



FLORIDA DEPARTMENT of

**management  
SERVICES**

We serve those who serve Florida



# Office of Inspector General

Annual Report

Fiscal Year ending June 30, 2014



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Rick Scott, Governor

Craig J. Nichols, Agency Secretary

Sept. 30, 2014

Craig J. Nichols, Secretary  
Department of Management Services  
4050 Esplanade Way, Suite 285  
Tallahassee, FL 32399-0905

Melinda Miguel, Chief Inspector General  
Executive Office of the Governor  
The Capitol  
Tallahassee, FL 32399-0001

Secretary Nichols and Chief Inspector General Miguel:

I am pleased to submit our annual report on the activities of the Office of Inspector General for the fiscal year ending June 30, 2014, as required by section 20.055, Florida Statutes.

The annual work plan portion of the report includes planned projects for the current fiscal year and our projected activities for the next two fiscal years. Our work plan is risk-based to provide the most effective coverage of the department's programs, processes, systems and contracts with outside entities. Our risk analysis is based on surveys and meetings with key department managers and a risk assessment performed by the Office of Inspector General's staff.

The activities outlined in our work plan for fiscal year 2014-15 address the major operations of the department and optimize the use of our resources. We have reserved approximately 20 percent of internal audit time for management assistance projects, including those that may be requested by either of your offices.

We look forward to working with you and our fellow employees in meeting the challenges and opportunities that face the department. Thank you for your continued support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Walter Sachs", is written over a white background.

Walter Sachs  
Inspector General

Office of Inspector General  
Walter Sachs, Inspector General  
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*"Promoting effectiveness, efficiency, and quality"*

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# Introduction

Section 20.055, Florida Statutes (F.S.), establishes the Office of Inspector General (OIG) within each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity and efficiency in government.

This annual report is presented to the Secretary and the Chief Inspector General to comply with statutory requirements and to provide department staff and interested parties with information on the OIG's progress in accomplishing its mission.

During 2014, the Florida Legislature passed CS/CS/HB 1385 and the Governor signed the act into law on June 13, 2014. Among other revisions to section 20.055, F.S., this legislation revised the reporting requirement for Inspectors General in agencies that report to the Governor. As of July 1, 2014, the Inspector General reports to the Chief Inspector General in the Governor's Office; however, the Inspector General remains under the direct supervision of the agency head. The legislation did not revise the annual reporting requirement found in subsection 20.055(7), F.S., other than to add the Chief Inspector General as an additional recipient of the annual report.

## Mission Statement

Our mission is to promote effectiveness, efficiency and quality within the Department of Management Services. We provide independent reviews, assessments and investigations of department programs, activities and functions to assist the department in accomplishing its overall mission "providing smarter, better, faster services" to its customers.

## Duties and Responsibilities

The Office of Inspector General's duties and responsibilities include the following:

- Advise in the development of performance measures, standards and procedures for the evaluation of agency programs;
- Assess the reliability and validity of performance measures and standards and make recommendations for improvement;
- Review actions taken to improve program performance; meet program standards and make recommendations for improvement;
- Provide direction for, supervise and coordinate audits, investigations and management reviews related to department programs and operations;
- Keep the department Secretary informed of and recommend corrective action concerning fraud, abuse and deficiencies relating to agency programs and operations; monitor and report to the Secretary on progress made in implementing corrective action;
- Review rules relating to agency programs and operations;
- Receive complaints and coordinate all activities of the agency as required by the Whistleblower's Act; for complaints that do not meet the criteria for an investigation under the Whistleblower's Act; conduct, supervise, or coordinate such inquiries, investigations, or reviews, as appropriate;
- Initiate, conduct, supervise and coordinate investigations designed to detect, deter, prevent and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government;
- Ensure that an appropriate balance is maintained between audit, investigative and other accountable activities;
- Comply with the General Principles and Standards for Offices of Inspector General as published by the Association of Inspectors General;
- Perform Level II background screening activities for onboarding department employees and some contractors' employees; and,
- Conduct retirement compliance audits in accordance with section 121.193, F.S.

## Department Services Are Diverse

The Department of Management Services is a customer-focused agency responsible for providing a diverse complement of products and services to state agencies, employees and other entities that serve the citizens of Florida. As the administrative arm of state government, the department has responsibility to:

- Consolidate the state's buying power for the purchase of commodities and services;
- Serve as the centralized authority for operation, maintenance and construction of state-owned facilities and oversight of the state's process for leasing privately owned space;
- Manage the acquisition, use, operation, maintenance and disposal of state-owned and operated motor vehicles, watercraft and heavy equipment;
- Coordinate the procurement and distribution of available federal surplus assets;
- Contract for and monitor the effective and efficient operation and maintenance of private correctional facilities;
- Develop human resource policies, practices and strategies designed to attract and support the employees who serve the people of Florida;
- Provide a high-quality, competitive portfolio of insurance products and services for the state workforce;
- Administer the statewide retirement program and monitor the actuarial soundness of local government retirement plans; and,
- Provide quality and cost-effective telecommunications and radio services statewide to public entities that serve Florida's citizens.

