



Department of Education Office of Inspector General

ANNUAL REPORT

Fiscal Year 2017-2018



FLORIDA DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

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INTRODUCTION

MISSION STATEMENT

The mission of the Office of Inspector General (OIG) is to assist the Commissioner of Education in achieving the department's mission of increasing student proficiency and maintaining an accountability system that measures student progress. The OIG accomplishes this by providing independent audits and reviews of programs and activities, conducting investigations of alleged violations, and offering consulting services to assist management in their efforts to maximize effectiveness and efficiency.

OIG RESPONSIBILITIES

Section 20.055, Florida Statutes, establishes the Office of Inspector General within each state agency to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in government. Additionally, in accordance with section 1001.20, Florida Statutes, the OIG will conduct or coordinate investigations into substantiated allegations that a district school board or college board of trustees is unwilling or unable to address relating to waste, fraud, or financial mismanagement, as determined by the Commissioner of Education.

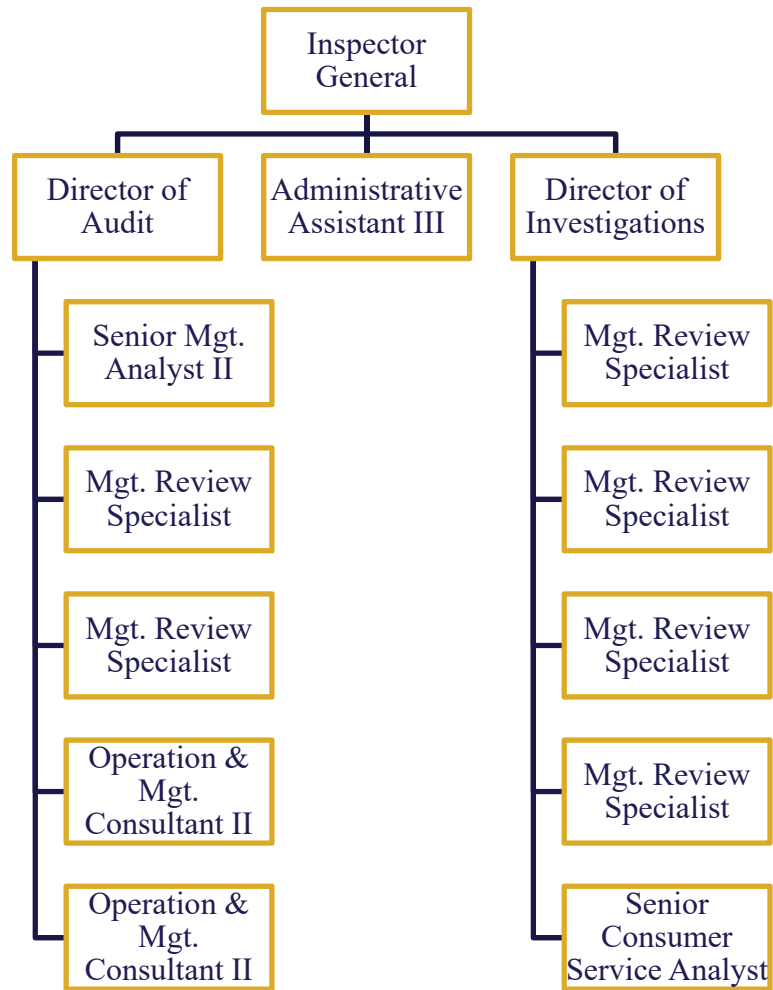
This annual report is presented to the commissioner and chief inspector general to comply with statutory requirements and to provide departmental staff and interested parties with information on the OIG's progress in accomplishing its mission. The OIG's responsibilities include:

- Conducting audits, investigations, and management reviews relating to the programs and operations of the department, including employment screening and background investigations;
- Reviewing and evaluating internal controls necessary to ensure the fiscal accountability of the department;
- Keeping the commissioner and chief inspector general informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the department, recommending corrective action, and reporting on the progress made in implementing corrective action;
- Advising in the development of performance measures, standards, and policies and procedures for department programs;
- Coordinating, and monitoring the implementation of, the department's response to recommendations made by the Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Florida Department of Financial Services, the U.S. Department of Education, and other external agencies; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.

ORGANIZATION AND STAFF

Effective July 1, 2014, Chapter 2014-144, Laws of Florida, changed the reporting structure for inspectors general in agencies under the jurisdiction of the Governor. The DOE inspector general remains under the general supervision of the Commissioner of Education but now reports directly to the Governor's Chief Inspector General. The OIG consists of 14 professional and administrative positions that perform internal audit and investigative functions, as shown below.

Office of Inspector General Organization Chart



OIG STAFF QUALIFICATIONS AND CERTIFICATIONS

OIG staff is highly qualified and brings various backgrounds and expertise to the department. The collective experience spans a variety of disciplines, including auditing, accounting, investigations, internal affairs, law enforcement, and information systems.

OIG staff members continually seek to enhance their abilities and contributions to the office and the department. Many staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession. Professional certifications held by OIG staff members include:

- Certified Inspector General (CIG)
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA)
- Certified Inspector General Investigator (CIGI)
- Certified Law Enforcement Officer
- Certified Public Manager
- Notary Public
- Certified Trainer



AFFILIATIONS

OIG staff members participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These associations allow them to establish and advance professional networks and participate in professional development activities. OIG staff members are affiliated with the following professional organizations:

- Institute of Internal Auditors (IIA)
- Association of Inspectors General (AIG)
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- ISACA

MAJOR ACTIVITIES AND FUNCTIONS

INTERNAL AUDIT

The purpose of the internal audit section is to provide independent, objective assurance and consulting activities designed to add value and improve the department's operations. Our vision is to help the department by facilitating change directed toward improving efficiency, effectiveness, accountability, and teamwork.

Responsibilities of the internal audit section include:

- Conducting compliance, electronic data processing, performance, and financial audits of the department to identify and recommending corrective action for deficiencies or matters of noncompliance.
- Conducting consulting activities in order to provide independent advisory services to department management.
- Assessing the reliability and validity of department performance measures.
- Ensuring effective coordination and cooperation with the Office of the Auditor General, OPPAGA, federal auditors, and other governmental bodies to ensure proper coverage and minimize duplication of effort.
- Conducting risk assessments of the department annually, taking into consideration the input of senior management.
- Developing annual and long-term audit plans outlining the audits to be conducted during each year and related resources to be devoted to the respective audits.
- Monitoring the implementation of the department's response to audit reports issued by the department's inspector general, Office of the Auditor General, OPPAGA, or other oversight agency.
- Developing and maintaining a quality assurance and improvement program that covers all aspects of the internal audit activity, with an external assessment conducted every three years.
- Participating in enterprise projects and providing assistance as requested by the chief inspector general.



The internal audit section conducts audits and reviews in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, Inc. Reports are distributed to the Commissioner of Education, the Governor's Chief Inspector General, the Office of the Auditor General, and affected department managers.

