


agency for persons with disabilities
State of Florida

Rick Scott
Governor

September 21, 2016

■ ■
Barbara Palmer
Director

Ms. Barbara Palmer, Director
Agency for Persons with Disabilities
4030 Esplanade Way, Suite 380
Tallahassee, FL 32399-0950

■ ■
State Office

■ ■
4030 Esplanade Way
Suite 380
Tallahassee
Florida
32399-0950

Ms. Melinda Miguel, Chief Inspector General
Office of the Governor
The Capitol, Suite 1902
Tallahassee, FL 32399

■ ■
(850) 488-4257

Dear Director Palmer and CIG Miguel:

Fax:
(850) 922-6456

I am pleased to submit the Office of Inspector General's Annual Report for Fiscal Year 2015-16 as required by Section 20.055, Florida Statutes. This report summarizes the major work activities of the Office during the previous fiscal year.

■ ■
Toll Free:
(866) APD-CARES
(866-273-2273)

We remain committed in our work with the Agency's management and staff to promote efficiency, accountability, and integrity. Thank you for your continued support.

Sincerely,



Carol Sullivan, MBA, CIA, CIGA, CIG
Inspector General

Enclosure



Barbara Palmer
Director



Carol Sullivan
Inspector General

AGENCY FOR PERSONS WITH DISABILITIES

OFFICE OF INSPECTOR GENERAL

ANNUAL REPORT

FY 2015-2016

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INTRODUCTION

The Office of the Inspector General (OIG) is an integral part of the Agency for Persons with Disabilities (Agency). The purpose of the OIG is 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, requires the OIG to submit to the Agency head and the Executive Office of the Governor's Chief Inspector General an annual report, no later than September 30 of each year. This report includes, but is not limited to:

- A description of activities relating to the development, assessment, and validation of performance measures;
- A description of significant abuses and deficiencies relating to the administration of programs and operations of the Agency disclosed by investigations, audits, reviews, or other activities during the reporting period;
- A description of the recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified;
- The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed; and
- A summary of each audit and investigation completed during the reporting period.

This annual report, presented to the Chief Inspector General and Agency Director, summarizes the activities and accomplishments of the OIG for the 12-month period beginning July 1, 2015 and ending June 30, 2016.

MISSION AND RESPONSIBILITIES

The Agency's mission is to support persons with developmental disabilities in living, learning, and working in their communities. To achieve this mission, the Agency focuses on four priorities:

1. Fiscal Accountability – to operate within its appropriations.
2. Quality Services – to measure and track performance to ensure the highest quality care.
3. Employment – to assist persons with developmental disabilities who desire work to become competitively employed.
4. Waiting List – to adopt national and local best practices to serve people on the Agency waiting list efficiently and effectively.

The mission of the OIG is to protect and promote integrity, efficiency, and accountability within the Agency through audits and investigations that detect fraud, waste, and abuse, and ultimately assist the Agency to achieve its overall mission. The OIG provides an independent appraisal function within the Agency. The OIG performs and reports

objective analyses of Agency operations thereby increasing assurances that Agency assets are safeguarded, operating efficiency is promoted, and compliance is maintained with prescribed laws and regulations. Section 20.055, Florida Statutes, defines the duties and responsibilities of each Inspector General with respect to the state agency in which the office is established. The duties and responsibilities of the Inspector General include:

- Advise in the development of performance measures, standards, and procedures for the evaluation of Agency programs.
- Assess the reliability and validity of the information provided by the Agency on performance measures and standards, and make recommendations for improvement.
- Review the actions taken by the Agency to improve program performance, meet program standards, and make recommendations for improvement, if necessary.
- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Agency.
- Conduct, supervise, or coordinate other activities carried out or financed by the Agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Keep the Chief Inspector General and Agency Director informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Agency, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.
- Monitor the implementation of the Agency's response to any report issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability no later than six months after report issuance.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- Receive complaints and coordinate Agency activities as required by the Whistle-blower's Act and/or the Chief Inspector General.

In order to address areas of significant risks and be responsive to the concerns of Agency management, the OIG performs a periodic risk assessment of Agency activities to identify and rank those activities to be included in the OIG Annual Work Plan and considered for in future work plans.

To fulfill the responsibilities of the OIG, our priorities are to:

- Promote employee awareness and cooperation to identify fraud, waste, and abuse within the Agency;

- Respond to validated emergencies (these could be any type of serious situation that might arise but could also include requests by the Governor, Chief Inspector General or other parties);
- Execute approved individual assignments which are designed to answer questions about the effective, efficient, economical and legal operation of the Agency;
- Evaluate the internal controls over Agency assets and liabilities, core operations, and information systems to promote effectiveness, efficiency, economy, and compliance.