The varied nature of department programs and activities requires a unique approach to conducting OIG reviews, audits and investigations. While some agencies audit the same subject matter from year to year, our auditors and investigators are engaged in different functional areas from one review to the next. This diverse operational environment fosters a continual learning and educational process for OIG staff.

## Affiliated Entities

The department uniquely hosts several affiliated entities under its support umbrella including the Division of Administrative Hearings (DOAH), the Florida Commission on Human Relations (FCHR), the Public Employees Relations Commission (PERC), Northwood Shared Resource Center (NSRC), and Southwood Shared Resource Center (SSRC). New legislation passed by the 2014 Legislature, and signed into law by the Governor, creates the Agency for State Technology (AST), which is also administratively affiliated with the department. The Agency for State Technology will include all of the resources from NSRC and SSRC.

The department routinely enters into Memorandums of Understanding (MOU) with each affiliated entity to document the support relationships and administrative services provided. During fiscal year 2013-14, OIG services were formally agreed to in both the NSRC and SSRC MOUs. With the establishment of the new AST, the need for services for both NSRC and SSRC will be reduced as that agency will have its own Inspector General component. While not formally arranged for in the MOU with FCHR, OIG services were provided for both internal audit support as well as investigations. The Executive Director at FCHR requested that OIG services be made part of the fiscal year 2014-15 MOU. The department does not provide support services through an MOU to either DOAH or PERC; however, we have provided investigatory services to DOAH when requested.

## A Risk-Based Program

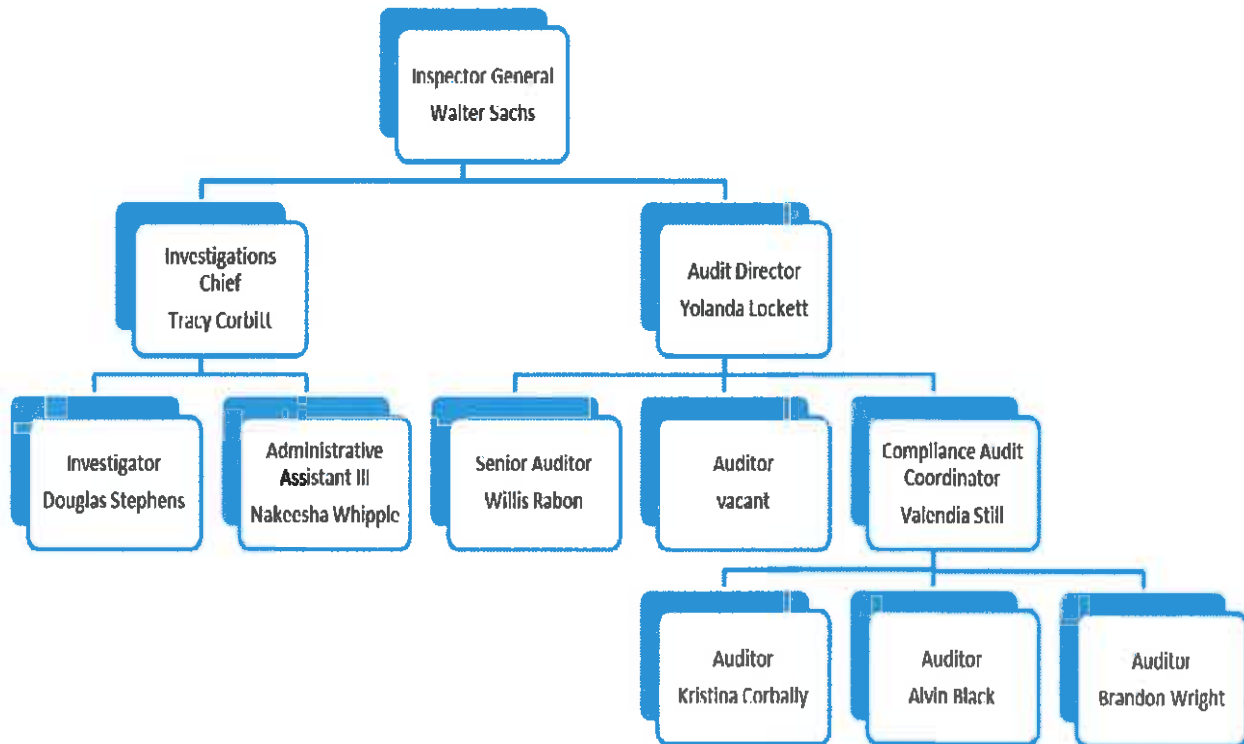
The OIG conducts a comprehensive, annual risk assessment to help ensure that we provide adequate audit coverage of the department's many programs and activities. The risk assessment helps ensure that we remain responsive to management issues and concerns and identify and schedule for review those programs and activities that pose the greatest risk to the department.

The risk assessment process for fiscal year 2014-15 included one-on-one interviews with senior leaders, staff surveys, and brainstorming workshops. Subsequently, the OIG conducted a review of past audits, reviews, and investigations to refine the risk profile for the agency.

The results of the risk assessment process, along with a tentative audit plan, were shared with the leadership team and the audit plan was finalized and submitted to Secretary for review and approval. The completed plan was submitted to the Chief Inspector General and the Auditor General in accordance with subsection 20.055(5)(i), F.S.