ACCOMPLISHMENTS

Internal audit completed twenty-seven engagements during the 2017-2018 fiscal year, which can be viewed online at www.fldoe.org/ig/auditreports.asp. The results of those engagements are summarized below:

Center for Independent Living of South Florida - The Division of Vocational Rehabilitation (DVR) entered into a contract with the Center for Independent Living of South Florida (CILSF) to provide funding for rehabilitation services that enhance the ability of persons who have significant disabilities to live independently and function within their communities and, if appropriate, to secure and maintain employment. The purpose of this audit was to determine if CILSF's internal controls ensure effective delivery of program services to individuals with disabilities and determine if DVR effectively manages and monitors the contract for compliance.

During this audit we noted that, in general, the CILSF had sufficient controls in place, and DVR provided effective oversight of the contract. In addition, the CILSF demonstrated improvement in documenting disability verifications and recording detailed consumer case notes. However, there were instances where improvements could be made to strengthen some controls. We noted instances where the CILSF did not ensure consumer service records contained all required documentation; did not maintain proper fiscal oversight; and did not submit documents timely. We also noted that CILSF did not consistently follow their policies and procedures, and the CILSF recorded service hours inconsistently.

We recommended CILSF:

- Establish and implement a written policy and procedure requiring the CILSF staff to establish IL plans with consumers and document the joint development of the plan as well as conduct and document timely annual reviews;
- Consistently and accurately record services hours in the COMS systems and ensure the hours submitted to DVR through invoices are supported and accurate;
- Review service hour documentation and ensure hours are properly categorized and unduplicated;
- Update its policies and procedures so they do not conflict with contract terms, each other, or the federal regulations;
- Consistently follow its established policies and procedures and ensure board approval prior to purchases in excess of \$2,500.00;
- Ensure all board approvals are documented and maintained;
- Enhance its procedures to ensure expenses funded through DVR's contract are allowable and appropriately reflected in budget reconciliations;
- Provide justifications to DVR for all differentials of line items in excess of 10%;
- Ensure the Board Chair authorizes all reimbursements to the Executive Director;
- Ensure employees accurately and consistently allocate work hours across funding sources and sign submitted timesheets; and
- Submit the required documents by the contractually required due dates.

We recommended DVR:

- Include a review of CSRs in its monitoring activities;
- Periodically request and review supporting documentation for the service hours submitted by CILSF through the invoices;
- Perform periodic reviews to ensure expenditures are allowable, allocable, reasonable, and necessary to the performance of the contract;
- Require justifications for line item differentials prior to providing payments; and
- Ensure CILSF submits required documents timely and send reminders until they receive all reports.

DBS Social Security Reimbursement Program - The Florida Division of Blind Services (DBS) assists blind and visually impaired Floridians to achieve their goals and live productive and independent lives. The Social Security Administration (SSA) reimburses State Vocational Rehabilitation (VR) agencies for the cost of the services they provide to individuals receiving Social Security Disability Insurance (SSDI) benefits or Supplemental Security Income (SSI) payments based on disability or blindness if certain conditions are met. The purpose of this audit was to determine if DBS has sufficient controls in place to identify and submit eligible claims to the Social Security Administration (SSA) for reimbursement. Based on our review, DBS successfully migrated all closed cases from the Accessible Web-based Activity and Reporting Environment (AWARE) into the Social Security Reimbursement Application (SSRA). However, we identified instances where DBS could make improvements to strengthen their reimbursement processes. For example, we cited instances where DBS did not submit all eligible claims to SSA for reimbursement. For those claims that were submitted to SSA, we noted that DBS did not effectively track claim submissions to, or funds received from, SSA.

We recommended DBS:

- Send all potentially eligible cases to SSA for reimbursement. We recommended sending claims to SSA for all cases in which the client has met SGA and is eligible for SSI or SSDI without a suspension or termination date;
- Move cases to the SSRA application after the completion of the individualized plan for employment, rather than after case closure, to ensure the system identifies all potential wage earnings for employment gained during the period DBS provided services;
- Ensure all potentially eligible claims are submitted to SSA for reimbursement in a timely manner. If difficulties in submitting claims occur, DBS should immediately contact SSA, document the communication and resolution, and resubmit the claims;
- Enhance its tracking of all outstanding submissions and ensure the SSA system and the internal tracking spreadsheets align; and
- Retain all SSA determination letters and track the status of submissions in the reimbursement program to ensure DBS files or resubmits claims in a timely manner.

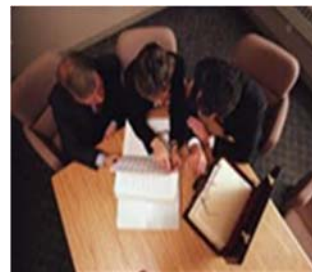
Florida Independent Living Council - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report #A-1617-030, Florida Independent Living Council (FILC). We confirmed that DVR management completed corrective action for each of the reported

deficiencies. FILC management indicated corrective action has been initiated or completed for each of their reported deficiencies.

New Haven Development Center - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report #A-1516-028, New Haven Development Center. DVR management indicated corrective action has been initiated or completed for each of their reported deficiencies. We confirmed that New Haven completed corrective action for each of their reported deficiencies.

State Scholarships - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-029, State Scholarships. Management indicated that corrective actions have been initiated for each of the reported deficiencies.

DBS District Allocations - 18 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-020, DBS District Allocations. Management indicated corrective actions have been initiated for each of the reported deficiencies.



Space Coast - 18 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-009, Space Coast Center for Independent Living. DVR and Space Coast Center for Independent Living management indicated corrective actions have been initiated for each of the reported deficiencies.

Office of Professional Practices - DCF Notifications and Database Access - The Office of Professional Practices Services (PPS) investigates alleged misconduct by educators in Florida who hold an educator's certificate and pursues disciplinary action against the certificates of educators found to have committed acts of misconduct. The purpose of this consulting engagement was to review access to the Department of Children and Families' (DCF) Florida Safe Families Network (FSFN) Database to ensure PPS has effective internal controls over the use of FSFN. The engagement also included a review of the notification process to ensure PPS efficiently addressed all notifications from DCF.

We recommended PPS:

- Establish documented policies and procedures for actions taken after notification of institutional investigations or alleged abuse;
- Implement a tracking system as a metric to ensure continuity of office objectives to reduce educator misconduct;
- Conduct periodic quality assurance reviews;
- Request bi-annual or annual reports from DCF listing all closed investigations involving a certified educator; and
- Establish a retention policy for both internal and external notifications.

Service Source – 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-025, Service Source. DVR and Service Source management indicated corrective actions have been initiated for each of the reported deficiencies.

Applications Development - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-024, Applications Development. Management indicated corrective actions have been initiated for each of the reported deficiencies.

Bureau of Family and Community Outreach (BFCO) Grants Monitoring - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1617-011, BFCO Grants Monitoring. BFCO management and the Collier County Boys and Girls Club have initiated corrective actions for each of the reported deficiencies.

Dan Marino Foundation - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1617-015, Dan Marino Foundation. We confirmed DVR management and the Dan Marino Foundation management completed corrective actions for each of the reported deficiencies.

Division of Career and Adult Education Grants Administration - The Florida Department of Education (department) receives federal funding from the U.S. Department of Education for the following programs:

- Career and Technical Education through the Carl D. Perkins Career and Technical Education Act of 2006;
- Adult Education through the Workforce Innovation and Opportunity Act (WIOA); and
- Farmworker Career Development through WIOA.

