

EXECUTIVE OFFICE OF THE GOVERNOR

OFFICE OF THE CHIEF INSPECTOR GENERAL



2013-2014 Annual Report

Presented

September 23, 2014

The Honorable Rick Scott
Governor of Florida

Melinda M. Miguel
Chief Inspector General



RICK SCOTT
GOVERNOR

STATE OF FLORIDA
Office of the Governor

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September 23, 2014

The Honorable Rick Scott
Governor of the State of Florida
The Capitol, PL 05
Tallahassee, Florida 32399-0001

Dear Governor Scott:

In accordance with Section 20.055, Florida Statutes, I am pleased to submit the Chief Inspector General's Annual Report for Fiscal Year 2013-2014 to highlight our efforts and activities during the year.

We are committed to providing leadership in the promotion of accountability and integrity and it is a privilege to serve in our effort to enhance public trust in government.

Sincerely,

A handwritten signature in blue ink that reads "Melinda M. Miguel".

Melinda M. Miguel
Chief Inspector General



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Office of the
CHIEF INSPECTOR GENERAL

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EXECUTIVE SUMMARY



In accordance with Sections 14.32 and 20.055, Florida Statutes (F.S.), the Office of the Chief Inspector General is responsible for promoting accountability, integrity, and efficiency in the Executive Office of the Governor and in agencies under the jurisdiction of the Governor.

Consistent with these responsibilities, the Office of the Chief Inspector General completed the following activities during Fiscal Year 2013-2014:

- Received and processed 2,958 complaints and requests for assistance by Florida's citizens and government employees and closed 1,505 complaints and requests;
- Reviewed 253 whistle-blower recommendations made by Agency Inspectors General for compliance with Sections 112.3187-112.31895, F.S., the Whistle-blower's Act, resulting in 17 whistle-blower designations;
- Provided oversight for 11 whistle-blower investigations completed by Agency Inspectors General, including reviews of final investigative reports for compliance with statutes;
- Conducted 8 investigations, reviews and audits that resulted in recommendations for improvement of efficiency, effectiveness and accountability in state programs;
- Reviewed a significant number of investigative reports for sufficiency and accuracy at the request of Agency Inspectors General;
- Contacted 115 local governmental entities to gather information for use in determining their financial emergency status in accordance with the provisions of Section 218.503, F.S.;
- Collaborated with staff in the Executive Office of the Governor, Office of Policy and Budget, Agency Heads and Agency Inspectors General regarding implementation of House Bill which amended Section 20.055, F.S., to include the change to the relationship between the Chief Inspector General and Inspectors General in the agencies under the jurisdiction of the Governor;
- Served as a liaison between the Executive Office of the Governor and external auditors and investigators;
- Served as Chair of the Recruitment and Selection Committee for Citizens Property Insurance Corporation's Inspector General;



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- Collaborated with the Florida Chapter Association of Inspectors General and members of the Inspector General community to deliver training to Inspector General staff members and collectively received a Florida TaxWatch 2014 Prudential Productivity Award for Florida Enterprise-wide Inspector General training;
- Continued to participate in periodic meetings with Inspectors General, the Federal Bureau of Investigation representatives, and other federal and state agency partners to discuss common audit and investigative interests;
- Provided training for professional associations such as the National Association of Inspectors General, the National and Tallahassee Chapter of the Association of Government Accountants, the Florida Institute of Certified Public Accountants, Florida Government Finance Officers' Association, the Tallahassee Chapter of the Institute of Internal Auditors and the Florida Police Chiefs Association; and,
- Provided consultative services and training on Florida's Whistle-blower's Act to multiple offices.



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INTRODUCTION



The Chief Inspector General has a broad range of responsibilities outlined in Sections 14.32 and 20.055, F.S., including a duty to perform certain liaison and monitoring responsibilities relating to the agencies under the jurisdiction of the Governor. These responsibilities include: providing leadership on preventing and detecting fraud, waste and abuse; investigating; coordinating Whistle-blower's Hotline activities; internal auditing; monitoring Inspectors General activities; and conducting reviews at the request of the Governor. The Chief Inspector General also assists Agency Heads with the selection of Agency Inspectors General in agencies under the direction of the Governor.