## OIG Organization and Staff

To carry out our duties and responsibilities, the OIG is organized into two sections: Internal Audit and Investigations. The OIG has a staff of 11 positions. Our organizational structure is shown below:



The Compliance Audit unit (four FTEs) performs the activities authorized by section 121.193, F.S. This unit conducts audits of the payroll and personnel records of agencies participating in the Florida Retirement System. These audits determine the accuracy of reports submitted to the department and to assess the degree of compliance with applicable statutes, rules and coverage agreements. Audits are scheduled on a regular basis, as the result of concerns known to exist at an agency, or as a follow-up to ensure agency action was taken to correct deficiencies found in an earlier audit.

Office of Inspector General employees have a wide range of experience in both the public and private sectors. Staff members have supervised and conducted audits or investigations at state and local levels, as well as private industry. Office of Inspector General staff have backgrounds and experience in accounting, auditing, law enforcement, program evaluation, management, and computer science.

## OIG Staff Certifications

Office of Inspector General staff hold the following professional certifications:

- 1 – Certified Inspector General
- 1 - Certified Inspector General Investigator
- 1 - Certified Internal Auditor
- 2 - Certified Information Systems Auditors
- 1 – Certified Data Processor
- 1 - Certified Public Manager
- 1 – Certified Project Management Professional

## Foundational Obligations

### Internal Audit

Internal Audit staff performs independent audits, reviews and examinations to identify, report, and recommend corrective actions for control deficiencies or non-compliance with applicable laws, policies and procedures. Staff also conducts performance audits to evaluate and make recommendations to improve the effectiveness and efficiency of department programs, activities and functions.

Audits are conducted in accordance with the current International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors, Inc. Financial audits may be subject to the standards for generally accepted auditing standards promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants. Office of Inspector General audit reports are submitted to the department Secretary and Auditor General and distributed to the Office of the Chief Inspector General, department managers and others, as appropriate.

The Internal Audit section's major functions are to:

- Conduct Performance Audits to ensure the effectiveness, efficiency and economy of department programs. Elements of financial, compliance and information systems audits are often included within the scope of such audits;
- Conduct Compliance Audits to assess external agencies' compliance with statutes and rules pertaining to participation in the Florida Retirement System (FRS). This activity includes providing technical assistance to agencies in meeting FRS participation and reporting requirements;
- Provide Management Assistance Services to advise management on emerging issues and concerns;
- Coordinate Audit Responses and Conduct Follow-ups to findings and recommendations made internally by the OIG and externally by the Auditor General, Office of Program Policy Analysis and Government Accountability (OPPAGA), and other oversight units; and,
- Assist management with the development of Performance Measures and assess the reliability and validity of information provided by the department on performance measurement and standards.

### Internal Investigations

The mission of the Internal Investigations section is to protect Florida taxpayers through independent, fair and objective investigative activities designed to detect, deter and prevent fraud, waste and abuse impacting department operations.

In fulfilling its mission, the section investigates complaints of alleged violations of law, rule or policy committed by department employees and contractors. Complaints are filed by department employees, other agencies, and the public, and the section may receive them in a variety of ways; for example, through regular mail, email, telephone calls, or in person. The section may receive complaints submitted through the Whistleblower's Hotline, the Comptroller's Get Lean Hotline, the Office of the Chief Inspector General, and the Governor's Office. The department has a memorandum of understanding with several independent agencies to provide them with Office of Inspector General investigative services.

A thorough fact-finding investigation determines whether an alleged violation of law, rule or policy actually happened. These investigations may include witness(es) and subject interviews, review of documentation, such as department email and internal records, or through observation.

When an allegation is proved by a preponderance of the evidence (greater than 50 percent) showing the alleged violation occurred, Internal Investigations publishes a report and the department uses it, in part, for the basis of any disciplinary or corrective action to be taken. For informational purposes, the section publishes reports of allegations not resulting in proved findings.

Internal Investigations sends all reports in which a Department of Management Services employee is the subject of the investigation to the department's Secretary, Chief of Staff, Director of Human Resources, Office of General Counsel, and the director of the division in which the subject of the investigation is employed. Cases involving criminal activity are referred to the appropriate law enforcement agency, such as the Florida Department of Law Enforcement.

When a complaint is filed without enough specificity to determine whether an investigation should be opened, but is of serious enough nature as to require fact finding to determine if an investigation is warranted, the section opens a preliminary inquiry case.

The Internal Investigations section may receive complaints that, after analysis, are determined to be below the level requiring an Office of Inspector General investigation. The section classifies these complaints as management referral cases and sends them to the appropriate division director for handling. The section monitors the case to ensure the division addresses the complaint.

Department management or other agencies may request assistance from OIG for the Internal Investigations section's expertise in areas such as interviewing and document analysis. Such requests are handled as management support cases. After the Internal Investigations completes the case, it reports the findings to the requesting entity.

There are times when a vendor or contractor with the department is convicted of a crime that may make the entity ineligible to do business with the State of Florida. When the Office of Inspector General receives notice of such a conviction, it opens a Public Entity Crime case, gathers information regarding the conviction, and sends the information to the appropriate division within the department.