In addition, the department receives state funding to help expand the opportunities for individuals to receive postsecondary degrees and certificates via Statewide Articulation Agreements. The Division of Career and Adult Education (DCAE) awards sub-grants to eligible providers to administer local programs. The purpose of this audit was to determine if DCAE has sufficient controls in place to effectively and efficiently monitor the grants administration process. During this audit, we noted that, in general, the department has sufficient controls in place. Based on our review, it appears DCAE is accurately determining the initial eligibility of the providers to receive grant funding; DCAE is ensuring participating institutions remain eligible to receive funds; and DCAE has adequate internal controls in place to ensure the providers are submitting the required deliverables. There were instances where DCAE could make improvements to strengthen their processes. For example, we cited instances where DCAE did not issue desktop monitoring reports in a timely manner; DCAE did not include the achievement of Adult General Education performance targets in their risk analysis; and current Adult Education grants do not include performance targets for all primary measures.

We recommended DCAE:

- Establish timelines for the issuance of monitoring reports and ensure that reports are issued within those timelines;
- Establish definitions for draft reports and final reports;
- Incorporate the achievement of Adult Education state performance targets into their risk analysis in order to ensure those providers not achieving the performance targets will be identified, receive a higher risk rating, and receive an opportunity for onsite or desktop monitoring; and
- Include performance targets for all primary measures in the Adult Education grants to ensure providers are achieving their performance goals and to address forthcoming WIOA guidelines.

Florida Independent Living Council - Section 413.395, Florida Statutes, created the Florida Independent Living Council (FILC) to assist the Division of Vocational Rehabilitation (DVR) and the Division of Blind Service (DBS) in the expansion and development of statewide independent living policies, programs, and concepts and to recommend improvement for such programs and services. DVR and DBS entered into Memorandum of Agreement #15-144 with FILC to administer funds appropriated by the Florida Legislature. The purpose of this audit was to determine whether FILC is meeting the requirements of the agreement and DVR is effectively monitoring adherence to the agreement. During this audit, we noted that DVR failed to monitor FILC's adherence to the agreement. Due at least in part to the lack of monitoring, we also cited instances where FILC failed to coordinate activities with the Florida Rehabilitation Council; FILC failed to effectively monitor, review, and evaluate the implementation of the State Plan for Independent Living (SPIL); and FILC expended funds on behalf of a resigned staff member.

We recommended DVR monitor adherence to the agreement and review supporting documentation to ensure FILC is meeting the Council's responsibilities as stated in the agreement. We additionally recommend DVR review expenditures quarterly to ensure payments are made in accordance with agreement terms and state and department requirements for expenditures.

We recommended FILC:

- Ensure, and document, coordination of activities with FRC and other councils that address the needs of specific disability populations and issues;
- Effectively monitor, review, and evaluate the implementation of the SPIL and develop policies and procedures outlining how that should occur; and
- Ensure all expenditures are made in accordance with agreement terms.

State Scholarships - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-029, State Scholarships. Management indicated corrective actions have been initiated for each of the reported deficiencies.

DBS District Allocations - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-020, DBS District Allocations. Management indicated corrective actions have been initiated for each of the reported deficiencies.

New Haven Development Center - The Division of Vocational Rehabilitation (DVR) and the New Haven Development Center, Inc. entered into contract #VR5171 to provide employment services to eligible DVR customers. The purpose of this audit was to determine if New Haven has sufficient internal controls to provide effective delivery of employment services in compliance with contract terms and DVR is effectively monitoring the contract. During this audit, we cited instances where DVR did not conduct required quarterly monitoring; New Haven did not make timely contact with customers; New Haven did not submit monthly progress reports timely; New Haven did not submit, and DVR did not approve, invoices timely; and New Haven submitted a required quarterly report late and did not include all required documentation.

We recommended DVR:

- Conduct quarterly and annual monitoring of the New Haven contract based on the risk evaluation;
- Promptly provide the results and the recommendations of the monitoring to New Haven and ensure corrective action has been initiated on noted deficiencies;
- Ensure New Haven submits all Monthly Progress Reports (MPR) prior to benchmark payments and consider financial penalties for late MPR submissions;
- Timely approve invoices within five working days of receipt to ensure prompt payment to the provider; and
- Ensure New Haven submits the quarterly reports in a timely manner and includes all required documents. If New Haven does not submit complete reports, DVR should promptly contact the provider and document the lack of compliance.

We recommended New Haven:

- Begin regular contact with the customers within two weeks of referral acceptance in accordance with contract terms. If New Haven is unable to contact the customers, they should notify the VR counselor in writing to document contact attempts;
- Maintain monthly contact with customers and submit MPRs timely in accordance with contractual terms;
- Submit all invoices no later than 15 days after notice of approval in accordance with contract terms; and
- Complete the required employment recruitment activities and submit the quarterly reports timely per the contract terms.

Third Party Cooperative Agreement (TPCA) - Bay County School Board - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-022, TPCA – Bay County School Board. We confirmed that DVR management completed corrective action for each of their reported deficiencies.

Applications Development - The Office of Application Development and Support (OADS) within the Division of Technology and Innovation provides internal information technology (IT) consulting services to department offices. OADS is responsible for systems development, systems support, data administration, and web development. This audit reviewed the applications development and support policies, procedures, and methodologies to ensure that information technology development projects are planned, approved, and executed consistently and in accordance with applicable laws and rules. During this audit, we noted that the department has developed a draft IT governance plan but has not formally adopted the plan or implemented a governance framework; the department has not developed agency wide application development policies; the department did not follow the project management security standard; and the department's application development cost estimation process resulted in unreliable cost estimates.

We recommended the department:

- Approve and implement a project management governance plan. We recommend the approved plan establish a project governance structure, including a project steering committee, to enable department senior management to approve and monitor IT development projects, set priorities for IT projects, and participate in strategic IT decisions in a controlled and consistent manner;
- Develop and implement application development policies. These policies should include, but not be limited to:
 - A requirement that the department's Information Systems Development Methodology (ISDM) and Project Management Standard be followed for new application development projects and major modifications to existing applications;
 - Definitions for projects, application modifications, and maintenance tasks, including criteria for differentiating major application modifications from routine application maintenance tasks (ex: risk, hours, complexity);
 - Direction for establishing which projects must go through the governance process;
 - A requirement that all new projects or major application modifications be assigned an applications development manager who has knowledge over the subject matter;
 - A requirement that an Application Development Request (ADR) form be used to initiate new projects or application modifications; and
 - Cost estimation guidelines;
- Update the current System Development Life Cycle (SDLC) methodology and implement it department-wide. The revised SDLC should consider the various approaches to system implementation (build from scratch, purchase commercial software (COTS), modify commercial software, maintenance, etc.);
- Include a closeout phase in the SDLC in order to align with national standards;



- Update the Project Management Standard to include the Security Planning Requirement related to the Florida Cyber Security Standard and ensure the system security plan is documented for all applicable projects;
- Update the minimum-security standard to reflect the current F.A.C. Rule 74-2; and
- Establish documented policies for conducting cost estimates. These policies should include, but not be limited to:
 - Conducting detailed research with the business owner prior to estimating the costs of projects, applications, and maintenance activities;
 - Having a knowledgeable BA participate in all cost estimates and document justifications for deviations from the estimates;
 - Conducting periodic budget to actual comparisons to evaluate the accuracy of the cost estimates;
 - Reviewing the cost estimates at the end of each project to evaluate the accuracy of the estimate and determine if adjustments to the methodology are warranted;
 - Considering whether cost and hour estimates were met when evaluating project team members; and
 - Completing end of fiscal year actual cost calculations to enable more reliable future projections.