Our mission is to assist the Executive Office of the Governor in the accomplishment of its objectives by the conduct, supervision and coordination of accountability activities in order to enhance public trust in government. During the past year, the Office of the Chief Inspector General has worked diligently to meet statutory mandates and to ensure standards of excellence are applied consistently across state agencies by Agency Inspectors General. This report details our efforts toward achieving our mission.

INDEPENDENCE

According to Sections 14.32(4) and 20.055(3), F.S., the Chief Inspector General serves as the Inspector General for the Executive Office of the Governor and reports directly to the Governor to ensure audits, investigations and other activities are independent and results are communicated in accordance with professional standards. Additionally, by Statute, the Chief Inspector General shall not be subject to supervision by any other employee except the Governor, and the agency head or staff shall not prevent or prohibit the Chief Inspector General from initiating, carrying out, or completing any audit or investigation.

PROFESSIONAL STANDARDS AND CODE OF ETHICS

Pursuant to Section 20.055(2)(j), F.S., the Office of the Chief Inspector General complies with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General. Staff abide by the



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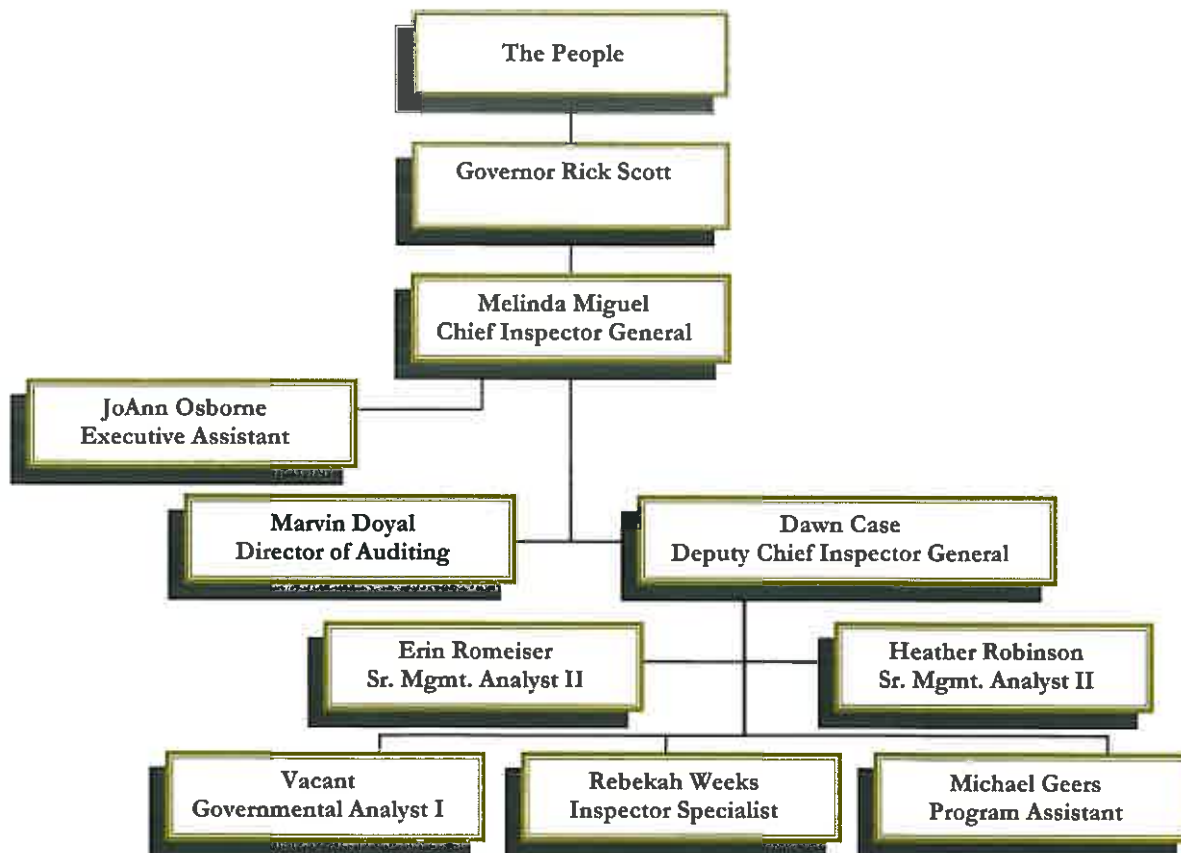
Florida Code of Ethics for Public Officers and Employees as codified in Sections 112.311-112.326, F.S., and Governor Scott's Executive Order Number 2011-03.