The Internal Investigations section is responsible for handling background screenings on persons selected for employment with the Department of Management Services, several independent agencies and some vendors. Background screenings involve running of a criminal record check and may require the potential employee to visit the Office of Inspector General for fingerprinting.

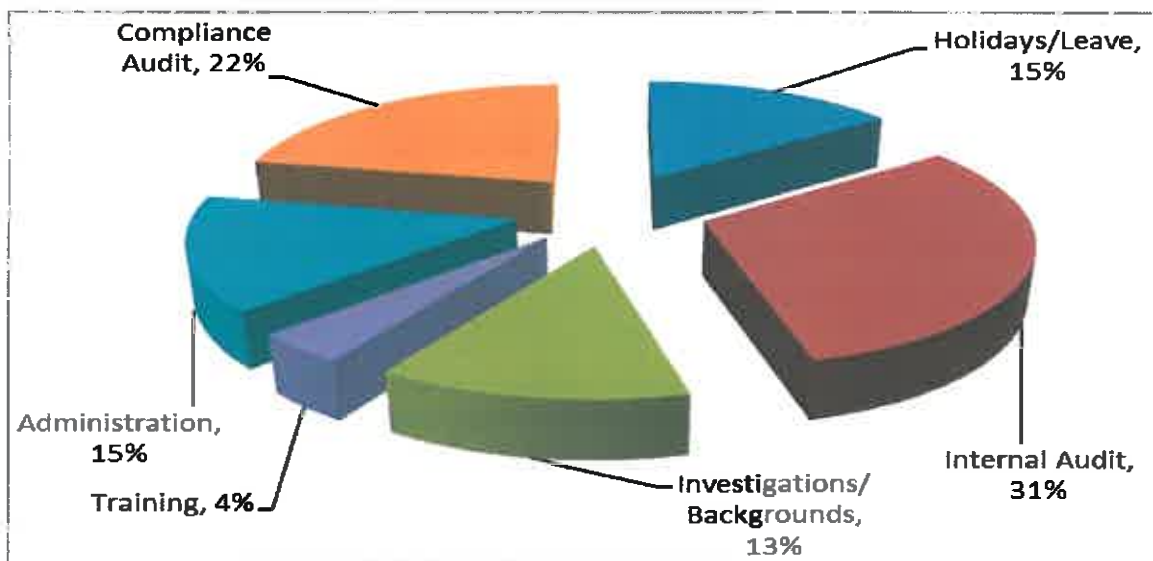


## Accomplishments

During fiscal year 2013-14, the OIG accomplished the following work:

Activity	Quantity	Potential Cost Savings/ Recovery/ Avoidance/ Questioned Costs
Compliance Reviews (Retirement)	116	\$251,713
Special Reviews (Retirement)	5	\$238,156
Performance Audits	1	
Management Reviews	2	
Response Coordination	9	
Audit Follow-ups	4	
Investigations	11	
Background Inquiries	1,411	

To accomplish our goals, the OIG used personnel time resources as shown in the following chart:



## Summary of Major Activities

### Performance Audits

The Internal Audit section completed one performance audit in fiscal year 2013-14. All completed reports are available online at: [http://www.dms.myflorida.com/agency\\_administration/inspector\\_general/publications](http://www.dms.myflorida.com/agency_administration/inspector_general/publications)

The following are highlights of the audit completed during the past fiscal year.

*SUNCOM Telecommunications Network Operations - Report No. IA 2013-2336*

The audit's overall objective was to determine if SUNCOM is providing telecommunications services to Florida Government at reduced costs. The specific audit objectives were to determine whether:

- Outsourcing the billing and collections functions of SUNCOM to a Telecom Expense Management contractor could realize additional cost savings.
- SUNCOM costs are accurately allocated to customers.

The auditors determined that:

- The division has the opportunity to reduce costs and improve business processes involving network ordering, inventory, invoicing, and collection functions of the SUNCOM network by outsourcing these functions to a Telecom Expense Management vendor.
- The division can improve the current cost allocation methodology by implementing changes to its employee time management system.

The audit recommended:

1. **Total Telecom Cost Management**
  - conduct an in-depth analysis to determine its operational costs associated with invoicing
  - consider preparing a business case in accordance with section 287.0571, Florida Statutes, as initial steps in determining the feasibility of outsourcing the invoicing function
2. **Development of OaSIS**
  - determine if the OaSIS project will continue as implemented through 2016 as a part of their analysis for outsourcing
  - work with the Office of Information Technology and the CIO to implement a more formal system development methodology for use in maintaining the OaSIS application
  - maintain formal documentation of such methodology
3. **Time Recording**
  - all employees, contractors, and OPS staff record their direct time worked on a project on a bi-weekly basis
  - employees should utilize the PeopleFirst time system to record individual project codes
4. **Indirect Costs**
  - continue to not fund the costs of MyFlorida Portal through the SUNCOM cost model
5. **Formal Agreements**
  - create a formal agreement with SUNCOM customers, guaranteeing the level of business that is to be expected
6. **Telecommunications Consultants**
  - associate each consultant with work directly related to the CSAs generated
  - develop specific and measurable work standards which include a method of linking a consultant with each and every CSA to enhance performance accountability and the division's ability to assess the value
7. **Preparation of Annual Report**
  - consider changing their report to correspond with other financial and information reports the department prepares
8. **Establishing Pricing for Services when Negotiating for SUNCOM Contracts**
  - formalize a documented rate setting or pricing process that includes justification for determination and negotiating pricing strategies

## Compliance Audits

During fiscal year 2013-14, the OIG completed 116 compliance audits of local government participants in the Florida Retirement System. These reviews resulted in revenue adjustments of \$251,713 to the retirement system trust fund. Compliance audits consist mainly of reviews of payroll records, personnel files, and earnings records.