Space Coast Center for Independent Living - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-009, Space Coast Center for Independent Living (CIL). DVR and Space Coast CIL management indicated corrective actions have been initiated or completed for each of the reported deficiencies.

Dan Marino Foundation - The Dan Marino Foundation (DMF) is a non-profit organization dedicated to improving the lives of persons with autism or other developmental disabilities. The Division of Vocational Rehabilitation (DVR) oversees the Adults with Disabilities Grants and has executed grants with DMF since the 2013-2014 fiscal year. The purpose of this audit was to determine if DMF has sufficient internal controls to provide services to young adults with disabilities in compliance with grant terms and DVR is effectively providing oversight of the grants. During the audit we found that, in general, DMF had sufficient controls in place, and DVR provided effective oversight of the grants. However, we noted instances where improvements could be made to strengthen some of these controls. For example, we cited instances where DVR approved unallowable expenditures and did not require additional documentation for certain questionable costs; DVR approved and paid for deliverables DMF did not achieve; DVR did not review the quarterly reports timely and did not ensure the reports contained all required information; DVR did not make all improvements to grant deliverables based on the Department of Financial Services audit of the 2015-2016 grant, and DVR did not include outcome deliverables in the grants.

We recommended DVR:

- Review submitted expenditures and ensure DMF expends funds in compliance with the grant; the approved budget; and applicable laws, rules, and regulations prior to payment;
- Ensure they receive all supporting documentation to determine if expenditures are allowable prior to payment;
- Provide training to DMF on allowable expenditures and required supporting documentation for expenditures, particularly travel expenses;
- Track the receipt of quarterly reports as well as the grant manager's review of the reports to ensure DVR receives and inspects all quarterly reports in the required timeframe;
- Ensure all required information is included in the quarterly reports prior to payment;
- Provide training to DMF on the requirements for submission of quarterly reports;
- Ensure that all grant deliverables are measurable, compensation is tied to each deliverable, and financial consequences can be applied for unmet deliverables; and
- Include deliverable requirements in future DMF grants to address employment after graduation and staff qualifications.

We recommended DMF:

- Ensure all expenditures submitted are made in accordance with grant terms.

Service Source - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-025, Service Source. DVR and Service Source management indicated corrective actions have been initiated or completed for each of the reported deficiencies.

School Transportation - 18 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-019, Student Transportation. We confirmed that management completed corrective action for each of the reported deficiencies.

Agency for State Technology Risk Assessment - In accordance with Section 282.318 (4)(c), F.S., each agency shall complete and submit to the Agency for State Technology, no later than July 31, 2017, and every three years thereafter, the Florida Enterprise Information Security Risk Assessment Survey. We reviewed the completed survey and supporting documentation from Gartner Consulting and agreed the assessment was accurate and true to the best of our knowledge.

Student Data – The Florida Department of Education's office of PK-12 Education Information and Accountability Services (EIAS) serves to improve education by increasing the quality of decisions with data. The purpose of this audit was to determine whether Student Data meets standards for data reliability, validity, and security in accordance with state statute and rule. During this audit, we noted that, in general, EIAS is meeting requirements for collecting, preparing, and storing Student Survey data in the State's Education Data Warehouse; and the data is valid and reliable for conducting Full-time Equivalent calculations to facilitate the funding of Florida's public schools. We also noted

EIAS is effectively conducting quality assurance activities on the submitted data. However, there were instances where the Division of Technology and Innovation (DTI) and EIAS could make improvements to strengthen controls. For example, we cited a need to strengthen internal controls for ongoing monitoring of system and user activity; establish documented policies for processing system overrides; and establish a Disaster Recovery (DR) Plan to strengthen the department's ability to recover time sensitive data.

We recommended EIAS:

- Develop and implement user access controls for tracking user activity. These policies should include, but not be limited to, establishing and documenting policies for logging of audit records. The logs should support the unique identification of individuals and permit an audit of the logs to trace activities through the system, including the capability to determine the exact confidential or exempt data accessed, acquired, viewed, or transmitted by the individual; and
- Establish documented policies and procedures for overriding system edits when processing additional or corrective files after the end of a survey period.

We additionally recommended DTI establish a documented Disaster Recovery Plan to ensure data restoration in a timely manner in the event of a disaster, faulty equipment, etc. These plans should include, but not be limited to, identifying the mission critical IT systems requiring priority DR services, developing a documented and tested DR plan, and identifying recovery steps to perform once customer systems are operational.

Vendor Background – 18 Month Status Report - We followed up on the progress of corrective actions required in response to findings and recommendations contained in Report # A-1516-010, DVR Vendor Background Screening. Two deficiencies identified in the original report had not been resolved through corrective action. DVR management signed the acceptance of risk memo and acknowledged the risk of further non-compliance with statutory requirements and the responsibility for ensuring that corrective actions are completed.

Division of Career and Adult Education Grants Administration – 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1617-025, Division of Career and Adult Education Grants Administration. Department management indicated corrective action has been initiated or completed for each of the reported deficiencies.

REVIEW OF PERFORMANCE MEASURES

Section 20.055, Florida Statutes, requires the Office of Inspector General in each state agency to advise in the development of performance measures, standards, and procedures for the evaluation of state agency programs; to assess the reliability and validity of the information provided by the state agency on performance measures and standards; and make recommendations for improvement, if necessary. Our review of performance measures is incorporated into our assurance activities.

REVIEW OF CORRECTIVE ACTIONS FOR PRIOR YEAR AUDITS

Section 20.055(8)(c), Florida Statutes, requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. The following corrective actions were outstanding as of June 30, 2018.

Space Coast Center for Independent Living¹ - The purpose of this audit was to ensure the CIL has sufficient internal controls in place to administer the independent living program.

Recommendation: We recommended DVR develop guidelines for charging consumers for the cost of IL services or disallow the practice.

Status: The Independent Living Program Manager is in the process of scheduling a March 2018 site visit that will include an on-site review of policies regarding transportation services provided by Space Coast CIL. Because there continues to be no guidance by the authorizing agency, VR continues to enforce the contractual prohibition charging fees for service as outlined in all CIL contracts.

Recommendation: We recommended DVR provide technical assistance as needed to ensure the CIL remains eligible for state and federal assistance.

Status: The Independent Living Program Manager is in the process of scheduling a March 2018 site visit that will include an on-site review of policies regarding staff qualifications for new hires. VR staff will provide technical assistance as needed to ensure the Space Coast CIL remains in compliance with state and Federal guidelines regarding CIL Staff qualifications.

Recommendation: We recommended DVR add language in its contracts with the CILs to specify service delivery areas.