Internal audits are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics* published by The Institute of Internal Auditors, Inc.

ORGANIZATION AND STAFFING

The Office of the Chief Inspector General staff include the Chief Inspector General, the Deputy Chief Inspector General, the Director of Auditing, two Senior Management Analysts, a Government Analyst, an Executive Assistant, an Inspector Specialist and a Program Assistant.

Office Organizational Chart



As of September 22, 2014



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Professional Certifications

Staff of the Chief Inspector General's Office hold the following professional certifications:

- Certified Inspector General (3);
- Certified Public Accountant (1);
- Certified in Financial Forensics (1);
- Chartered Global Management Accountant (1);
- Certified Fraud Examiner (1);
- Certified Internal Controls Auditor (2);
- Certified Project Management Professional (1);
- Certified Financial Services Auditor (1);
- Certified Business Manager (1); and,
- Notary Public (2).



Professional Organization Affiliations

Members of the Chief Inspector General's Office are affiliated with the following professional organizations:

- National Association of Inspectors General;
- Florida Chapter of the Association of Inspectors General;
- The Institute of Internal Auditors, Inc.;
- Tallahassee Chapter of The Institute of Internal Auditors, Inc.;
- Association of Government Accountants;
- Tallahassee Chapter of the Association of Government Accountants;
- Florida Audit Forum;
- Association of Certified Fraud Examiners;
- American Institute of Certified Public Accountants;
- Florida Institute of Certified Public Accountants;
- Institute for Internal Controls;
- Association of Professionals in Business Management;
- Project Management Institute; and,





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- Association of Financial Services Auditors.

Leadership in Professional Organizations

The Chief Inspector General staff served in the following leadership roles in professional organizations during the fiscal year:

- President of the National Association of Inspectors General;
- Charter Board Member of the National Association of the Inspectors General;
- First Vice-President of the Florida Chapter of the Association of Inspectors General;
- Members on the Board of Directors for the Florida Chapter of the Association of Inspectors General;
- Members of the Association of Certified Fraud Examiners;
- Member of the Partnership Steering Committee for the Association of Government Accountants;
- Member on the Standards Review and Interpretations Committee for the Commission for Florida Law Enforcement Accreditation;
- Member on the Chapter Executive Committee for the Tallahassee Chapter of the Association of Government Accountants;
- Member of the Technical Committee for the Association of Government Accountants; and,
- Members of the Association of the Federal Bureau of Investigations Citizens' Academy Alumni Association, Tallahassee Chapter.



CHIEF INSPECTOR GENERAL INITIATIVES

During the fiscal year, the Office of the Chief Inspector General participated in the following:

Implementation of House Bill 1385

During the 2014 Florida Legislative Session, Section 20.055, F.S., was amended and the Governor signed House Bill 1385 into law effective July 1, 2014. Under this bill, the Chief Inspector General (CIG) has additional responsibilities for:



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- Appointing and removing Inspectors General from office, for agencies under the jurisdiction of the Governor, for cause including concerns regarding performance, malfeasance, misfeasance, misconduct or failure to carry out his or her duties outlined in Section 20.055, F.S.;
- Receiving reports, notifications, and status of corrective actions in accordance with Section 20.055, F.S.; and,
- Providing consultation to Inspectors General in agencies under the jurisdiction of the Governor on hiring and removal of staff within their respective offices.