Compliance audits are performed at participating entities such as:

• County Commissions	• County Sheriffs
• County Property Appraisers	• County Supervisors of Elections
• County Tax Collectors	• Community/State Colleges
• County School Boards	• Cities and Special Districts
• County Clerks & Comptrollers	• Charter Schools

Compliance Audit staff also completed five special reviews. These reviews identified the continued eligibility of payees and joint annuitants age 100 and older, the eligibility of payees and joint annuitants living outside of the U.S., and provided management with address and death data for vested terminated members, certain members approaching required minimum distribution age, and nationwide death date search for the entire state retired payroll. These reviews resulted in a recurring cost avoidance of \$238,156.

## Management Reviews

The Internal Audit section completed two Management Reviews during fiscal year 2013-14, as follows:

### Office of Supplier Diversity

The Internal Audit section conducted a review of the business processes used by the Office of Supplier Diversity to approve and maintain certified minority business enterprises. Also, the review included an analysis of existing technology solutions and opportunities for improvement. Based on the results of the review, the section made conclusions and recommendations regarding existing business processes and technology solutions.

### FSECC Campaign Contract Requirements

The Internal Audit section conducted a review of the existing contract for coordinating employee contributions for the annual FSECC. The review was designed to identify areas where internal controls can be improved in preparation for the upcoming procurement process.

### Northgate Arinso (NGA) Security Plan Review:

The Internal Audit section completed a review of the NGA security plan. As a part of this review, the section compared the plan to key standards and best practice components for a security plan. The section provided Management with observations and recommendations to improve the plan in the upcoming contract.

### Transaction Fee Modeling for the Purchasing Operating Trust Fund:

The Internal Audit section completed a review of the Transaction Fee Modeling for the Purchasing Operating Trust Fund aimed at reducing the excess balances in the trust fund. The model was designed to reduce the vendor transaction fee for the use of MFMP system and to adjust the fee structure for the Purchasing Card program. The section provided management with recommendations to help support the assumptions in the model prior to the department including the model in its submission of a request for this policy change.

## Response Coordination and Follow-up

In fiscal year 2013-14, the OIG coordinated the department's response to seven audits issued by the Auditor General. The audits contained a total of 25 recommendations to the department or affiliated agencies. Additionally, the OIG coordinated two reviews from the OPPAGA and one review performed by the Department of Financial Services. External reviews are listed in Appendix A. The OIG also performed statutorily required follow-up reviews of the status of implementation of 38 recommendations contained in six Auditor General reports (see Appendix B).

In addition to statutorily required follow-ups, we periodically review unresolved audit recommendations. In fiscal year 2013-14, the OIG followed up on two outstanding internal audit recommendations from one previously issued report. Both recommendations are still unresolved. It is the OIG's practice to continue to monitor outstanding recommendations until implemented or until management accepts the risk of not implementing the recommendations.

## Internal Investigations Section

During fiscal year 2013-14, the Internal Investigations section closed the following case types:

<b>Investigations</b>	<b>11</b>
<b>Preliminary Inquiries</b>	<b>7</b>
<b>Management Referrals</b>	<b>26</b>
<b>Management Supports</b>	<b>22</b>
<b>Law Enforcement Referrals</b>	<b>2</b>
<b>Public Entity Crime/Convicted Vendor</b>	<b>7</b>
<b>Background Screenings</b>	<b>1,411</b>

## Summary of Investigations:

### Cases opened in fiscal year 2012-13, but closed in fiscal year 2013-14

- Case Number I.18.2013.2339: An upper-level-management employee with a contracted entity was accused of failing to properly manage the program run by the entity. The allegation was disproved. Another upper-level-management employee with the same contracted entity was accused of failing to follow the entity's product assignment policies and procedures. The allegation was proved. The employee was counselled and transferred to another position within the entity.
- Case Number II 29.67.2013.2384: An employee was accused of failing to complete a requisite Telecommuting Agreement Form and used telecommuting as a substitute for child care. The allegations were proved, but the employee was not disciplined, as the employee had verbal supervisory approval for the actions. The supervisor did require the employee to complete the requisite form.
- Case Number II 1.69.2013.2388: A contracted entity management level employee was accused of displaying conduct unbecoming a public employee by failing to be courteous and respectful in dealing with a coworker and by targeting the coworker in an attempt to have the coworker's employment terminated. It was also alleged the employee failed to maintain a high standard of impartiality in dealing with the coworker by requiring the coworker receive a 10 percent salary reduction upon demotion when at least one other demoted employee did not receive a salary reduction. Both allegations were disproved.