Status: The Independent Living Program Manager is in the process of scheduling a March 2018 site visit that will include an on-site review of policies regarding the provision of the five core services. VR staff will provide technical assistance as needed to ensure the Space Coast CIL remains in compliance with state and federal guidelines regarding the provision of the five core services. The new Contract is going through final DOE review. The execution of the Contract is planned for July 2018.

Recommendation: We recommended the CIL develop an improvement plan to bring them into compliance with the Code of Federal Regulations. We recommended the CIL develop and implement employee and board training and development programs to ensure employees providing IL services and those administering the IL program have the skills and knowledge necessary to perform their duties.

Status: The CIL continues to ensure that all new personnel goes through the 'Foundation for Independent Living' course with the Independent Living Research Utilization within their first 90 days of employment; The Board is in its final stages of finishing the By-Laws update and the New Board training material.

¹ DVR completed corrective action August 30, 2018, and signed a risk acceptance memo for the outstanding Space Coast CIL deficiencies.

Recommendation: We recommended the CIL update its financial policies and procedures so they do not conflict with contract terms and consistently follow its established policies and procedures.

Status: Finalization of this endeavor was delayed due to impact to individuals working on this from the storms & hurricanes that hit our area. Work is resuming this quarter.

Division of Blind Services District Allocations - The purpose of this audit was to ensure that DBS is effectively administering the program.

Recommendation: We recommended DBS strengthen their policies and procedures to include requirements for supporting documentation in the form of invoices and/or receipts for maintenance payments. In addition, we recommended DBS rehabilitation specialists document their verification of client receipt of services in AWARE. We further recommended DBS perform periodic reviews to ensure payments are made for allowable and necessary services and contain the appropriate documentation.

Status: DBS revised the Form 264, Maintenance Authorization Procedure Checklist to ensure supervisory review and approval of maintenance services. Staff are instructed to pay vendors directly for maintenance and this procedure is reinforced by the state office. Case reviews are conducted to ensure maintenance payments are used for allowable services and documentation is scanned in AWARE. The revisions to revised Policy 6.12, Maintenance are under review.

Bureau of Family and Community Outreach Grant Monitoring - The purpose of this audit was to review the grants monitoring process as conducted by the bureau and to determine if there is overlap of grant resources amongst grant recipients.

Recommendation: We recommended that the Bureau of Family and Community Outreach (BFCO) implement tools and processes to track recipients and sub recipients by location so they can identify recipients and sub recipients that receive multiple grants for the same client services.

Status: BFCO is purchasing a cloud-based application for each 21st Century Community Learning Center program to enter their programmatic data at the site level. Due to the site licenses being an annual contract, they are purchasing the application to be allocable for the 2018-19 project year.

Service Source² - The purpose of this audit was to ensure DVR and Service Source have sufficient internal controls to provide Vocational Rehabilitation services to the assigned workforce regions.

Recommendation: We recommended that Service Source enhance its processes to ensure they meet all deliverable requirements.

Status: Execution of new contracts is anticipated by July 1, 2018. Staffing is ongoing.

Recommendation: We recommended DVR review the requirements for subsequent contracts to ensure that the deliverable amounts are achievable.

Status: The new contracts are in negotiation stage with the DVR and Service Source. Target date for finalizing draft contract is January 30 2018. Contract execution set for July 1, 2018.

² DVR and Service Source management completed corrective action on July 18, 2018.

Recommendation: We recommended DVR improve their amendment review process to ensure all contractual requirements, penalties, and deliverables are accurately included in amendments prior to approval and execution. We also recommend DVR ensure the appropriate penalties are included in all future contracts.

Status: The new contracts are in negotiation stage with the DVR and Service Source. Target date for finalizing draft contract is January 30 2018. Contract execution set for July 1, 2018.

State Scholarships - The purpose of this audit was to ensure that the Office of Student Financial Assistance (OSFA) is effectively administering the centralized scholarships.

Recommendation: We recommended OSFA enhance their policies and procedures to include required timeframes for the remittance of funds for courses dropped by a student or courses from which a student has withdrawn when disbursements are made after the end of the semester. We additionally recommended OSFA utilize its statutory authority to withhold payment if an institution fails to make refunds in a timely manner.

Status: OSFA continues to work toward specific legislative authorization to delay payments for a subsequent year or term when there is failure to meet deadlines for returning or disbursing to students' scholarship funds. OSFA is in the process of updating the State Scholarship & Grant Programs Policy Manual. OSFA has reviewed the Policy Manual and has noted that the requirement to return funds is cited under Institutional Responsibilities. OSFA will update the Late Refund Penalty section of the Policy Manual to include a delay in funding for the subsequent term in addition to subsequent year. OSFA has reviewed what changes need to occur in the State Student Financial Aid Database (SSFAD) to best assist institutions in meeting their reconciliation deadlines. These include ensuring that the dates on the Reconciliation Report correctly reflect the most recent transaction for individual students. OSFA will be updating the Last Date Reconciled report on the Payment Summary screen to reflect each time the institution agrees with the payment summary.

Recommendation: We recommended OSFA enhance their policies and procedures to include required timeframes for the remittance of funds for undisbursed advances when disbursements are made after the drop and add period. We additionally recommended OSFA utilize its statutory authority to withhold payment if an institution fails to make refunds in a timely manner.

Status: OSFA continues to work toward specific legislative authorization to delay payments for a subsequent year or term what there is failure to meet deadlines for returning or disbursing to students' scholarship funds. OSFA has reviewed the Policy Manual and has noted that the requirement to return funds is cited under Institutional Responsibilities. OSFA will update the Late Refund Penalty section of the Policy Manual to include a delay in funding for the subsequent term in addition to subsequent year. OSFA is in the process of updating the State Scholarship & Grant Programs Policy Manual. OSFA has reviewed what changes need to occur in SSFAD to best assist institutions in meeting their reconciliation deadlines. These include ensuring that the dates on the Reconciliation Report correctly reflect the most recent transaction for individual students. OSFA will be updating the Last Date Reconciled report on the Payment Summary screen to reflect each time the institution agrees with the payment summary.

AUDIT RESPONSE COORDINATION AND FOLLOW-UP

The OIG provides a single point of contact, for external agencies auditing the department. This is done to ensure effective coordination and cooperation between the Office of the Auditor General, federal auditors, and other governmental bodies and to minimize duplication of effort. We coordinate information requests and responses and assist in scheduling meetings for these entities. We provide coordination of the required responses to preliminary and tentative findings issued by the Office of the Auditor General, OPPAGA, U.S. Department of Education, and other oversight agencies. We also coordinate the six-month response on the status of corrective actions taken by the department on any audit findings and recommendations issued by the Office of the Auditor General or OPPAGA. During the 2017-2018 fiscal year, we coordinated the following external projects and follow-ups:



Office of the Auditor General

REPORT NUMBER	REPORT TITLE
2017-004	SIX MONTH STATUS: COMPREHENSIVE RISK ASSESSMENTS AT SELECT STATE AGENCIES
2017-180	SIX MONTH STATUS: COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS
2018-083	SELECTED ADMINISTRATIVE ACTIVITIES AND INFORMATION TECHNOLOGY CONTROLS
2018-196	FEDERAL FAMILY EDUCATION LOAN PROGRAM (FFELP) SYSTEM
2018-189	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS

RISK ASSESSMENT AND AUDIT PLAN

Section 20.055, Florida Statutes, requires the inspector general to develop long-term and annual audit plans based on periodic risk assessments of the department. This helps ensure the OIG is responsive to management concerns and that those activities judged to have the greatest risks are identified and scheduled for review.