These priorities are interrelated and doing any one of them provides information useful in doing the others.

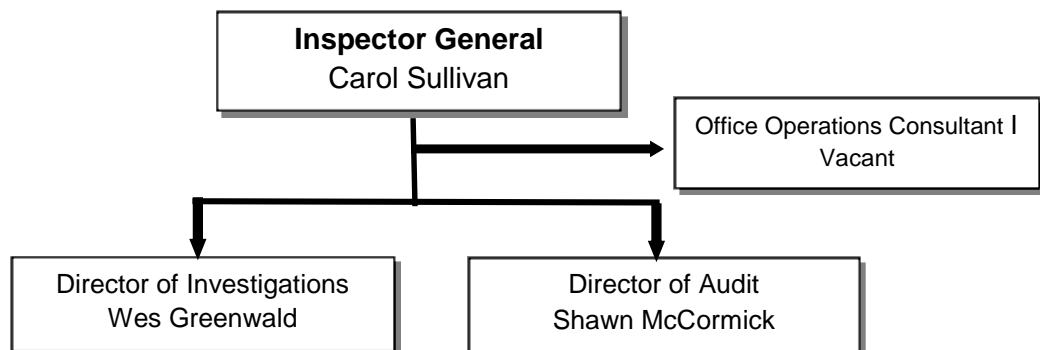
ORGANIZATIONAL STRUCTURE AND STAFF QUALIFICATIONS

Section 20.055, Florida Statutes, requires the OIG's activities to be independent of Agency operations and the OIG staff to be objective in performing their work. The OIG reports to the Agency Director and the Chief Inspector General on Agency investigative and audit policy, investigative and audit findings, internal control issues, guidance issues, and other matters as directed. The OIG staff refrains from participating in any Agency operational activities that could compromise their independence and objectivity.

The OIG is organized into two sections: Internal Audit and Investigations. However, due to the small size of the organization, audit staff assists on investigations and investigative staff assists on audits. The OIG staff is highly qualified with a range of expertise and backgrounds that enhance the ability of the office to effectively audit, investigate, and review the complex programs within the Agency. Currently, the OIG has a staff of four professional/technical positions.

As of August 31, 2016, our organizational structure was¹

OIG Organizational Structure



¹ Beth Breier was Director of Audit until June 2, 2016. Position was vacant until July 14, 2016. Shawn McCormick filled the position effective July 15, 2016. Mary Anne Allen was the Office Operations Consultant I until July 14, 2016. Position is currently vacant.

OIG staff members hold specialty certifications that relate to specific job functions within the OIG. These certifications include:

- Certified Inspector General (1)
- Certified Internal Auditor (1)
- Certified Inspector General Auditor (1)
- Certified Public Accountant (1)
- Certified Information Systems Auditor (1)
- Certified Inspector General Investigator (1)
- Certified Fraud Examiner (1)

In addition to maintaining professional certifications, OIG personnel are active in professional organizations that support audits and investigations. This participation assists staff in maintaining a high level of proficiency in their profession and areas of certification. OIG personnel are affiliated with the following professional organizations:

- The Association of Inspectors General (National and Local Chapters);
- The Institute of Internal Auditors (National and Local Chapters);
- ISACA (National and Local Chapters);
- The Association of Certified Fraud Examiners;
- The Association of Government Accountants (National and Local Chapters); and
- The Florida Institute of Certified Public Accountants.

MAJOR ACTIVITIES AND FUNCTIONS

In performing its audit and investigative activities, the OIG follows the Association of Inspectors General's *Principals and Standards for Offices of Inspector General*, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and the U.S. Comptroller General's *Government Auditing Standards*, as applicable.

Table 1 provides a summary of “cases” (cases include audit activities, investigative activities and other OIG activities) addressed by the OIG during the FY. **Table 2** provides a summary of cases closed by type during the FY.

Table 1
Summary of OIG Cases Addressed during FY 2015-2016

Cases	Count
Cases open at beginning of fiscal year	29
Plus cases opened during the year	85
Less cases closed during the year	(87)
Cases open at end of fiscal year	27

Table 2
Summary of OIG Cases Closed by Type during FY 2015-2016

Cases	Count
Audit Activities	24
Investigative Activities	59
Other OIG Activities	4

Chapter 20.055(2)(i), Florida Statutes, requires each OIG to ensure that an appropriate balance is maintained between audit, investigative, and other OIG activities. An OIG can achieve such a balance in a variety of ways. The Agency Inspector General achieves a balance of activities by monitoring the assignments of on going and completed investigative and audit activities on a daily basis.