### Cases Opened and Closed in fiscal year 2013-14

- Case Number II 1.55.2014.8: An employee was accused of engaging in sexual harassment in the workplace by demonstrating unwelcome conduct that interfered with an individual's work performance or created an intimidating, hostile or abusive work environment, specifically to some of the tenants in the Carlton building by having inappropriate sexual conversations with them. The employee was also accused of conduct unbecoming a public employee by failing to be courteous, considerate and respectful in dealing with customers, specifically to some of the tenants in the Carlton building by having inappropriate sexual conversations with them; and, in failing to use good judgment when using state equipment, time and resources, as authorized, specifically by having sexual relations in the office. Both allegations were proved and the employee was terminated.
- Case Number II 1.55.2014.19: An employee was accused of failing to abide by the law by committing theft of leftover construction materials belonging to the State of Florida. The employee was also accused of displaying conduct unbecoming a public employee by giving the materials to a relative and failing to admit to taking the materials when asked by management. Both allegations were proved and the employee received a 40-hour suspension without pay.
- Case Number II 1-6-2014-39: Management of a corporation contracted to run a correctional facility was accused of requiring instructors to falsify inmate class attendance records by allowing inmates to sign in as attending a class session they did not attend, and then submitting the false inmate class attendance records as evidence of meeting contractually required attendance numbers. The allegation was disproved.
- Case Number II 1-32-2014-49: An affiliated agency employee was accused of displaying conduct unbecoming a public employee by not being honest when, as a basis for approval for Family Supportive Work Program (FSWP) leave, provided management with verbal and written information falsely representing being in south Florida assisting an ill parent with daily living. The employee was also accused of failing to properly use leave by claiming FSWP leave for hours spent conducting activities unrelated to approved FSWP. Both allegations were proved and the employee was terminated.

- **Case Number II 1-32-2014-63:** An employee was charged with conduct unbecoming a public employee for addressing personal matters with a subordinate during a work performance counselling session. The allegation could neither be proved nor disproved; thus, was given an inconclusive categorization. The employee was also charged with conduct unbecoming a public employee; violation of laws, rules or policies; and theft, for using state equipment, resources and work time as well as subordinates work time, to fabricate items for the employee's personal use. The allegation was proved and the employee was terminated.
- **Case Number II 1-32-2014-78:** Four allegations were made against an employee. First, it was alleged the employee demonstrated poor performance and created an unsafe work environment by failing to follow security procedures at the prison where the employee worked and allowing others to do the same. The allegation was proved. Second, it was alleged the employee sexually harassed one of the prison employees. The allegation was inconclusive. Third, the employee was accused of displaying conduct unbecoming by failing to treat a coworker in a courteous, considerate or respectful manner by taking the coworker's photograph without permission, failing to delete the photograph when requested, and using the photograph as part of an ongoing teasing of the coworker. The allegation was proved. Fourth, the employee displayed misconduct and created an appearance of impropriety by sending unwelcomed non-work-related text messages to a coworker's personal cell telephone. The allegation was proved. The employee resigned in lieu of termination.
- **Case Number II 1-32-2014-82:** An employee of an affiliated agency was accused of displaying conduct unbecoming a public employee by discriminating against a subordinate based upon race, sex and age. The allegation was disproved.
- **Case Number II 1-32-2014-106:** An employee was accused of conspiring with the employee's spouse by assuming a fictitious name and representing self to be the spouse's previous employment supervisor at the Department of Financial Services, in order to provide the spouse with a favorable employment reference in an attempt to aid the spouse in gaining employment with the Agency for Health Care Administration. The allegation was proved and the employee terminated.

## Performance Measurement

The OIG participated in the review of three requests for modifications to the performance measures contained in the department's Long Range Program Plan document. The OIG continued to review and advise department programs on the development of performance measures and standards and to ensure the department accomplished the recommended revisions.

## Continuing Projects

The OIG staff also assist the department in other ways. Staff participated in the following departmental activities during the past year:

### Computer Security Incident Response Team (CSIRT)

The CSIRT is a first-responder unit that performs vital functions in regards to mitigating and investigating apparent information security incidents to minimize damage to the department's computer systems, networks and data. The CSIRT activities are available 24 hours per day and seven days per week.

The OIG is a core member of the CSIRT team for the department. As part of this response team, the CSIRT duties include the following:

- Convene as required upon notification of a reported computer security incident;
- Respond to activities that might interrupt the Information Technology services;
- Classify agency security incidents;
- Maintain confidentiality of information related to computer security incidents;
- Perform all investigative activities; and,
- Refer any suspected criminal activity to the appropriate law enforcement agency.

### Background Investigations

The OIG has the responsibility of conducting the fingerprinting and reviewing of criminal histories for any employees being hired or promoted within DMS or its affiliated agencies. Additionally, some contractors who are filling positions of special trust are required to have background screenings. Background investigations or fingerprinting of employees in positions of special trust are conducted in accordance with established procedures of the OIG and sections 110.1127 and 435.04, F.S.

The OIG is also the custodian of background investigation records. The OIG conducts reviews of employees or contractors identified as having a criminal record. The office shares information with the HR director and the Office of the General Counsel for consideration of appropriate action.