The risk assessment included identifying programs and activities administered by the department and evaluating each activity based on indicators of risk exposure, or risk factors. The programs and activities were determined through discussions with responsible management personnel and review of organization charts and the department’s strategic plan. Senior management then rated the vulnerability of the identified programs and activities by assigning scores for each activity on seven risk factors: financial impact, public relations impact, control environment, changes in operations/systems, management interest, audit coverage, and sensitive data.



Using the results from these efforts and our professional judgment, we developed the audit plan for the 2018-2019 fiscal year. The audit plan provides the most effective coverage of the department’s programs and processes while optimizing the use of internal audit resources. During the 2018-19 fiscal year, audit resources will be allocated to the following engagements:

2018-19 Audit Plan

DIVISION	PROJECT
INDEPENDENT EDUCATION AND PARENTAL CHOICE	PERSONAL LEARNING SCHOLARSHIP ACCOUNTS - CARRYOVER
BLIND SERVICES	TRACKER- CARRYOVER
PUBLIC SCHOOLS	FEDERAL EDUCATION PROGRAMS - GRANTS MONITORING - CARRYOVER
FLORIDA COLLEGES	BACCALAUREATE APPROVAL PROCESS - CARRYOVER
PUBLIC SCHOOLS	21 ST CENTURY COMMUNITY LEARNING CENTER
ACCOUNTABILITY, RESEARCH, AND MEASUREMENT	TEST SCORING AND REPORTING
ACCOUNTABILITY, RESEARCH, AND MEASUREMENT	FLORIDA COLLEGE SYSTEM PERFORMANCE FUNDING REPORTS
PUBLIC SCHOOLS	PROFESSIONAL DEVELOPMENT
PUBLIC SCHOOLS	FEDERAL EDUCATION PROGRAMS - GRANTS APPLICATIONS

FLORIDA COLLEGES	TEXTBOOK AFFORDABILITY
VOCATIONAL REHABILITATION	RIMS
VOCATIONAL REHABILITATION	FEE-FOR-SERVICE VENDOR (RED LION) - CARRYOVER
VOCATIONAL REHABILITATION	SPECIAL CONTRACT – UNIVERSITY OF SOUTH FLORIDA - CARRYOVER
VOCATIONAL REHABILITATION	TRANSITIONAL PROGRAMS
VOCATIONAL REHABILITATION	ADULTS WITH DISABILITIES
VOCATIONAL REHABILITATION	FORMAL CONTRACT
VOCATIONAL REHABILITATION	FEE-FOR-SERVICE VENDOR

INVESTIGATIONS

Section 20.055(7), Florida Statutes, requires each Office of Inspector General to initiate, conduct, supervise, and coordinate investigations designed to deter, detect, prevent, and eradicate fraud, waste, abuse or employee misconduct impacting the department. Additionally, in accordance with section 1001.20, Florida Statutes, the OIG will conduct or coordinate investigations into substantiated allegations that a district school board or college board of trustees is unwilling or unable to address relating to waste, fraud, or financial mismanagement, as determined by the Commissioner of Education.

The investigations section receives inquiries or complaints regarding departmental activity from many sources, including: the Whistle-blower's Hotline, the Florida Department of Financial Services' Get Lean Hotline, the Chief Inspector General's Office, the on-line complaint form on the OIG's website, letters, telephone calls, e-mails, and the Executive Office of the Governor.

If suspicion of potential criminal activity is discovered, it is referred to the appropriate law enforcement agency, as required by statute. The OIG coordinates with law enforcement on any criminal investigation, while ensuring that issues of an internal nature are addressed administratively.

Investigations staff monitor and track all cases to ensure:

- All case findings are reported to the Commissioner and appropriate managers.
- The OIG provides the necessary facts to the department's Office of Labor Relations, the Office of the General Counsel, and department managers to assist them in taking the appropriate actions.
- Cases involving criminal activity are referred to the appropriate law enforcement agency, in accordance with Florida Statutes.

Investigations are conducted in accordance with quality and quantitative standards as set forth in the *Association of Inspectors General Principles and Standards for Offices of Inspector General* and the *Commission for Florida Law Enforcement Accreditation*.

During the 2017-18 fiscal year, the OIG received 379 complaints from the public and other entities, referred 92 complaints to management, initiated 11 investigations, completed eight investigations, completed one school district review, coordinated or requested investigations for 50 complaints, and made four referrals to criminal agencies. The OIG processed 526 applicants' background checks, conducted 13 background check reviews, and completed 17 public record requests and redactions.

ADDITIONAL INVESTIGATIVE AUTHORITY

A part of Florida's school choice programs, the McKay Scholarships for Students with Disabilities Program provides Florida students with special needs the opportunity to attend a participating private school. Another program, the Florida Tax Credit Scholarship Program, encourages private, voluntary contributions to expand educational opportunities for children of families that have limited financial resources. In accordance with section 1002.39(6)(c) and 1002.395(9)(f), Florida Statutes, individuals may notify the department of any violation by a parent, private school, or school district of state laws relating to program participation. The department shall conduct an inquiry of any violation or make a referral to the appropriate agency for an investigation. Rules 6A-6.0960 and 6A-6.0970, Florida Administrative Code, provide that the department may, at any point, refer an inquiry to the department's Office of Inspector General or another appropriate agency for full investigation.