AUDIT ACTIVITIES

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.” The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. (Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*)

Pursuant to Section 20.055(6), Florida Statutes, the OIG prepared an annual work plan for FY 2015-2016 based on an agency-wide risk assessment. The Director of Audit was responsible for managing and performing audit activities during the FY, with assistance from OIG staff, as available. Additionally, during the year, the OIG provided formal and informal assistance to Agency personnel in their operational capacities. Table 3 below provides a summary of the completed audit activities (cases) by type performed in FY 2015-2016.

Table 3
Audit Activities Completed during FY 2015-2016

Type of Audit Activity	Number of Cases
Internal audits	4 (1)
Follow-up of audits	4 (2)
Statutorily required activities	4
Management audit assistance	6
External audit assistance	6
Total audit activities	24

Note (1): The four internal audits resulted in 12 audit reports.

Note (2): The four follow up audits resulted in eight audit reports.

The following are summaries of completed internal audits; follow-up audit activities; statutorily required activities; management audit assistance; and external audit assistance. Additionally, we included a description of significant outstanding recommendations described in prior annual reports on which corrective action has not been completed.

COMPLETED INTERNAL AUDITS

150211-01 AUDIT OF CLIENT FUNDS

Agency clients may choose to reside in a group home facility. A group home is an Agency licensed residential facility (serving between four and 15 residents) that provides a family living environment including supervision and care necessary to meet the physical, emotional, and social needs of residents.

Clients can receive income from various sources including (but not limited to) employment, families, insurance, inheritances, and Social Security Administration (such as Supplemental Security Income or SSI). Some Agency clients require assistance in managing their assets (such as cash, furniture, and personal belongings) and have others serve as their financial representatives or representative payees. Representatives agree to assist clients receive and expend income for the use, benefit, and best interests of the clients. Group home providers may be the financial representative or representative payee for the client and as such must comply with applicable federal and state regulations.

In each of the OIG Annual Risk Assessments from FYs 2012-13 through 2014-15, management of client funds has been identified as a high-risk issue; and therefore the OIG has periodically included this topic in the OIG's Annual Work Plan. In this audit, we judgmentally selected seven group home providers in Florida to visit and review selected client funds, employee records, and related documentation to determine compliance with applicable laws, rules, regulations, and policies.

AUDIT OF THE ARC OF ALACHUA, INC.

Release Date: July 2015 (OIG #150211-01.2)

This report presents the results of the audit of client funds managed by The ARC of Alachua, Inc. located in the Agency's Northeast Region. Based on our observations and test results, we determined that the two ARC of Alachua group homes were in compliance with the applicable laws, rules and regulations related to the client funds, employee training, and background screening requirements we reviewed. We did not identify any reportable exceptions and therefore did not provide any recommendations.

AUDIT OF HANNA'S PASSIONATE CARE

Release Date: July 2015 (OIG #150211-01.4)

This report presents the results of the audit of client funds managed by Hanna's Passionate Care located in the Agency's Northeast Region. Based on our observations and test results, we determined that Hanna's Passionate Care was generally in compliance with the applicable laws, rules, and regulations related to the client funds, employee training, and background screening requirements we reviewed. We provided recommendations to enhance two controls that were partially satisfactory. These controls were related to documenting policies and procedures and updating inventory listings.

AUDIT OF DELTONA'S STEP BY STEP, INC.

Release Date: August 2015 (OIG #150211-01.3)

This report presents the results of the audit of client funds managed by Deltona's Step by Step, Inc. located in the Agency's Northeast Region. Based on our observations and test results, we determined that Deltona's Step by Step was in compliance with nine of the ten conditions/internal controls related to the client funds and employee training and background screening requirements we reviewed. We provided a recommendation to enhance one control related to documenting policies and procedures for managing client funds.

AUDIT OF LOVING TOUCH ADULT FAMILY CARE

Release Date: August 2015 (OIG #150211-01.5)

This report presents the results of the audit of client funds managed by Loving Touch Adult Family Care located in the Agency's Southeast Region. Based on our observations and test results, we determined that Loving Touch satisfactorily complied with four conditions/internal controls; partially complied with one condition/internal control; and unsatisfactorily complied with five conditions/internal controls related to client funds and employee training and background screening controls we reviewed. We provided recommendations to improve the conditions/internal controls related to managing client funds and staffing schedules.

AUDIT OF HENDERSON CARE CENTERS, INC.