In preparation for the passage and signing of House Bill 1385, Inspectors General for agencies under the jurisdiction of the Governor established workgroups and met regularly to identify issues and propose solutions for the impact of the changes in Section 20.055, F.S. The workgroups, which continue to meet, are as follows:

- **Supervision of Inspectors General Workgroup**-The purpose of this workgroup was to identify issues to be resolved concerning the role of the Chief Inspector General and the Agency Head in supervising the Inspectors General in agencies under the jurisdiction of the Governor. Some of the issues identified because of the new reporting structure directed by HB 1385 included processing of attendance and leave approvals, and completing performance evaluations for the Inspectors General in these agencies. This workgroup's activities are ongoing.
 - **Corrective Actions Workgroup**-The purpose of this workgroup was to identify issues to be resolved as they relate to internal audit report submissions to the Office of the Chief Inspector General, corrective actions and agency reporting on the implementation of responses to the Auditor General and Office of Program Policy Analysis and Government Accountability. Some of the issues identified included ensuring the agency heads are informed of recurring deficiencies that may pose substantial risk to the agency or ineffective and insufficient agency responses to deficiencies identified in internal and external audits. This workgroup's activities are ongoing.
 - **Human Resource Issues Workgroup**-The purpose of this workgroup was to identify issues surrounding implementation of the portion of House Bill 1385 that reads: "...may hire and remove staff within the office of the inspector general in consultation with the Chief Inspector General but independently of the agency." Some of the issues identified included processing personnel actions within the Offices of Inspector General including performance management. This workgroup's activities are ongoing.
 - **Second Tier Workgroup**-The purpose of this workgroup is to continually identify issues surrounding the implementation of HB 1385 for OIG's under the jurisdiction of the Governor that included identifying differing mandates and staffing levels among the offices; differing titles and salaries for OIG employees
-



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performing similar duties; addressing issues for OIG's with sworn law enforcement personnel; and developing standards and methods of standardizing OIG operations and reporting where appropriate. This workgroup's activities are ongoing.

Additionally, Office of the Chief Inspector General staff developed corresponding protocols for Inspectors General in agencies under the jurisdiction of the Governor to follow when reporting information to the Office as identified above.

Inspectors General Inventory for Agencies under the Jurisdiction of the Governor

The Department of Transportation's OIG inventoried all OIG's under the jurisdiction of the Governor to obtain data on the following items such as but not limited to: inspector general employment classes; number of staff members by employment class; number of sworn law enforcement and correctional officers within the inspector general community; duties being performed in addition to Section 20.055, F.S. and the associated number of staff dedicated to these responsibilities. This inventory provided an overview of similarities and differences among Offices of Inspectors General in agencies under the jurisdiction of the Governor and identified opportunities for potential standardization across these agencies.

Information Technology Workgroup

In June 2013, the Chief Inspector General appointed an Inspector General Information Technology Workgroup to evaluate issues crossing agencies. The original Workgroup consisted of eight members and has since expanded to sixteen, including the two Information Security Managers (ISMs) from each of the data centers. The Workgroup's first task was to evaluate the existence and potential standardization of Computer Security Incident Response Team (CSIRT) protocols in the agencies and communicate the findings to all Inspectors General. The Workgroup also facilitated a joint ISM/Chief Information Officer meeting with staff from the Florida Department of Law Enforcement's Fusion Center. As a result of this meeting there was a collaborative discussion on the use of common cyber-security incident categorizations.

Additionally, during the fiscal year, the Information Technology Workgroup was called on by House and Senate staff to participate in the revision of some of the technical specifications within Section 282.318, F.S., which was part of the new legislation being drafted to establish the Agency for State Technology. The Information Technology Workgroup continues to hold periodic meetings to address issues such as training, data sharing agreements, security clearance, and risk assessments.



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Practical Skills Training

The Chief Inspector General's Office in conjunction with the Florida Chapter of the Association of Inspectors General developed comprehensive, cost effective training for the Inspector General community. The customized training session covered multiple topic areas presented by professionals in the inspector general, accounting, and ethics communities. Training is ongoing and held periodically throughout the year on a variety of topics.