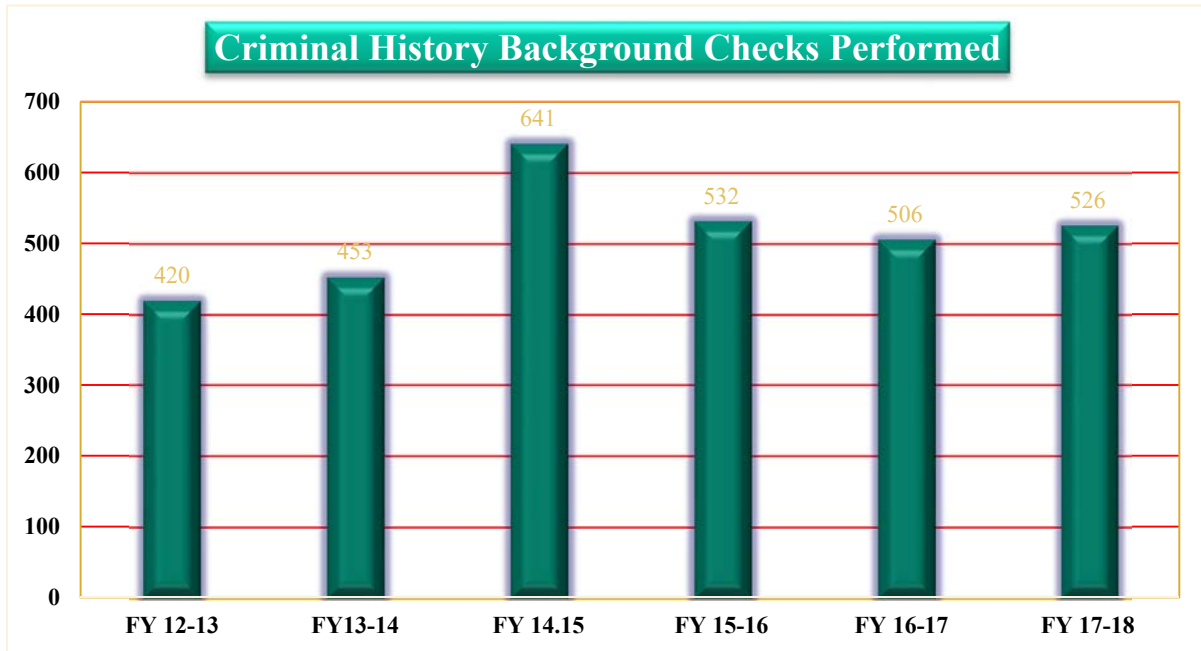
ACCREDITATION

An accreditation program has long been recognized as a means of maintaining and verifying the highest standards. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards. In 2009, the Commission for Florida Law Enforcement Accreditation (CFA) expanded its program to include inspectors general offices. In February 2014, the full CFA voted unanimously to award the certificate of accreditation to the DOE Office of Inspector General. On November 2, 2017, state assessors completed a re-accreditation review. In February 2017, the full CFA voted unanimously to award the certificate of re-accreditation to the DOE Office of Inspector General. The re-accreditation remains in effect for three years.



CRIMINAL HISTORY CHECK PROGRAM

In accordance with section 435, Florida Statutes, all employees, volunteers, and applicants must undergo a level 2 screening as a condition of employment. The Office of Inspector General is responsible for processing the results of the level II screenings of each applicant. During the 2017-2018 fiscal year, the OIG analyst conducted 526 applicant background checks and conducted 13 background investigations. The chart below depicts the number of background checks performed for each fiscal year from 2012-2018.



COMPLETED INVESTIGATIONS

During the prior fiscal year, the OIG investigated allegations of misappropriation of funds, fraud, and other employee misconduct. A synopsis of those investigations is provided below.

- The OIG received allegations that the staff of the Center for Independent Living of South Florida (CILSF) was falsifying customers' disabilities in order to classify them as eligible to receive services and a CILSF staff member was conducting a for profit business by assisting clients with preparing their immigration applications while using the center's time, location, and office equipment. The OIG interviewed the Division of Vocational Rehabilitation (DVR) Bureau Chief of Program Support and Policy, seven CILSF staff members, two CILSF board members, the former CILSF executive director, and five CILSF customers. Based upon witness testimony and evidence reviewed, the OIG determined there was insufficient evidence to substantiate the allegation that the CILSF staff falsified customers' disabilities in order to classify them as eligible to receive services. The OIG determined there was insufficient evidence to substantiate that a
- OIG

CILSF staff member conducted a for profit business while using the center's time, location, and office equipment in violation of CILSF Employee Handbook Section 104 Business and Ethics. The OIG recommended that the CILSF management improve the procedure for confirming eligibility for services, restrict the access to customer files in order to have better control of customer information entries, and limit the selection of disability listings in the customer data system to only specific choices and avoid using vague categories like "unknown," "other," or "physical." Additionally, the OIG recommended that CILSF management enhance the procedure for management to review staff members' entries in customer files in order to correct any erroneous information and provide awareness training regarding the CILSF's Conflict of Interest policy for all staff members. Lastly, the OIG recommended, due to the autonomy afforded to one unsupervised employee in a satellite office, the CILSF management ensure supervisory personnel frequently visit the satellite office to provide onsite supervision.

- The OIG received information regarding potentially improper withdrawal of students from public school to home school in a school district during the 2014/2015 school year. Specifically, OIG data showed that the school district withdrew students from their high school and enrolled them in home school at a rate exceeding the state average. Pursuant to F.S. 1001.20, Commissioner of Education Pam Stewart directed the OIG to investigate. Based upon witness testimony and documentation received, the OIG determined that a school district administrator directed staff to code students pursuing their GED (General Education Development) as home education students creating falsely inflated graduation rates. The OIG recommended that the FDOE Division of Assessment, Research, and Measurement provide training to the school district administration and registrars. Additionally, the OIG recommended the school district audit all files of students withdrawn to home education to ensure all statutes and rules were being followed. The OIG forwarded a copy the report to the FDOE Office of Professional Practices to determine if the subject administrator violated Florida Statutes or the Principals of Professional Conduct for the Education Profession in Florida.
- The OIG received information that a Florida Department of Education employee was using state equipment for personal business. The OIG removed the employee's computer for forensic analysis by the Florida Department of Financial Services Office of Inspector General. The analysis revealed the employee had deleted information, dated between August 2010 and July 2017, that was stored on his computer. However, multiple documents relating to checks, lease agreements, utility bills, pest control information, insurance information, and tenant information that were scanned to the computer were recovered. The OIG investigation determined the employee was an active Real Estate Broker and the president of one condominium association and treasurer and secretary of another condominium association. Based on testimony obtained and documents reviewed, the OIG substantiated findings that the employee conducted personal business during work hours using state equipment and did not obtain approval for dual-employment compensation.


- The OIG received allegations that a school district board member misused their position by improperly pulling an agenda item from the school board agenda and violated the district's cone of silence policy. The OIG's investigation found the allegations were not substantiated. The OIG recommended that the school district consider changing their practice of posting selection committee recommendations on the internet and only post agency notice of decisions concerning a solicitation or contract award once the board has voted to approve the solicitation or contract. The OIG further recommended that the school district consider amending their school board policy to require responsive bidders to abide by the "Cone of Silence" provisions that currently apply only to district staff and included similar language in all future procurement solicitations. The OIG also recommended the school district consider amending their contracts for technology services to require the use of a competitive solicitation when purchasing large quantities of computer hardware. Though the school district was not required to do a competitive bid by law, failing to competitively bid large procurements could prevent the district from obtaining the best deal for goods and services. Lastly, the OIG recommended the Florida Department of Education review Florida Administrative Code 6A-1.012(14) to determine if the exemption from competitively procuring information technology serves the best interest of the school districts and taxpayers.
- The Division of Accountability, Research, and Measurement (ARM) referred an elementary school to the OIG for investigation of an unusually high similarity index score on the Spring 2017 Florida Standards Assessment (FSA). The OIG notified the superintendent for the school district that the elementary school was identified for investigation. The school district conducted an investigation and interviewed students. Based on their preliminary findings, the school district asked the OIG to investigate an allegation of fraud regarding the Spring 2017 administration of the FSA at that elementary school. Pursuant to F.S. 1001.20, the Commissioner of Education directed the OIG to investigate this allegation. Based on testimony obtained and documents reviewed, the OIG determined that a teacher at the elementary school assisted students with the Spring 2017 FSA 5th grade English Language Arts (ELA) Reading Assessment in violation of Florida Statutes 1008.24. The OIG recommended the elementary school prohibit teachers from administering the test to students they teach. The OIG forwarded a copy of this report to the FDOE Office of Professional Practices to determine if the teacher violated Florida Statutes or the Principles of Professional Conduct for the Education Profession in Florida. The OIG recommended that the school district review the OIG report and take any action deemed appropriate against the teacher. The OIG also recommended to ARM that they exclude the students that the teacher administered the Spring 2017 FSA 5th grade ELA Reading Assessment to when calculating the elementary school's final school grade.
- The OIG learned of a potential breach of personal information from the Office of Student Financial Assistance (OSFA) when the OSFA fax number was transferred from one phone carrier to another. In this instance, the phone number changed carriers and the number was assigned to a new owner. The new recipient of the fax line was a university

student who accessed the number via J2 Global, a company that permits the sending and receiving of faxes using the internet. FDOE and the OIG worked with the university to secure the fax/emails sent to the student in error and block any further incoming emails. FDOE worked with J2 Global to block incoming faxes to the OSFA number and secure all faxes received. FDOE removed the fax number from the OSFA website and notified CenturyLink that the number had been ported in error.