Release Date: August 2015 (OIG #150211-01.1)

This report presents the results of the audit of client funds managed by Henderson Care Centers, Inc. located in the Agency's Northwest Region. Henderson has two group homes, but only one was occupied during our visit in April 2015. Based on our observations and test results, we determined that Henderson satisfactorily complied with five conditions/internal controls; partially complied with three conditions/internal controls; and unsatisfactorily complied with two conditions/internal controls related to client funds and employee training and background screening controls we reviewed. We provided recommendations to improve the conditions/internal controls related to managing client funds and tracking client personal inventory belongings.

AUDIT OF THE ANGELUS, INC.

Release Date: August 2015 (OIG #150211-01.7)

This report presents the results of the audit of client funds managed by The Angelus, Inc. located in the Agency's Suncoast Region. Based on our observations and test results, we determined that The Angelus complied satisfactorily with nine conditions/internal controls and partially complied with one condition/internal control. We provided two recommendations to improve accounting for and supporting documentation of clients' expenditures.

AUDIT OF ANGELS UNAWARE, INC.

Release Date: September 2015 (OIG #150211-01.6)

This report presents the results of the audit of client funds managed by Angels Unaware, Inc. located in the Agency's Suncoast Region. Based on our observations and test results, we determined that Angels Unaware complied satisfactorily with eight conditions/internal controls; partially complied with one condition/control; and unsatisfactorily complied with one condition/control. We provided recommendations to improve two conditions/controls related to policies and procedures for managing client funds, and three recommendations to improve accounting for and supporting documentation of clients' expenditures.

FAMILY CARE COUNCIL AUDITS

Family Care Councils were created in 1993 through the implementation of Section 393.502, Florida Statutes. Local Family Care Councils (FCC) are located within each of the Agency's six regions and are organized within those regions by area (there are 14 areas). Council members serve on a voluntary basis without payment for their services but are reimbursed for per diem and travel expenses as provided for in Section 112.061, Florida Statutes. Section 393.502(9), Florida Statutes, requires an annual financial review of expenditures of the FCCs. During FY 2015-16, the Internal Audit Section selected three FCCs to audit. These audits were conducted to determine whether the FCC expenditures complied with Florida Statutes, and other applicable state laws and rules. The results of the three FCC audits performed in FY 2015-2016 are presented below.

150803-01 AUDIT OF SOUTHEAST REGION FCCs – AREAS 9, 10 AND 15

AREA 9 FCC

Release Date: March 2016 (OIG #150803-01.1)

In the 2014-2015 FY, the Agency allocated \$9,000 of General Revenue to Area 9 FCC. Based on our review of the expenditures (22 payments totaling \$6,935) and applicable procedures, we noted that two noncompliant payments related to travel reimbursements and two to miscoding of travel. Recommendations were provided to Region Office staff to work with Area 9 FCC to ensure expenditures are coded to correctly reflect the type of expenditure and ensure travel authorizations are properly approved prior to travel.

AREA 10 FCC

Release Date: March 2016 (OIG #150803-01.2)

In the 2014-2015 FY, the Agency allocated \$9,000 of General Revenue to Area 10 FCC. Based on our review, the Southeast Region Area 10 FCC expenditures (\$6,960 total) and applicable procedures complied with Florida Statutes and other applicable laws and rules and were adequately supported. The Area 10 FCC Board budgeted to expend \$9,500, which is \$500 more than their allocated \$9,000. Because this was

not detected and corrected at the beginning of the fiscal year, there was an increased risk that the Board could have expended up to their budgeted amount, thereby, over expending their allocation. Recommendations were provided to Region and State Office liaisons to review the FCC annual budgets to ensure the FCC Board stays within its allocated amount.

AREA 15 FCC

Release Date: March 2016 (OIG #150803-01.3)

In the 2014-2015 FY, the Agency allocated \$9,000 of General Revenue to Area 15 FCC. Based on our review of the expenditures (50 payments totaling \$7,809) and applicable procedures, we noted that 16² noncompliant payments related to travel reimbursements. For example, 15 payments did not comply with Agency policy requiring the travel authorization form to be approved by State Office or Region Office management prior to when the travel occurred and five payments were minor errors on the mileage form. Recommendations were provided to Region Office staff to work with Area 15 FCC to ensure travel authorization are approved prior to travel and mileage forms are completed and accurate.

150803-02 AUDIT OF SOUTHERN REGION FCC – AREA 11

Release Date: October 2015

In the 2014-2015 FY, the Agency allocated \$9,000 of General Revenue to Area 11 FCC. Based on our review, the Southern Region Area 11 FCC expenditures (\$3,679 total) and applicable procedures complied with Florida Statutes and other applicable laws and rules and were adequately supported.