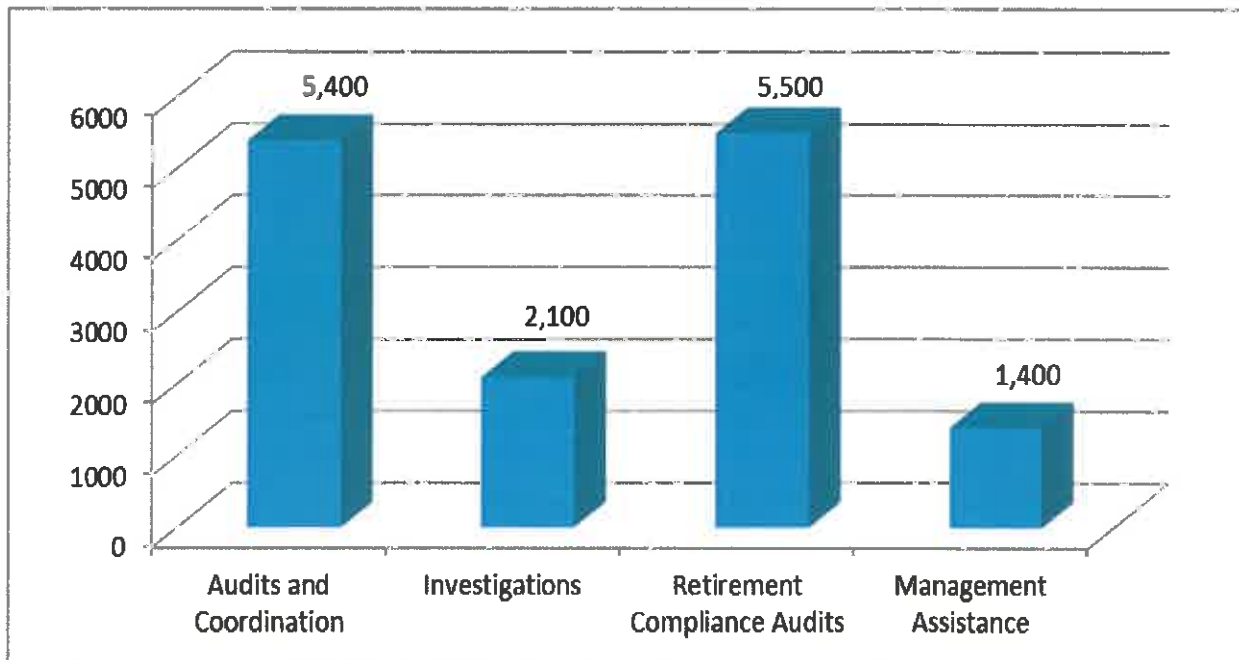
In addition to DMS employees and some contractors, the OIG performs background screenings for the Florida Commission on Human Relations, the Division of Administrative Hearings, and the Public Employee Relations Commission. During fiscal year 2013-14, the OIG processed in excess of 1,400 background screenings.

### Annual Work Plan Fiscal Year 2014-15

The annual work plan is based on the results of the annual risk assessment. The purpose of developing the plan is to identify, select and plan the allocation of resources for the upcoming year. The OIG's overriding consideration is to provide the greatest benefit to the department as efficiently as possible.

This work plan details products OIG will deliver. For the upcoming year, the OIG plans to continue devoting the majority of its resources to internal audits and investigations. Based on current staffing, the OIG expects to have approximately 19,780 hours available for projects. The resource allocation depicted in the following chart represents an appropriate balance between audit, investigative, and other accountability activities at the Department of Management Services.

### **ANNUAL WORK PLAN – FISCAL YEAR 2014-15**



This table shows allocation of staff resources by category for fiscal year 2014-15.

## Allocation of Time Resources for Fiscal Year 2014-2015

<b>Audit/Program Evaluation (Internal)</b>	<b>Hours</b>
Inmate Welfare Trust Funds Audit	720
Information Security Assessment	640
Retirement Operations Audit	1,120
Agency Purchasing Evaluation	520
Bureau of Fin. & Acctg. Assessment	520
Real Estate FACT Consulting	480
FSECC New Contract Consulting	440
<b>Subtotal</b>	<b>4,440</b>

<b>Response Coordination</b>	
Response Coordination	320
Six-Month Follow-ups	320
Internal Follow-ups	320
<b>Subtotal</b>	<b>960</b>

<b>Internal Process Analyses/Report</b>	
Annual Work Plan/Report	80
Annual Risk Assessment	240
<b>Subtotal</b>	<b>320</b>

<b>Special Projects</b>	
Performance Measures	120
Schedule IX Preparation	120
Other	120
<b>Subtotal</b>	<b>360</b>

<b>Management Assistance Services</b>	
Reserved For Department Management	700
Reserved For Chief Inspector General	700
<b>Subtotal</b>	<b>1,400</b>

<b>Holidays and Leave</b>	<b>Hours</b>
Holidays	880
Annual Leave	1,300
Sick Leave	670
Other Leave	50
<b>Subtotal</b>	<b>2,900</b>

<b>Internal Management/Support</b>	
Personnel Issues	80
Staff Meetings	120
Timekeeping System	120
Management/Coordination	80
<b>Subtotal</b>	<b>400</b>

<b>Professional Training</b>	
Staff Development	600
Professional Training	800
<b>Subtotal</b>	<b>1,400</b>

<b>Investigation Projects</b>	
Comptroller's Complaints	200
Security Assessments	400
Agency Investigations	1,500
<b>Subtotal</b>	<b>2,100</b>

<b>Audit Compliance (Retirement)</b>	
Compliance Reviews	4,000
Special Retirement Projects	1,500
<b>Subtotal</b>	<b>5,500</b>



## Long-Term Plan for Fiscal Years 2015-16 and 2016-17

The OIG's long-term plan is to ensure that its services provide the most benefit to the department. The goal is to achieve and maintain an appropriate balance between audit, investigative, and other accountability activities.

