04-102	MA	Alleged misuse of state phone	Referred to Management
04-104	PI	Alleged wrongful termination	Unsubstantiated
04-105	MA	Alleged inappropriate behavior	Referred to Management
04-108	NF	Alleged abuse and mistreatment of female employees	Information only
04-109	MA	Alleged falsification of records	Referred to Management
04-112	PI	Alleged installation of unauthorized software	Unsubstantiated
04-113	RF	Alleged unethical program: "No Abuse, Inc."	Referred to DCF
04-114	RF	Alleged denial of insurance claims	Referred to AHCA and MQA
04-116	MA	Alleged medical malpractice	Referred to Management
04-118	MA	Alleged mold problem	Referred to Management
04-119	MA	Alleged medical malpractice	Referred to Management
04-123	NF	Alleged unbecoming of state employee	Unsubstantiated
04-124	NF	Alleged abuse of overtime	Information only

Legend	IN - Investigation	NF – Information Only	RF – Referral	PI – Preliminary Inquiry
	MA – Management Advisory	INA – Investigative Assist	RR – Risk Review	WB – Whistle-blower