150803-03 AUDIT OF FAMILY CARE COUNCIL FLORIDA (FCCF)

Release Date: January 2016

In the 2014-2015 FY, the Agency allocated \$15,000 of General Revenue to the FCCF. Based on our review of the expenditures (22 payments/adjustments totaling \$12,363) and applicable procedures, we noted three types of exceptions related to eight payments totaling \$2,877. Four payments (\$1,473) were coded incorrectly; council authorizations for two payments (\$518) were not documented; and two payments (\$886) had minor issues with the information provided on the travel forms. Recommendations were provided to the State Office FCC Liaison to work with FCCF members to ensure expenditures are properly recorded, coded, authorized, and documented.

² Some payments contained both types of errors.

FOLLOW-UP AUDIT ACTIVITIES

140926-02 FOLLOW-UP ON THE DEVELOPMENTAL DISABILITIES DEFENDANT PROGRAM (DDDP) CLIENT TRUST FUNDS AUDIT REPORT

Release Date: July 2015

As of June 30, 2015, the following three issues identified in the audit have been satisfactorily addressed and resolved.

- The client trust funds were not monitored by Agency central office staff and client trust funds were not recorded and reported in the Agency's financial records.
- Access to view the client trust funds balances was not limited.
- Financial information collected during the admissions process could be improved.

FOLLOW-UP ON THE AUDIT OF HUMAN RESOURCE PRACTICES AT FOUR AGENCY LOCATIONS (CENTRAL OFFICE, TACACHALE DEVELOPMENTAL DISABILITIES CENTER, SUNLAND DEVELOPMENTAL DISABILITIES CENTER, AND SUNLAND DEVELOPMENTAL DISABILITIES DEFENDANT PROGRAM)

In February 2015, the OIG issued three audit reports of selected Agency for Persons with Disabilities' (Agency) Human Resource (HR) practices that occurred at the Agency's: (1) Central Office in Tallahassee, FL (Central Office); (2) Sunland Developmental Disabilities Center in Marianna, FL (Sunland) and Sunland Developmental Disabilities Defendant Program in Chattahoochee, FL (DDDP); and (3) Tacachale Developmental Disabilities Center in Gainesville, FL (Tacachale). The OIG performed two follow-up reviews, which resulted in six reports, addressing the progress and status of the original audit report recommendations at Central Office, Sunland/DDDP and Tacachale. These reports were issued in December 2015 (150731-01.01, 150731-01.02, and 150731-01.03) and June 2016 (16025-01.01, 16025-01.02, and 16025-01.03). The following table summarizes the findings, recommendations, and status as reported in our reviews.

Central Office (150731-01.1 and 160215-01.1)				
	Findings	Recommendations	OIG # 150731-01	OIG # 160215-01
1	There were 12 instances where HR staff did not retain documentation to support specific HR actions.	Central Office HR management should formalize and implement processes to ensure Agency policies are followed by properly documenting and supporting HR actions; and categorize and track disciplinary actions and reasons throughout the Agency.	Completed	
2	Our review showed that personnel files at Central Office were not organized and maintained in secure sectional folders and there was a backlog of forms and documents that had not been filed.	Central Office HR management should: (1) Utilize secure sectional file folders for employee personnel files that provide HR staff the ability to store and fasten the forms and documentation in an organized and secure manner. (2) Develop a strategy to timely file forms and documents in employee personnel files and periodically review personnel files to		Turned over to management to ensure completion.

		<p>ensure the files include the required and Agency-defined documents.</p> <p>(3) Coordinate with Tacachale, Sunland, and DDDP HR management to:</p> <p>(a) Review the need of specific forms currently maintained in employees' personnel files in order to standardize and streamline the required documentation.</p> <p>(b) Identify outdated and non-existent Agency personnel policies and procedures, and update or develop new policies and procedures as determined necessary.</p>		
3	All leave types were not being included in leave audit procedures for separated employees resulting in some employees being overpaid for leave payouts.	Central Office HR management should revise the leave audit procedures to include all types of leave to verify payouts to separated employees to prevent future leave balance overpayments and take the appropriate steps to recover the amounts overpaid.	Partially Completed	Completed
4	There was an inconsistent application of exemption indicators ("restricted positions", "protected employee", "restricted employee", and "restricted relative employee") across the Agency.	HR management in Central Office, Tacachale, Sunland, and DDDP should: 1) work with Department of Management Services (DMS) to understand how each of the exemption indicators work within People First; 2) develop and implement a procedure to ensure the appropriate criteria and exemption indicators are applied to all Agency employees; and 3) survey all Agency employees to obtain needed information to ensure the validity and reliability of the exemption indicators in People First and update as needed.	Completed	
5	Based on our review the overtime eligibility indicators examined in People First were not reliable.	Central Office HR management should conduct: 1) further research to determine if the "Class Overtime Eligible" indicators for the 27 potential exceptions identified in the audit are correct or need to be corrected; and 2) a thorough review of all Agency positions and "Class Overtime Eligible" indicators to determine their accuracy and make corrections as needed.	Partially Completed	Turned over to management to ensure completion
6	Terminated employees were not timely removed from the network.	Central Office HR management should work with the Information Technology Division to develop and implement an automated process to send timely notifications of terminated employees.		Turned over to management to ensure completion
7	The same person in Central Office (HR Manager) is the security administrator for both HR-related systems: People First and FLAIR.	Agency management should assign a non-HR staff member as the FLAIR security administrator and implement a process to document the authorization of user access within the two systems.	Completed	
8	Employees were granted security roles with advanced	Agency's People First and FLAIR security administrators should periodically review the assigned security roles for appropriateness.	Completed	