Enterprise Project – Background Screening Process

To gain efficiencies of working together, the Chief Inspector General and Agency Inspectors General conducted an Enterprise Risk Assessment and developed an Enterprise Project Plan for Fiscal Year 2012-2013. Due to the potential risks and opportunities for cost savings to the enterprise, the Background Screening topic was included as a project in the plan and initiated in Fiscal Year 2013-2014.

The primary objective of the project was to identify costs and opportunities for improved efficiencies and economies related to the background screening process and use of Livescan¹ devices. The project scope was limited to those background screenings where the payment of the screening is the responsibility of the State of Florida. Both initial and renewal background screenings were examined.

A team consisting of staff from various Offices of Inspectors General conducted this project. The results and recommendations were distributed to Agency Inspectors General in November 2013 for follow-up within their respective agencies.

Accreditation

The Chief Inspector General's Office and Agency Inspectors General, in collaboration with the Commission for Florida Law Enforcement Accreditation, Inc. (Commission), continue efforts to enhance the professionalism of investigations conducted by Agency Inspectors General. These activities enhance compliance with the *Principles and Standards for Offices of Inspector General* through the advancement of the accreditation program. During the fiscal year, the Office of Inspector General for the Department of Education attained accreditation status from the Commission. Also, the Offices of Inspectors General for the Florida Lottery, Department of Highway Safety and

¹ LiveScan devices electronically take and capture fingerprints and other information and upload the information to the Florida Department of Law Enforcement, who in turn send the information to the Federal Bureau of Investigation for a fingerprint background check. As of July 1, 2012, all state agencies were required to use LiveScan equipment for specified types of background screenings.



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Motor Vehicles, the Florida Department of Law Enforcement and the Palm Beach County Clerk and Comptroller were re-accredited during the fiscal year.

Recruitment and Selection Committee

Following the 2013 Florida Legislative Session, Governor Scott signed Senate Bill 1770 into law which required in part that Citizens Property Insurance Corporation (Citizens) establish an Inspector General position. Governor Scott asked Chief Inspector General Melinda Miguel to chair the Recruitment and Selection Committee. The committee was charged with conducting a nationwide search for candidates and interviewing and selecting candidates to recommend to the Financial Services Commission. The Inspectors General for the Department of Financial Services and the Office of Insurance Regulation also served on the committee and the Department of Revenue Inspector General provided administrative support. The Committee advanced four candidates to the Financial Services Commission who selected an Inspector General for Citizens.

INVESTIGATIVE ACTIVITY

Summary of Investigative Activity



Investigations often begin with allegations received by telephone, letter, fax, website or e-mail. Additionally, in accordance with Sections 112.3187 – 112.31895, F.S., the Whistle-blower's Act (Act), the Office of the Chief Inspector General maintains a statewide Whistle-blower's Hotline where employees of the state or contract providers may disclose allegations of gross mismanagement, gross neglect of duty or other activities prohibited by the Act.

During Fiscal Year 2013-2014, this office received 2,958 complaints and requests for assistance from various sources as follows:

Complaints or Requests By Source

Source	Number
Telephone/WB Hotline	1,578
Email	321
Letter	413
Fax	41
Website	271
Walk-in	10
Referral from IG Office	87



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Referral from Other	237
Total	2,958

Any complaint or request for assistance received which required additional action was recorded in our case management tracking system. Overall, 2,958 complaints were opened and 1,505 complaints and requests were closed during the fiscal year as outlined below.

**Summary of Complaint Activity by Quarter
Fiscal Year 2013-2014**

	Q1	Q2	Q3	Q4	TOTAL
Number of Complaints and Requests Opened	813	676	737	732	2,958
Number of Complaints and Requests Closed	376	337	390	402	1,505
Number of Whistle-blower Hotline Calls Received	119	81	104	72	376
Number of Complaints Referred for Handling or Review to Other Entities	323	266	298	326	1,213

Summary of Whistle-blower Activity

During the fiscal year, this office played a vital role in processing requests for whistle-blower protection in accordance with the Whistle-blower's Act. This office, in cooperation with Agency Inspectors General, reviewed whistle-blower determinations to ensure a consistent assessment process for applying statutory requirements by Agency Inspectors General and to provide coordination and oversight of investigative activities involving the most serious allegations.