Based on the fiscal year 2014-15 Annual Work Plan, approximately 19,780 work hours will be available for the OIG. The OIG expects to expend the number of hours outlined below for each category during fiscal year 2015-16 and fiscal year 2016-17.

Activity	Hours
Audit/Program Evaluations	4,440
Compliance Reviews	4,000
Investigations	2,100
Special Retirement Projects	1,500
Management Assistance	1,400
Staff Development and Professional Training	1,400
Response Coordination/Follow-up	960
Management and Support	400
Special Projects	360
Internal Process Analyses/Reporting	320
Holidays and Leave	2,900
<b>Total Available Hours</b>	<b>19,780</b>

## Distribution List

*David W. Martin, CPA, Auditor General*

*Philip Twogood, Coordinator  
Office of Program Policy Analysis and Government Accountability*

*Kathy DuBose, Director  
Joint Legislative Auditing Committee*

*Melinda Miguel, Chief Inspector General  
Executive Office of the Governor*

*Marvin Doyle, Audit Director  
Executive Office of the Governor*

*Department of Management Services Staff:*

*Craig J. Nichols, Secretary*

*Stacy Arias, Deputy Secretary for Business Operations*

*Darren Brooks, Deputy Secretary for Workforce Operations*

*Debra Forbess, Director of Administration*

*Marlene Williams, Director of Legislative Affairs*

*Ben Wolf, Interim Chief of Staff/Director of Communications*

*Keith Jones, Chief Information Officer*

## APPENDIX A

### Department of Management Service - Office of Inspector General External Audits Coordinated for Fiscal Year 2013-14

<b>Office of the Auditor General</b>		
<b>Report Number</b>	<b>Audit Subject</b>	<b>Report Date</b>
FA 12-030	Summary Schedule of Prior Audit Findings	07/26/2013
2014 - 005	Primary Data Centers Cost Allocation Project	08/12/2013
2014 - 030	Monitoring of Local Government Retirement Plans and the MyFloridaMarketPlace Contract – Operational Audit	10/22/2013
2014 - 052	Southwood Shared Resource Center – Data Center Operations – Information Technology Operational Audit	12/04/2013
2014 - 173	Compliance and Internal Controls Over Financial Reporting and Federal Awards	03/31/2014
2014 - 184	Payroll and Personnel Processes at Selected State Agencies - Operational	04/10/2014
2014 - 187	Surplus Computer Hard Drive Disposal Process – At Selected State Agencies – Information Technology Operational Audit	04/16/2014
2015 - 002	Contract and Grant Management Processes At Selected State Agencies - Operational	07/02/2014
2015 - 005	Primary Data Centers Cost Allocation Project	07/31/2014
In Process	DMS Operational Audit (E911 and SLERS)	TBD
In Process	Financial Statements and Federal Awards	TBD
In Process	Financial Statements related to Retirement Funds	TBD

<b>Office of Program Policy Analysis and Government Accountability</b>		
<b>Report Number</b>	<b>Audit Subject</b>	<b>Report Date</b>
13-FRS	OPPAGA Contracted Review of July 1, 2012 Actuarial Valuation of the Florida Retirement System	08/30/2013
14-FRS	OPPAGA Contracted Review of July 1, 2013 Actuarial Valuation of the Florida Retirement System	06/24/2014

<b>Department of Financial Services</b>		
<b>Report Number</b>	<b>Audit Subject</b>	<b>Report Date</b>
NA	Contractual Services Agreements Audit	05/21/2014

## APPENDIX B

Department of Management Services – Office of Inspector General  
External Audit Follow-ups for Fiscal Year 2013-14

Office of the Auditor General		
Report Number	Audit Subject	Date Completed
2013-161	6-Month Follow-up to Compliance and Internal Controls over Financial Reporting and Federal Awards	10/25/2013
2013-090	6-Month Follow-up to Lease Management, Cost Allocations, and Prior Follow-up Operational Audit of Department of Management Services	10/31/2013
2013-182	6-Month Follow-up to Operational Audit of NSRC	11/21/2013
2013-090	12-Month Follow-up to Lease Management, Cost Allocations, and Prior Follow-up Operational Audit of Department of Management Services	02/13/2014
2014-005	6-Month Follow-up to Primary Data Centers Cost Allocation Project	02/17/2014
2014-030	6-Month Follow-up to Monitoring of Local Government Retirement Plans and the MyFloridaMarketPlace Contract – Operational Audit	04/22/2014
2013-182	12-Month Follow-up to Operational Audit of NSRC	06/03/2014
2014-052	6-Month Follow-up to Operational Audit of SSRC	06/04/2014