privileges greater than their job responsibilities.			
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Tacachale (150731-01.2 and 160215-01.2)				
	Findings	Recommendations	OIG # 150731-01	OIG # 160215-01
1	Tacachale was not in compliance with Florida Statutes and Agency policies.	Tacachale HR management should review and limit their usage of social security numbers to reduce the risk of the numbers being improperly disclosed and exploited. Tacachale HR management should provide a written statement to employees stating how the collection of their social security number will be used and maintain a signed copy in each personnel file.	Completed	
		Tacachale HR management should work with the Agency's Central Office, Sunland, and DDDP HR management to review the need of specific forms currently maintained in employees' personnel files in order to standardize and streamline the required documentation.		Turned over to management to ensure completion
2	There was an inconsistent application of exemption indicators ("restricted positions", "protected employee", "restricted employee", and "restricted relative employee") across the Agency.	Central Office, Tacachale, Sunland and DDDP HR management should: 1) work with Department of Management Services (DMS) to understand how each of the exemption indicators work within People First; 2) develop and implement a procedure to ensure the appropriate criteria and exemption indicators are applied to all Agency employees; and 3) survey all Agency employees to obtain needed information to ensure the validity and reliability of the exemption indicators in People First and update as needed.	Completed	
3	Tacachale initially reported the required perquisite value for employees living in state-owned properties on employee W-2s to the Internal Revenue Service, the reporting was not continued after 2011.	Tacachale HR and center management should review their records, identify employees that lived in state-owned housing during calendar years when the information was not included on the employees' W-2s and process and distribute corrected W-2s as appropriate.	Completed	
		Tacachale HR and center management should develop and implement processes to ensure that the appropriate value be reported on employees' W-2s for employees living in state-owned properties at Tacachale campus.	Partially Completed	Completed

Sunland and DDDP (150731-01.3 and 160215-01.3)

	Findings	Recommendations	OIG # 150731-01	OIG # 160215-01
1	There were issues pertaining to certain HR actions for three of 14 items tested.	Sunland HR management should implement processes to better document the pay changes made in People First and consistently use certified mail or hand delivery as the method to document communication of final disciplinary actions to employees.	Completed	
2	Sunland/DDDP was not in compliance with Florida Statutes and Agency policies.	Sunland HR management should review and limit their usage of social security numbers to reduce the risk of the numbers being improperly disclosed and exploited. Sunland also needs to provide a written statement to employees stating how the collection of their social security number will be used and maintain a signed copy in each personnel file.	Completed	
		Improvements should be made by DDDP HR management to consistently have employees complete the Exemption from Public Inspection form to comply with Section 119, Florida Statutes.	Partially Completed	Completed
		Sunland and DDDP HR management should work with Central Office and Tacachale HR offices to review the need and design of specific forms in order to standardize and streamline the documentation required to be maintained in employees' personnel files.		Turned over to management to ensure completion
3	Sunland needs to better support when employees are placed on and removed from ADMIN-Formal Investigation.	Sunland HR management should enhance their processes documenting their notifications to employees.	Partially Completed	Completed
4	There was an inconsistent application of exemption indicators ("restricted positions", "protected employee", "restricted employee", and "restricted relative employee") across the Agency.	HR management in Central Office, Tacachale, Sunland and DDDP should: 1) work with Department of Management Services (DMS) to understand how each of the exemption indicators work within People First; 2) develop and implement a procedure to ensure the appropriate criteria and exemption indicators are applied to all Agency employees; and 3) survey all Agency employees to obtain needed information to ensure the validity and reliability of the exemption indicators in People First and update as needed.	Partially Completed	Completed
5	Sunland initially reported the required perquisite value for employees living in state-owned properties on	Sunland HR and center management should review their records, identify employees that lived in state-owned housing during calendar years when the information was not included on the employees' W-2s and process, and distribute corrected W-2s as appropriate.	Completed	

employee W-2s to the Internal Revenue Service, the reporting was not continued after 2010.	Sunland HR and center management should develop and implement processes to ensure that the appropriate value be reported on employees' W-2s for employees living in state-owned properties at Sunland campus.	Partially Completed	Completed
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160301-01 STATUS OF CORRECTIVE ACTIONS, AUDITOR GENERAL REPORT No. 2016-071, IBUDGET SYSTEM

Release Date: June 2016

Of the five recommendations in the original report, three have been completed. Management is in the process of addressing the following two recommendations.