The 2,958 complaints were screened for compliance with the provisions of the Act. A total of 253 complaints warranted a more in-depth review resulting in 17 whistle-blower designations by Agency Inspectors General in consultation with this office.

During the fiscal year, Agency Inspectors General closed 11 whistle-blower investigations. This office monitored each case for completion and compliance with statutory timeframes and granted extensions when circumstances warranted. In addition, the majority of these investigative reports were submitted to and independently reviewed by this office for investigative sufficiency prior to final release. Whistle-blower cases which produced evidence of criminal violations were referred, as required by statute, to the Florida Department of Law Enforcement.



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Whistle-blower Case Highlights

The following two Case Summaries represent examples of the types of investigations conducted in accordance with the Act.



Whistle-blower Case Summary #1

CIG Case #201208100006

On September 24, 2012, the Office of Inspector General (OIG) for the Department of Children and Families (DCF) together with the expertise from the Agency for Health Care Administration and the DCF Substance Abuse and Mental Health Program Office conducted a management review in response to concerns about the South Florida State Hospital (SFSH). The allegations and findings were as follows:

- The complainant alleged that residents were being placed at risk by the underreporting or non-reporting of alleged abuse or neglect by SFSH employees. The DCF OIG found that SFSH reporting policies prior to September 28, 2012, were confusing; however, current policy appropriately addressed the reporting requirements and updated training had been completed;
- The complainant alleged that required employee-resident staffing ratios were not maintained on SFSH psychiatric units. The DCF OIG found the specific staffing levels at SFSH were not specified by AHCA or the Joint Commission. Additionally, the DCF OIG found that Department contracts with the provider were outdated concerning staffing levels;
- The complainant alleged that lines of communication and clinical decision-making authorities within SFSH created situations that were detrimental to health, safety, and welfare of residents. The DCF OIG found that information obtained showed that although SFSH promotes the treatment team concept, the psychiatrist is the team leader and makes the ultimate decision, and that the State of Florida Board of Medicine final order of July 13, 2000, was not applicable to the issues because it was based on a specific multi-disciplinary model that is not used at SFSH.
- The complainant alleged that the provider and SFSH placed profits over resident care. The DCF OIG found no information to support the issues raised by the complainant.

Recommendations were made by the DCF OIG to address the findings.

Whistle-blower Case Summary #2

CIG Case #201212070003



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On December 20, 2012, the OIG for the Department of Environmental Protection (DEP) initiated an investigation in response to various concerns about a Division of Waste, Petroleum Cleanup contractor. Allegedly, the contractor provided the DEP with false or altered ground water samples to indicate that progress was being made at a particular cleanup site. The review, which included a close examination of documents provided to the DEP, as well as site investigative activity to include sampling of wells immediately after the contractor sampled wells, showed negative differentiation.

Based on the review conducted, no evidence of tampering or providing false information to the DEP was found.

Investigative Summaries



The following Case Summaries provide an overview of investigations or reviews completed by the Chief Inspector General's Office or cases in which we played a significant role.

Department of Business and Professional Regulation (DBPR) CIG Case #201202150003

On February 15, 2012, the CIG received a complaint regarding the possible mishandling of an investigation by the DBPR OIG. It was alleged that the DBPR OIG failed to conduct a sufficient or complete investigation and wrongfully sustained allegations against an employee within the Division of Alcoholic Beverages and Tobacco. The CIG conducted a review of the sufficiency of investigative practices and procedures by the DBPR OIG, an assessment of the evidence obtained in the conduct of the DBPR OIG investigation, and an assessment of whether the investigation was conducted in accordance with Section 20.055, F.S. CIG reviewers found concerns with many of the conclusions listed in the DBPR OIG investigative report and that the evidence gathered was not sufficient, competent or relevant to reach those conclusions, as required by the professional standards, or they were based upon opinion rather than documented policy violations. The CIG made recommendations to improve the quality and supervision of investigations within the DBPR OIG and recommended that the DBPR Secretary consider the findings of the review and take appropriate corrective action.