The OIG inquiry determined that no one at FDOE or DMS filed a request with CenturyLink to relinquish or reassign the fax number. CenturyLink stated that the Federal Communications Commission rules do not allow them to confirm the ownership of any phone number in response to a porting request. CenturyLink also reported that they developed a script to freeze (protect against porting) all state owned phone numbers. Further review by CenturyLink determined that roughly 400 State of Florida numbers were not locked as programmed by CenturyLink. The OSFA phone number was included in the 400. In response, CenturyLink started securing the phone numbers to ensure the numbers are not ported in the future. Additionally, J2 Global and the university reported that they have deleted all copies of the faxes/emails that were sent to the OSFA phone number. Based on the information obtained, the FDOE OIG closed the investigation and referred a copy of the findings to DMS for action deemed appropriate.

- The Office of the Chief Inspector General received a complaint alleging possible safety, zoning, and billing issues at a private school for students with Autism Spectrum Disorder and other developmental disabilities. The complainant expressed concerns that the private school is operating three school sites when only one site is authorized as an approved school. The other locations are actually two children's therapy intervention centers for students. The complaint alleged the sites were performing and billing scholarship programs for education when these two sites are unauthorized, not zoned as schools and have “not had proper fire, health, and zoning in places as required before students can attend the sites.” Additionally, the complaint alleged that McKay scholarship students that are registered to attend the public school are actually attending classes at one or both of the unapproved sites. The complaint was forwarded to the Florida Department of Education (FDOE) Office of Inspector General (OIG). The OIG conducted interviews, analyzed records, and surveyed 40 parents. The inquiry revealed no fraud, waste, or financial mismanagement, but did raise questions related to the accuracy of the billing submitted by the public school as well as the proper fire, health, and zoning inspections at the two children's therapy intervention centers. Based on the information obtained, the FDOE OIG closed the investigation and referred a copy of the findings to the Office of Independent Education and Parental Choice (IEPC) for review related to the accuracy of the billing submitted by the public school and to ensure the proper fire, health, and zoning inspections at two children's therapy interventions centers. The OIG recommended that IEPC work with all parties to take corrective action and address these matters. Additionally, the OIG requested that IEPC immediately report to the OIG if, at any time, IEPC believes fraud, waste, or financial mismanagement has occurred.

OTHER INVESTIGATIVE ACTIVITIES

- The OIG received a complaint related to cost overruns at a newly constructed high school along with allegations that the school was built on a contaminated landfill site. OIG research revealed records that document several board meetings and news articles surrounding the construction, delays, site contamination, and cost overruns. The school district staff cited lag time to start the project, inflation, poor estimations, labor shortages, rising costs of building materials, and construction costs, as well as design changes that were never factored into the estimated costs, for the ballooning price of building the school. The school board related that design changes were made to bring the cost back in alignment with what the board originally approved. Additionally, the OIG discovered that the school board was aware and took action related to the contamination on the site and cleanup and inspection records reflect corrective action was taken and involved state and federal environmental review. The complainant provided the name and information of a witness who was on the construction team and who was reportedly singled out as the “fall guy.” The complainant proffered this witness had information and tried to warn his superiors of cost overruns. The OIG interviewed the witness. The witness provided information that the project was plagued with a myriad of uncontrollable circumstances, what he called “the perfect storm,” that included site changes, design changes, labor shortages, material cost increase, and a hurricane; he was confident there was no financial fraud in the construction. The witness specifically monitored the project to ensure there was no fraud. The witness cited an instance where some two million dollars in cost assumptions, related to inflation, was not disclosed to the school board. The OIG discovered that the two million dollars in cost assumptions related to inflation was openly reported and discussed at a Lee County School Board meeting. With clear evidence that the witness alerted the project team, board members, and others present at the meeting about the projected \$2 million inflation cost increase the OIG closed the complaint.
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- The OIG received information from a parent in a School District regarding school t-shirt purchases and how donations from those purchases were being spent. Specifically, the complainant alleged that for every t-shirt purchased by parents, a \$2.00 donation was collected by the vendor and paid to the School District to allow the district to purchase t-shirts for underprivileged or low-income children. The complainant further alleged that the collection and payment of the \$2.00 donation occurred without the parents’ knowledge and expressed concerns about a possible misappropriation of the funds due to a relationship between the vendor and a school district staff member. Ledgers obtained by the OIG showed a working balance of \$52,104.00 in the t-shirt fund. The ledgers showed very few expenditures for shirts for underprivileged or low income families and students. Although the OIG found no evidence of fraud, the large balance in the t-shirt fund suggested the funds were not being used for their stated purposes. The OIG made the school district aware of the growing balance in the ledger and encouraged the district

to ensure these funds were not misappropriated in the future. Additionally, as the fund has grown to over \$50,000, the OIG recommended discontinuing the program, or at the very least, letting the parents choose whether they make a donation.

- The OIG, in conjunction with the FDOE Office of Professional Practices Services (PPS), conducted a management review at the request of the Commissioner of Education. The review was to determine whether a School District complied with the student reassignment requirements in the approved Turnaround Option Plan (TOP). The review included student reassignments at four different elementary schools. The team reviewed student reassignment data provided by the department, reviewed turnaround documentation submitted by the district, interviewed parents (parents) of affected students, and interviewed applicable DCPS staff. The information was presented to the Commissioner.

WHISTLE-BLOWER DETERMINATIONS

The investigations section completed one whistle-blower determination during Fiscal Year 2017-2018. After assessing the complaint, the OIG determined that the allegation did not demonstrate reasonable cause to suspect that the department or independent contractor violated any federal, state, or local law, rule, or regulation. The complaint was referred to the necessary entity for action deemed appropriate and did not lead to an OIG Investigation.

OTHER OIG ACTIVITIES

Review of North Broward Hospital District

In January 2016, the Office of the Chief Inspector General initiated a review of the North Broward Hospital District (Broward Health). Broward Health is a special taxing district governed by a seven-member Board of Commissioners, each appointed by the Governor to a four-year term. The Board exercises budgetary authority, selects senior executive management, participates in fiscal management, provides taxing authority and determines the scope of services to be provided to the community. The DOE Inspector General and Director of Investigations participated on the review team. The review is currently ongoing.



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