1. Agency management should establish business process controls to ensure that valid iBudget Waiver paid claims data is appropriately interfaced with the iBudget System and that the paid claims data recorded in FMMIS, the ABC System, and the iBudget System is reconciled to help ensure the completeness, accuracy, and availability of the iBudget Waiver paid claims data in the iBudget System.

STATUS AS OF JUNE 30 - Agency staff has worked on a process for reviewing the data received and have identified reports that can assist in reconciling data between FMMIS, ABC, and iBudget. Program staff were identified and assigned the task of reviewing the data and approving items for reconciliation. The Agency is in the early stages of implementing the review and reconciliation process. Staff resources and turnover have had an impact on implementation.

2. Agency management should ensure that the Continuity of Operations Plan and related iBudget System disaster recovery procedures are approved by management and kept current.

STATUS AS OF JUNE 30 - IT is currently reviewing the disaster recovery procedures for the iBudget system to determine any necessary additions and/or changes. When complete the final draft will be submitted to management for approval.

STATUTORILY REQUIRED ACTIVITIES

150608-01 REVIEW OF AGENCY PERFORMANCE MEASURES

Release Date: September 2015

In accordance with Section 20.055, Florida Statutes, the OIG was involved in the review and validation of the performance measures and related supporting documentation as reported in the Agency's Long Range Program Plan. The OIG provided feedback and recommendations to Agency staff and with the corrections, the measures appeared to be both reliable and valid and supported by the appropriate documentation.

150506-01 RISK ASSESSMENT AND WORK PLAN (2015-2016)

Release Date: July 2015

In accordance with Section 20.055, Florida Statutes, the OIG performed a periodic risk assessment and developed its long term and annual audit plans based on results of the assessment.

160322-02 RISK ASSESSMENT AND WORK PLAN (2016-2017)

Release Date: June 2016

In accordance with Section 20.055, Florida Statutes, the OIG performed a periodic risk assessment and developed its long term and annual audit plans based on results of the assessment.

150709-01 OIG ANNUAL REPORT (2014-2015)

Release Date: September 2015

In accordance with Section 20.055, Florida Statutes, the OIG prepared an annual report summarizing the activities of the office during the preceding fiscal year.

LEGISLATIVE BUDGET REQUEST

The OIG prepares the Schedule IX of the Agency's Legislative Budget Request. The Schedule IX, *Major Audit Findings and Recommendations*, is designed to inform decision makers on recent major findings and recommendations found in Auditor General and OIG reports issued during the current and previous fiscal years.

MANAGEMENT ASSISTANCE SERVICES

During FY 2015-2016, the OIG provided assistance and advice to management on emerging issues and concerns. Examples of assistance included reviewing proposed policy and/or program changes, the reliability of the incident database, the use of electronic signatures, and employee-prepared data analyses. Also during this year, the OIG is assisting on a system implementation project described below.

140612-02 CLIENT DATA MANAGEMENT SYSTEM (CDMS) IMPLEMENTATION PROJECT

The OIG serves in an advisory role on the Agency's Executive Steering Committee for the CDMS Implementation Project. The CDMS will provide the Agency with an integrated enterprise client data management system that will automate manual processes, collect data at the client specific and provider specific level so analysis, tracking, reporting, fraud prevention and quality improvement processes can be improved. During the implementation project, the OIG will provide timely feedback to assist management to ensure adequate controls are developed within the system and processes.

EXTERNAL AUDIT ASSISTANCE

The OIG Director of Audit acted as the Agency's liaison on six audits and reviews conducted by outside organizations such as the Office of the Auditor General, the Office of Program Policy Analysis and Government Accountability, the Department of Financial Services and the Federal Department of Labor. For these engagements, the OIG was copied on engagement letters, coordinated entrance conferences, and facilitated all relevant communication between the auditors and Agency program staff. At the conclusion of the audits, the OIG coordinated the exit conference and the Agency's response to the preliminary and tentative findings; and tracked progress on corrective action at the required intervals.