Department of Environmental Protection (DEP) CIG Case #201209050007

On September 5, 2012, the DEP Inspector General notified the CIG of a complaint against DEP officials. The allegations included possible employee misconduct. The CIG



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initiated an inquiry but did not identify any specific violations of law, rule, regulation or policy.

**Department of Business and Professional Regulation (DBPR)
CIG Case #201307050004**

On July 5, 2013, the DBPR Secretary requested that the CIG conduct a review of a DBPR OIG investigation. The CIG conducted an independent review of the sufficiency of the evidence, findings, and conclusions contained within the DBPR OIG investigation, and an assessment of whether the investigation was conducted in accordance with Section 20.055, F.S. CIG reviewers found that the evidence gathered in the DBPR OIG investigation was not sufficient, competent or relevant to reach conclusions, as required by professional standards, or they were based upon opinion. Additionally, CIG reviewers found that the DBPR OIG did not adhere to standards contained within Section 20.055, F.S. The CIG made recommendations to improve the quality and supervision of investigations within the DBPR OIG and recommended that the DBPR Secretary consider the findings of the review and take appropriate corrective action.

**Department of Juvenile Justice (DJJ)
CIG Case #201309160001**

On September 16, 2013, the DJJ Inspector General notified the CIG of a complaint regarding possible discrimination during the DJJ interview and selection process for a DJJ position. The CIG requested assistance from the Department of Children and Families (DCF), Office of Civil Rights (OCR), in reviewing and evaluating the concerns. A final report from the DCF OCR indicated there was a finding of "No Reasonable Cause that a violation of Title VII of the Civil Rights Act of 1964 occurred." Based on the CIG review of the information provided by DCF OCR, no substantive evidence was found to warrant further investigative activities.

**Department of Children and Families (DCF)
CIG Case #201310010002**

On October 1, 2013, the CIG received a complaint regarding possible violations of Section 39.202, F.S., and the Health Insurance Portability and Accountability Act by employees of the DCF. The CIG initiated a review, to include interviewing witnesses and subjects. Based on the CIG review of information obtained, the CIG found no violation of law or evidence of misconduct.

**Department of Highway Safety and Motor Vehicles (DHSMV)
CIG Case #201401160005**



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On January 16, 2014, the CIG received a complaint regarding the possible mishandling of an investigation by the Florida Highway Patrol (FHP) and the subsequent investigation conducted by the DHSMV, OIG. The CIG conducted a review of the sufficiency of investigative practices and procedures by the DHSMV OIG and found no substantive evidence warranting further investigative activities.

**Agency for Health Care Administration's (AHCA)
CIG Case #201402260008**

On February 26, 2013, the AHCA Inspector General notified the CIG of a complaint regarding an AHCA employee. The allegations included possible violations of Chapter 119, F.S. The AHCA OIG conducted an investigation, to include witness/subject interviews and a review of evidentiary documentation and email archives. The AHCA OIG found that the allegations were unsubstantiated. The CIG had the AHCA OIG report independently reviewed for legal sufficiency and found no substantive evidence warranting investigative activity by this office.

**Executive Office of the Governor, Office of Administration
CIG Case #201403260003**

On March 26, 2014, the CIG received a complaint regarding possible misconduct to include misuse of state-owned motor vehicles and improper supervision of a work squad. The CIG conducted an inquiry with assistance from the Executive Office of the Governor, Office of Administration. Based on testimony and evidence obtained, the allegations were supported and the matter was referred to the Director of Administration for appropriate corrective action.