SIGNIFICANT OUTSTANDING RECOMMENDATIONS FROM PRIOR ANNUAL REPORTS

Management has either taken corrective actions or were in the process (See above 160215-01 Second and Final Follow-up on the Audit of Human Resource Practices at Four Agency Locations) for all significant OIG audit recommendations identified in the FY 2014-2015 OIG Annual Report.

INVESTIGATIVE ACTIVITIES

The OIG conducts and coordinates investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government. Investigations may be initiated as a result of information received from any number of sources such as Agency managers and employees, whistle-blowers, providers, the general public, and other state agencies and business entities. The Director of Investigations was responsible for managing and performing investigative activities during the fiscal year, with assistance from OIG staff as available.

Investigative activities include preliminary inquiries; whistle-blower determinations; referrals to other offices, agencies, or departments; and investigations. A preliminary inquiry is a fact-gathering process to determine whether to proceed with a substantive investigation. During the preliminary inquiry process it may be determined that the complaint should be referred to Agency management or an external agency or department for resolution. While preliminary inquiries are not published, they do absorb a large portion of our investigative resources. Pursuant to Sections 112.3187-112.31895, Florida Statutes, whistle-blower determinations are performed during preliminary inquiries when required. During FY 2015-2016, the OIG performed 16 whistle-blower determinations.

Table 4 below provides a summary of completed investigative activities (cases) by type performed in FY 2015-2016.

Table 4
Investigative Activities Completed during FY 2015-2016

Type of Investigative Activity	Number of Cases
Investigations	3
Preliminary Inquiries	45
Referrals to management	6
Referrals to other agencies or departments, including law enforcement agencies	5
Total investigative activities	59

Below are summaries of three significant OIG investigative reports completed during FY 2015-2016.

INVESTIGATIVE REPORTS

INVESTIGATIVE REPORT CASE #151008-03

Release Date: March 2016

The OIG received a complaint from a former employee alleging management was unfairly assigning and approving overtime pay (three allegations); incident reports and/or statements prepared by employees were being rewritten to cover for an employee; supervisors were having employees perform personal favors for them during work hours; employees were drinking alcohol during their breaks; and contraband was being introduced into the facility. The OIG conducted an investigation into seven specific allegations. While none of the seven allegations was substantiated, the OIG did provide two recommendations to enhance existing operating procedures.

INVESTIGATIVE REPORT CASE #151022-01

Release Date: April 2016

The OIG received a complaint from a former provider alleging: 1) he was denied his due process; 2) the termination letter contained lies; 3) APD employee was rude and disrespectful; 4) APD made unfounded accusations about the provider; and 5) two clients did not authorize a change in their providers. The investigation determined that allegation number 1 was substantiated and immediately addressed by APD; allegation numbers 2 and 4 were partially substantiated; and allegation numbers 3 and 5 were not substantiated.

INVESTIGATIVE REPORT CASE #160331-01

Release Date: April 2016

The OIG received a request from Agency management to document the events that occurred leading up to the arrest of an Agency provider. The OIG provided relevant

information and provided recommendations to improve the processes related to handling and reporting critical incidents.

OTHER OIG ACTIVITIES

In addition to performing audits and investigations, the OIG also performs the following services and activities.

OIG REFERENCE CHECKS

A little-known time-consuming duty of the OIG is to perform personnel reference checks against OIG case files and documents for current and former employees. In FY 2015-2016, the OIG performed 341 reference checks for re-hires, promotions, and other personnel actions. This duty will continue to grow as the Agency and OIG case files continue to grow.

COMPUTER SECURITY INCIDENT RESPONSE TEAM (CSIRT)

The CSIRT responds to suspected computer security incidents by identifying and controlling incidents, notifying designated CSIRT responders, and reporting findings to Agency management. The OIG is a core member of the CSIRT team for the Agency.

ANTI-FRAUD ACTIVITIES

The OIG is responsible for coordinating the Agency's anti-fraud activities. The OIG is a member of and attends the Inter-Agency Medicaid Fraud and Abuse Meetings hosted by the Agency for Healthcare Administration. Other attendees include the Office of the Attorney General, the Department of Health, Medicaid Program Integrity, the Department of Financial Services, and the Department of Children and Families.

PUBLIC RECORDS REQUESTS

The OIG responded to two public records request under Chapter 119, Florida Statutes, during FY 2015-2016.

OIG CONTACT INFORMATION

Mail

Office of the Inspector General
c/o Agency for Persons with Disabilities
4030 Esplanade Way, Suite 380
Tallahassee, FL 32399-0950

Phone

(850) 414-7008

FAX

(850) 921-4182

Email

APD.OIG@apdcares.org