AUDIT ACTIVITY

During Fiscal Year 2013-2014, this office provided audit assistance to other Agency Inspectors General, monitored the status of external audits, and performed responsibilities relating to financial emergencies as follows:

External Audit Liaison Activities

In accordance with 20.055(2), F.S., staff of the CIG's Office served as the liaison between the Executive Office of the Governor and the Auditor General on the following projects:



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- *Audit of the State of Florida – Compliance and Internal Controls Over Financial Reporting and Federal Awards*, Report Number 2014-173, was issued by the Auditor General in March 2014. There were no findings applicable to Executive Office of the Governor. No additional follow up is expected at this time.
- *Operational Audit, Executive Office of the Governor (EOG), State Budgetary Processes and Information Technology Controls*, Report No. 2014-200, was issued by the Auditor General in June 2014. The audit disclosed that, in general, the Office of Policy and Budget efficiently and effectively administered the State budgetary processes in accordance with State law and had established, for the systems utilized in the budgetary processes, information technology controls that were effective overall. However, the Auditor General also found five areas in which EOG procedures and controls could be enhanced. Two of these related to the State Budgetary Process and three related to Information Technology Controls. Follow up on the status of EOG's response to this audit will be conducted in Fiscal Year 2014-2015.

Financial Emergency Responsibilities

Sections 218.50–218.504, F.S., *Local Governmental Entity and District School Board Financial Emergencies Act*, describes the responsibilities delegated to this office by the Governor for determining if state assistance is needed when a local governmental entity meets one or more of the conditions specified in Section 218.503(1), F.S. This office collaborates with representatives from the Department of Economic Opportunity, the Department of Financial Services, the Joint Legislative Auditing Committee, the Auditor General, and the EOG's Legal Office and Office of Policy and Budget in carrying out these responsibilities.



Local Governmental Entities in Financial Emergency Status

There are over 2100 local governmental entities² in Florida. As of June 30, 2013, there were 31 entities in financial emergency status as defined in Section 218.503(3), F.S. During the year, one local government entity was released from financial emergency status and thirty entities remain in financial emergency status as of June 30, 2014. These are listed in the following table.

LOCAL GOVERNMENTAL ENTITIES IN FINANCIAL EMERGENCY STATUS

² Local governmental entities, as defined in Section 218.502, F. S., are counties, municipalities, and special districts.



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1.	Caryville, Town of
2.	Crossings at Fleming Island Community Development District
3.	Disston Island Conservancy District
4.	Eastpoint Sewer and Water District
5.	Eatonville, Town of
6.	Falls Chase Community Development District*
7.	Gretna, City of
8.	Hamilton County Development Authority
9.	Hampton, City of
10.	Hawthorne, City of
11.	Heritage Harbor Community Development District*
12.	Heritage Isles Community Development District
13.	Indian Creek Village
14.	Lanark Village Water and Sewer District (Dissolved July 30, 2013)
15.	Leon County Educational Facilities Authority
16.	Noma, Town of
17.	Ocean Highway and Port Authority of Nassau County
18.	Pahokee, City of
19.	Paxton, City of
20.	Reserve Community Development District*
21.	South Bay, City of
22.	St. John's Water Control District
23.	St. Lucie West Services District*
24.	Stoneybrook Community Development District
25.	Suwannee Valley Transit Authority
26.	Suwannee Water and Sewer District
27.	Viera East Community Development District
28.	Wausau, Town of
29.	Webster, City of
30.	Westville, Town of

*CIG staff conduct ongoing analysis of the financial condition of these entities to determine if they meet the criteria outlined in Section 218.504, F.S., and to recommend release from financial emergency status to the Governor when appropriate.

During the year ended June 30, 2014, the Chief Inspector General received notices from the Auditor General or from the local governmental entities that 175 local governmental entities had met one or more of the conditions specified in Section 218.503(1), F.S. The office requested additional information from 115 entities use in determining entities' financial emergency status. We also monitored the financial condition of various local government entities based on concerns brought to our attention through Joint Legislative Auditing Committee meetings, news articles, and



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correspondence from citizens and questions from state and local government officials. During Fiscal Year 2013-2014, no new entities were declared to be in a state of financial emergency as defined in Section 218.503(3), F.S.

CONCLUSION

It is an honor and privilege to serve and to provide a report on the accomplishments of the CIG's Office for Fiscal Year 2013-2014.



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